

NGĀTI KAHUNGUNU IWI INCORPORATED

HUI-Ā-TAU 2023

*At Tukituki Board Room, Taikura House, Hastings
On Saturday, 24 November 2023 at 9.00am*

NKII BOARD Bayden Barber, Nigel How, Melissa Ihaka, Brian Ruawai-Hamilton,
Thompson Hokianga, Jenny Nelson-Smith, Hayden Hape,

KAHC BOARD Mike Devonshire
Rawinia Lewis

NKII STAFF PRESENT: Chrissie Hape, Chief Executive
Michelle Ferris, Executive Assistant to the CE & Personal Assistant to the
Chair and NKII Board Administrator (scribe)
Ruth Wong, Director, Smart Services & Communications Advisor
Te Rangi Huata, Events Manager
Ngaio Tiuka, Director of Environmental & Natural Resources
Danielle Keil, Special Projects Co-Ordinator
Waiora Kireka, General Office Administrator/Receptionist
Hine Hape, Finance Officer
Jane Cunningham, Whai Kainga Whai Oranga, Project Lead
Hannah Kupa-Elliott, Whai Kainga Whai Oranga, Project Assistant
Christopher Karaitiana, Te Kura Programme Lead

AGM AGENDA ITEMS: Karakia
Opening Waiata
Mihi Whakatau
Agenda Item 1: Apologies
Agenda Item 2: Maumahara
Agenda Item 3: Previous Minutes
Agenda Item 4: Chairman's Report
Agenda Item 5: Kahungunu Asset Holding Company Report
Agenda Item 6: Financials
Agenda Item 7: Appoint Auditor
Agenda item 8: Annual Plan 2023-2024
General Business
Himene: He Honore
Karakia Whakamutunga

WHĀNAU *Attendance list TB attached. (Appendix 1)*

OPENING WAIATA: Te Reo o Takitimu

KARAKIA Bayden Barber

1) MIHI WHAKATAU

1.1 Tēnā tātau katoa, tātau kua karapinepine mai tenei whare kua huhui tahi mai nei tēnei te hui-ā-tau o Ngāti Kahungunu Iwi, tenei te karanga atu kia koutou haere haere mai. Haere mai koutou nga mata mata huanga mai Kahungunu ki runga ki raro ki uta ki tai mai Paritu ki Turakirai koutou kua neke penei mai ki te poho o Heretaunga ki tenei wāhi o Splash planet i tenei ata, ahakoa te makariri me te marangai kua mahana tatau tenei whare, te tumanako ia ka whai wahi pai nei te titiro o te ra hei te ahi ahi nei. Heoi anō tenei ahau e mihi atu nei kia koutou kua haere mai nei i tenei wā. Pai te kite nei kua kii te whare nei, i a koutou a kui mā a kaumatua kua haere mai ki tenei te hui a tau o Ngāti Kahungunu. Nō reira haere mai piki mai kāke mai, haere mai nei i runga i ngā ahauatanga i tō tātau nei tini aitua tini mate ko rātau te hunga kua riro rātau ki te pō, rātau kua huri kanohi atu kua huri tuaro mai tenei taonga i mahue mai a maui tikitiki a taranga ko ona kai patu ko hupe rāua ko roimata no reira e ngā mate o te wā tenei te tangi tenei te tangi. Ko te ika nui o te tau kua hipa nei ara ko tātau nei rangatira ko JB Heperi-Smith, kua mate e noho mai na. Tera tangata kua roa nei e kōkiri ana i ngā kaupapa ā iwi i ngā kaupapa a hapu nga marae, āha atu. Atu rā nei tenei te tangi atu ki aia, me ana whānau ana tamariki, mokopuna ko noho pani i tenei wa, nō reira taku rangatira JB moe mai moe mai rā. Te wā i a koe ka kawē nei ngā kaupapa ā ngāti Kahungun koe hoki tera kua noho nei hemana tuarua i roto i ngā tau, nā reira tika tonu kia tangihia tera atu rangatira o tātau. Tenei te tangi atu rā koutou ngā mate o te wa, moe mai rā moe mai ra. Kapiti hono tatai hono, ratau te hunga mate kia ratau, kapiti hono ratau, ko tātau te hunga ora,ngā tuke mata o Kahungunu, haere mai piki mai kake mai ra.

1.2 NKII Deputy Chairman, Thompson Hokianga, provided a summary on behalf of the Iwi Board, underscoring the significance of the iwi's voice. He acknowledged the importance of accountability and urged active engagement from the people. Thompson emphasized that the iwi holds the voice, skills, vision, and whakapapa, expressing pride in being part of Kahungunu. 2023 faces challenges and opportunities while endeavouring to support the Iwi vibrant whānau and adapt to the for-ever changing world. It is our pleasure to present to you all today.

2) APOLOGIES

2.1 Apologies for today were communicated on behalf of the following individuals: NKII kaumatua Haami Hilton, Edina Hilton, Eruera Beattie, Hori Reti. Apologies from the floor were extended by Aramanu Ropiha, Charles Ropitini, Cordry Huata, Hira Huata, Zane Tahau Whelan, Mike Pohio, Chad Tareha, Te Kaha Hawaikirangi, Julie Ferguson, Winipere Mauger, Aria Graham, Ratahi Cross, and Alex Guilleux. Apologies are also posted on the Iwi Facebook page; Owen Hapuku, Harataki Manihera, Ani Cribb, Lorraine Stephenson, Henare O'Keefe, Amo Puha

2.2 *Motion: That the apologies be accepted.*

Moved by Mike Paku

Seconded by Kane Koko

Motion Carried.

3) MAUMAHARA

3.1 A commemorative video presentation was displayed, honouring those who passed away in 2023. Stan Walker's waiata tautoko, "Mate Marie," was played, paying respects to the Maumahara.

No reira, i ngā mate huhua o tātau o Ngāti Kahungunu tika tonu ngā maringi mai ngā roimata o rātau, ko rātau kua wheturangitia, nā rei ra kapiti hono tatai hono te hunga mate ki te hunga mate haere ki te po nui ki te pō roa, ki te pō oki atu, kapiti hono tatai hono ki te hunga ora ka hoki mai ra kia tatau, tēnā koutou tēnā koutou katoa.

4) MINUTES OF PREVIOUS AGM MEETING

4.1 Summary of Minutes taken as read. Recommendations and motions reported here as shown by PowerPoint on screen.

4.2 *Motion: That the minutes of the Annual General Meeting held Saturday 26 November 2022 be accepted.*
Moved by Tania Eden
Seconded by Marama Tiakitai
Motion Carried.

4.3 QUESTION RAISED FROM THE FLOOR

4.3.1 Grace Ropitini - the minutes indicate (paragraph 6.6 and 6.7), an inquiry was made about the sale of FLC shares. The response provided emphasized the temporary return of shares is crucial to note, and important to emphasize that the shares were NOT sold. Additionally, the accuracy of the minutes was acknowledged, but a question was raised concerning whether the Iwi Board stands by this statement.

4.3.2 Bayden Barber, Chair - clarifies the shares were NOT sold, but rather a loan was taken out, and there is an obligation to repurchase them. Grace explained that the reduction in shares from \$1,36,670 to \$39,670, as reflected in the financial statement, is a result of this transaction. Additionally, the 2022 account reports \$3 million from the sale of shares.

4.3.3 Bayden Barber, Chair - mentioned that KAHC co-chair Mike Devonshire will address the financial questions related to KAHC after the board presents the KAHC Board report.

4.3.3 Tania Eden - Subject to moving the motion, I request to amend (paragraph 6.15) from "acknowledged the NKII Kaimahi who assisted our Taiwhenua, in particular, Ruth Wong, Shade Smith, Ngaio Tiuka, and Hine Hape.

The previous minutes should have noted, "*recognizing the efforts of NKII kaimahi Chrissie Hape and her team, with special acknowledgment to Ruth Wong, Shade Smith, and Ngaio Tiuka for their contributions in the environmental space. My inquiry is as follows: Have there been any losses in the NKII Operations area?*"

4.3.4 Bayden Barber, Chair - we observed a loss this year amounting to approximately \$1.8 million. Additionally, the NKII staff administration has faced challenges in accessing the \$1.8 million KAHC Dividend.

5) BAYDEN BARBER, CHAIRMAN'S REPORT

5.1 The Chairman's report was presented through a video presentation, addressing challenges, sharing experiences, and outlining future plans. The focus to both the immediate upcoming years (up to 2026) and the subsequent 25 years. The primary objective was to gather aspirations and encapsulate the vision of our people, emphasizing the motto "Your success is our success, mo tātau katoa." Despite the highs and lows experienced by Māori organisations, marae, Taiwhenua & PSGEs, there is much to be proud of, and it is crucial to celebrate those aspirations as Ngāti Kahungunu progress forward.

5.1.2 The key message conveyed was centred around āpōpōtanga o tēnei o Ngāti Kahungunu, signifying "What the future holds for us" and representing the journey of the Iwi Board. There is also an emphasis on engaging with Marae, hapū to gather information on the aspirations and visions of Ngāti Kahungunu Iwi.

- 5.1.3 Despite facing challenges such as the impact of Cyclone-Gabrielle and changes within Te Kapōreihana o Ngāti Kahungunu Iwi, the report highlighted the collective efforts of Ngāti Kahungunu and the Taiwhenua, PSGEs, emphasizing their dedication to the response, recovery, rebuild processes. Sentiments expressed to all our marae chairs in attendance today.
- 5.1.4 This year has presented considerable challenges for our Māori communities. Despite communicating to the government that our Māori communities were the most severely affected by the cyclone, securing funding and housing support has been an ongoing struggle, placing us at the back of the line. Nevertheless, we are observing positive advancements, including families receiving essential care for their affected homes and the implementation of numerous temporary housing solutions in our marae communities.
- 5.1.5 This has resulted in numerous positive changes for our whānau and increased engagements with both central and local government. During the response phase, the Tihei Mauri ora played a crucial role in the regional response by dispatching various supplies to our whānau. Special acknowledgment is extended to our CEO Chrissie Hape and her team, who have shown exceptional dedication in fostering key relationships during the response and recovery efforts, to ensure our whānau have the necessary support and resources to thrive in the aftermath of Cyclone Gabrielle.
- 5.1.6 **CYCLONE GABRIELLE** - Various iwi from across the country generously contributed amounts ranging from \$1.50 to over five hundred thousand dollars. In total, \$1.4 million was donated to NKII, directed through our iwi, and distributed to support our impacted marae and Taiwhenua. I extend my gratitude for the support received from other iwi and whanaunga o te motu.
- 5.1.7 Following the impact of Cyclone Gabrielle, our challenges persisted with the closure of Takitimu Seafoods, adding another complex decision for our board to navigate. Several board members had been present since the inception of Takitimu Seafoods, a flagship initiative for the iwi in managing the entire process from sea to plate - encompassing fishing, processing, and marketing for our whānau. Despite the emotional ties, closing the business was an arduous but ultimately necessary decision and instantly we experienced an improvement in our financial standing. *"We have laid Takitimu to rest"*.
- 5.1.8 **NKII TEAM** - Chrissie has expanded her team significantly; it was once a small group, but over the years, she has increased capacity at the tari. However, in terms of solutions, we must collaborate closely with our whānau. With the current high inflation rate, it is indeed a challenging time for whānau to provide food for their tables, particularly as we approach Christmas. Some will face difficulties during this period.
- 5.1.9 It is essential to clarify that NKII is not a service provider; our Taiwhenua delivers services directly to our people. Our role revolves around advocacy on behalf of our whānau at the government level to ensure we align and support the aspirations of our iwi.
- 5.1.10 **COMISSIONING AGREEMENTS** - We term this process "commissioning" because it involves a more prominent role for iwi, fostering a rangatira-to-rangatira approach and relationships with partners, mirroring our PSGEs. Hosting these gatherings to deliberate on iwi needs is crucial. Looking ahead over the next 25 years, we aim to understand the aspirations of our people and determine what it will take to propel us to the next level. We firmly believe that we are progressing in this direction, signalling an upward trajectory for Ngāti Kahungunu. A key focus is on addressing how we can facilitate our people's access to affordable homes.
- 5.1.11 **AFFORDABLE HOUSING** - Ngāti Kahungunu housing agenda involves temporary housing, totalling 86 Kahungunu homes. Currently, some of these homes have been established in Porangahau and Omaha to support our whānau affected by Cyclone Gabrielle.

- 5.1.12 Additional homes are planned to be placed in Waiohiki and Tangoio and Tatau Tatau are installing cabins in Wairoa. Several papakāinga are under construction in Waipatu, along with affordable rental units. We are actively advocating to ensure that our whānau can access these affordable rental options within our region.
- 5.1.13 **LOCAL GOVERNMENT AGENCIES** - In collaboration with government agencies, effective partnerships with TPK, MHUDS, Iwi, and Taiwhenua have led to a substantial decrease in housing demand in Hastings. This positive outcome is reflected in a reduced waiting list for enduring housing. As part of our ongoing efforts to assist whānau in transitioning to more sustainable housing opportunities, the five Temporary Accommodation Services (TAS) motels in Hastings have been closed off.
- 5.1.14 **AUDIT RISK COMMITTEES** - This year has been one of consolidation, prompting us to introspect and affirm that we cannot afford to continue losing millions of dollars of Iwi money, kao! Collaboratively, we have been actively engaging with the Risk & Audit committee for both the Iwi and the KAHC, as well as establishing a Risk & Audit committee for the entire group. These efforts are aimed at ensuring rigorous oversight and maintaining financial integrity across the organization.
- 5.1.15 **CHAIR CLOSING REMARKS** - we are poised to move forward with enthusiasm and are excited about the challenges that lie ahead. Our aim is to elevate our Iwi to new heights, and we want to instil confidence in this board and the KAHC among all stakeholders. Transparency is a key commitment, and we will consistently communicate the realities of our journey and the destination we are striving to reach.
- 5.1.16 Bayden Barber, Chair - notified the audience to defer any inquiries until the conclusion of today's scheduled presentations.

5.2 *Motion: That the Chairman's annual report for 2022-2023 be accepted.
 Moved by Waiora Rogers
 Seconded by Waylyn Tahuri-Whaipakanga
 Motion Carried. ALL*

6) **KAHUNGUNU ASSET HOLDING COMPANY CO-CHAIR REPORT**

- 6.1 **OPENING REMARKS** - Co-chairman Mike Devonshire: I am honoured to present the annual report for the Kahungunu Assets Holding Company. This year, we extend our gratitude to past board members who have stepped down: Heather Skipworth, Barry Wilson, and the former chair Trevor Moeke.
- 6.1.2 The past year has presented exceptional challenges, and I commend each of you for being here today. I also want to acknowledge JB Heperi-Smith. His spirit is palpable in the room, particularly within the company and I sense that his presence continues to guide and support us. The company holds remarkable assets, all efficiently managed, and the outlook is promising.
- 6.1.3 In essence, the report is very clear. We faced some challenging decisions this year, and it was not a process undertaken in isolation. Regarding Takitimu Seafoods, considerable effort was dedicated over several years to make it viable. Ultimately, after thorough consultation with the Iwi board, we charted a path that aimed for the optimal outcomes for both the shareholder and the company. We prioritized the assets at our disposal, particularly focusing on doing our best for the people directly affected. We acknowledge the affected individuals as this was undoubtedly a difficult period.
- 6.1.3 **ASSETS** – the Holding Company oversees remarkable assets that are generally well-managed, and the outlook is promising. Notably, Tautane Station stands out as an incredible piece of farmland with historical and cultural significance for the Iwi. We have an excellent partnership with the lessee, and we anticipate extending this collaboration further into the future. This

presents numerous opportunities for us as we continue to grow and becomes more familiar with the area.

- 6.1.4 **FISHERIES** - The fisheries investments have performed exceptionally well, resulting in a commendable profit for the year despite challenging circumstances. We plan to continue investing in these assets, exemplified by our commitment to reinvesting back into FLC.
- 6.1.5 This re-investment is a key focus of the board, and we are optimistic about seeing more positive outcomes in the coming year.
- 6.1.6 Alluded to the alignment of vision within the Risk and Audit Committee, emphasizing the value of clear and direct discussions on issues and risks. This alignment is positive for us as it provides a clear understanding of the shareholder's expectations and the Iwi's perspectives, with immediate feedback, which is highly beneficial.
- 6.1.7 He addressed the challenging decisions that were made in consultation with the Iwi board, recognizing the difficulty of the period. The KAHC navigated a challenging year in a demanding environment and change. Additionally, Mike mentions the changes in the Asset Holding company board's management approach, highlighting increased reliance on the major shareholder.
- 6.1.8 **K3 Property Development** - Furthermore, we encountered significant challenges with the K3 Property Development. To achieve a favourable resolution, we anticipate positive progress in the next two to three months. I am open to addressing any questions related to this matter after the presentation.
- 6.1.9 **CLOSING REMARKS** - overall, we have demonstrated commendable financial performance in challenging circumstances. However, it's essential to emphasize that our focus extends beyond financial aspects; it unequivocally involves safeguarding our assets and acting in the best interests of the Iwi for the long term. Recognizing the leadership of the NKII Chairman and the NKII Board, we feel fortunate for the consistent guidance and support from the Iwi Board during challenging times. Thank you very much for your ongoing support.

6.1.10 *Motion: To accept the Kahungunu Asset Holding Company annual report for 2022-2023 be accepted.*
Moved by Donna Whitiwhiti
Seconded by Charlotte Mildon
Motion Carried.ALL

7 **GROUP FINANCIAL OVERVIEW:**

- 7.1 Bayden Barber, Chair - verifies that the audit for 2022-2023 has not been concluded. All aspects of the business have undergone auditing and finalization, except for the Kahungunu Property Development K3. We are encountering challenges with K3 and currently addressing them.

The Kahungunu Group has achieved a commendable \$2.2 million before-tax profit, marking a positive turnaround from the \$1 million deficit reported last year. This financial success reflects a significant increase in revenue, reaching \$28,153,677, compared to last year's \$25.5 million. Notably, expenses have seen a reduction from \$31,034,335 reported last year to \$25,923,852. The Iwi's strategic cost-cutting measures have positively impacted our members, demonstrating prudent financial management.

8 **QUESTIONS RAISED FROM THE FLOOR:**

- 8.1 Matt Mullany – I'd like to express my gratitude to the Iwi governance board and operations team of the Iwi. I acknowledge that everyone is diligently working in challenging

circumstances, demonstrating a strong commitment to serving the needs of our people. Your passion is evident in the gathering here today. I must also acknowledge my frequent engagements with Ruth, who has been exceptionally patient and helpful in providing the necessary information. I have three questions (patai): Last year, I emphasized the substantial financial losses and called for increased transparency, citing Takitimu's loss of \$16 million in its initial three years of operation and NKII's overall losses amounting to approximately \$25 million, representing a third of our total net equity.

My questions are as follows: How do we intend to return to the starting point, and what is the investment plan to propel us from our current situation to where we need to be in the future? What is the strategic plan in place?

8.1.2 Bayden Barber, Chair - highlighted that we possess a plan, complete with a statement outlining investment priorities and objectives. It's noteworthy that a Comprehensive Yearly Plan Overview (CYPO) has been absent for quite a while. The plan is currently in draft form, awaiting finalization with our board.

8.1.3 Matt Mullany - requested to provide the members with an overview or indication of the plan?

8.1.4 Mike Devonshire - emphasized the initial phase of the plan involves putting a halt to any financial losses. He proposed a comprehensive evaluation of the expected returns on various classes of assets under normal circumstances. This step is essential to gauge the anticipated returns and guide future investment decisions and proceed to evaluate their performance levels. This assessment leads to various questions and potential options.

8.1.5 Mike Paku – inquired whether this approach would mitigate some of the financial challenges.

8.1.6 Mike Devonshire – affirmed that, overall, it is making a positive impact. The Takitimu Seafoods situation was exceptional, and the choice to cease operations at Takitimu Seafoods aligns with the overall strategic plan. As we evaluate our classes of assets, our focus is on identifying well-performing assets, addressing underperforming ones, and strategizing to ensure a stable platform for operations.

K3 is a key area of concentration, and our priority is to ensure its sustainability. The initial step of the plan involves discontinuing poorly performing assets to prevent them from negatively impacting the iwi. This approach is deemed unsustainable and unacceptable. Subsequently, we aim to leverage existing resources for expansion and growth, either through the growth of equity or by acquiring new assets. The current phase involves a thorough assessment to align our plans with the shareholder, marking a crucial part of our consolidation efforts. The overarching plan is to continue investigating, protecting, and strategically growing our assets.

8.1.7 Matt Mullany - NKII is mandated to provide its members with audited accounts 20 days before the AGM. The disappointment lies in the revelation that these audited accounts won't be available until 2024, a communication that wasn't forewarned to the Iwi members. While understanding that delays can occur occasionally, the concern deepens as this marks the third consecutive year of tardiness. My inquiries seek clarification on the reasons behind these delays and the measures implemented to instil confidence in iwi members that the constitutional obligation of timely issuance of audited accounts will be met in the coming year.

8.1.8 Bayden Barber, Chair - acknowledges the delayed delivery of audited accounts in the past three years. Over the last nine months, we have proactively collaborated with our auditors to address this issue and improve the timeliness of our financial reporting. The auditors have indicated that the accounts cannot be finalized due to K3's current situation. The iwi board is actively engaged in discussions about the plan moving forward, and we are confident that we can provide support and assistance to K3 directors in achieving a zero budget for the business.

8.1.9 Matt Mullany - regarding liabilities, the summary accounts reveal current liabilities amounting to \$29.8M, surpassing current assets of \$24M by approximately \$5.8M. This suggests that, on the surface, NKII may struggle to fulfil its current debts. The critical questions arise: Are we

solvent? Can we sustain our operations? What measures has the board initiated to reassure our iwi members that both the board and the KAHC are equipped to navigate and rectify this financial and commercial challenge?

- 8.1.10 Bayden Barber, Chair - discussed the financial position, highlighting that the total value of our assets surpasses our liabilities, indicating a positive net equity. This signifies a favourable stance in terms of the iwi financial health.
- 8.1.11 Grace Ropitini - Expressed gratitude to the board and everyone involved during challenging times and emphasized the significance of being present today. Acknowledged Matt Mullany and extended greetings to all members present today. Raised a question regarding the lateness of the audit and inaccuracies in reporting for 2022, as well as the delay in 2023 and the presentation of unaudited DRAFT financial statements not prepared according to standards. Inquired about the possibility of holding a special general meeting once the audited accounts and full financial statements are available, allowing iwi members to examine the accounts and question the NKII Board on the results.
- 8.1.12 Bayden Barber, Chair - confirms that convening a Special General Meeting (SGM) is indeed an option and expressed agreement with the idea of holding an SGM for iwi members to address the concerns raised.
- 8.1.13 Grace Ropitini - expressed a desire for a commitment to ensure trust in the numbers, particularly addressing the inaccuracies that have been identified.
- 8.1.14 Bayden Barber, Chair – is requesting patience regarding the inaccuracies and mentioning that if the auditors were present, they could provide information about their work.
- 8.1.15 Grace Ropitini – stated that there is a discrepancy in the financial statements presented in the KAHC Chair report, creating a misleading impression. For instance, the 2023 Chairs report indicates a profit of \$2.3 million, while the summary statement mentions \$1.32 million, reflecting a difference of over a million dollars. Similarly, in 2022, the chairmans report claimed a profit of \$1.35 million, but the reported position for 2022 was a loss.
- 8.1.16 Bayden Barber, Chair – acknowledged the concern and expressed a willingness to sit down and work through the discrepancies with you.
- 8.1.17 Grace Ropitini - pointed out discrepancies, including \$71M, reported in the managers' report as opposed to \$58M, in iwi statements. She highlighted overall inaccuracies in the reports and unaudited numbers and requested a commitment that when the audited numbers are available, a hui for members be held to question the board on those audited numbers.
- 8.1.18 Bayden Barber Chair - The next motion on the agenda is that a Special General Meeting (SGM) be held once the finalised audited accounts are available.

<p>8.1.19 <i>Motion: That a Special General Meeting (SGM) be held once the finalised audited accounts are available.</i> <i>Moved by Billie Whaanga</i> <i>Seconded by Kane Koko</i> <i>Motion Carried.ALL</i></p>
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- 8.1.20 Mike Paku – questioned the mention in the Chairs report about the \$1.4 million koha for Cyclone Gabrielle relief, seeking clarity on its utilization, distribution, and recipients.
- 8.1.21 Bayden Barber, Chair – the funds were distributed both to Taiwhenua and marae. The board deliberated on how and where the funds should be allocated across the affected rohe.

- 8.1.22 Marie Brown - mihi to the governance board and NKII operations team. I have several inquiries. Three years ago, Takitimu Seafoods experienced financial losses, starting at of \$5 million and escalating to \$10 million. The chair mention of K3, bleeding raises great concerns, and I'm curious if it is following similar trajectory to Takitimu. Is the asset Holding Company covering the costs associated with K3 issues, and could you provide details on the current challenges it is encountering? Additionally, I'm interested in the outlook for the Takitimu assets.
- 8.1.23 Bayden Barber, Chair - Regarding K3, they function as the general partner, while we serve as the limited partner. We maintain an arms-length relationship, and they are responsible for conducting their mahi. The Iwi Board and the KAHC Board are mobilizing to support K3. While the situation with Takitimu involved 70 staff members and a significant investment, K3, with its smaller team, faces challenges of its own. Although the scale may not be comparable to Takitimu, we acknowledge the issue and are committed to assisting K3 in improving its position. The situation is intricate, and there are also commitments with our hapu that need to be addressed. The plan is underway, and the board are confident that we can resolve this.
- 8.1.24 Mike Devonshire - Bayden is right and is a collective effort to address the situation with K3. There are two crucial aspects to consider: the construction and trade training for our future generations, which we aim to preserve as an important kaupapa. Essentially, we are hopeful that there won't be a recurrence of the challenges faced by Takitimu. Firstly, we acknowledge the need to address creditors in full, and we are also committed to fulfilling the company's obligations, particularly those related to building houses. Our focus is on executing the plan for these objectives, and the group are actively collaborating with the auditor in this regard.
- 8.1.25 Marie Brown - would you agree that K3 has the capability and the capacity to resurrect itself.
- 8.1.26 Mike Devonshire, KAHC co-chair - clarified that it can be transformed in a way that is sustainable. However, its operations will not replicate past practices. While I cannot directly act for them as a separate entity, as a group, we are diligently working to prevent any recurrence of such issues in the future. The KAHC is diligently developing a plan to resume operations at the Takitimu Seafoods site within the next six months. While it won't be us directly, we are engaging with someone experienced and with a proven track record in operating like Takitimu Seafoods. We are the leaser, and they would become the lessee. We hope that our people will actively participate and get involved in the operations. Discussions are ongoing in this area, and further details cannot be disclosed at this time.
- 8.1.27 Matt Mullany – I understand the explanation that K3 sits outside the group and what is the accountability between K3 and NKII.
- 8.1.28 Mike Devonshire, KAHC co-chair - clarified that it resembles the Takitimu situation, where they function as a general partner, limited partner structure, and the holding company essentially makes board appointments.

General Business

8.1.29 Huia Huata - extends gratitude to those who discussed the financials and acknowledges Bayden for overseeing in this area. However, she prefers not to delve into the financials and has another topic to discuss. Firstly, I want to express my acknowledgement to all the whanau who were affected by the cyclone especially in Omahu, Waiohiki, Wairoa, Porangahau. However, I would like to bring attention to our situation in Bridge Pa, which has persisted for over 60 years, and it's time we address it openly. For the past 60 years, we have faced annual flooding in our area, and it's been a longstanding issue that we haven't spoken up about. Additionally, our community has been actively protesting regarding water concerns, notably when Bridge Pa experience water shortages in 2008, significantly impacting our people. The resolution at the time was for the HDC to connect us to the town water supply, but it created a division among our people. Some were in favor, needing immediate access to water while others resisted the town water supply, expressing concerns about potential control. The water supply to our rural community is now heavily chlorinated. The water issue is significant today and is a substantial concern for Māori, as we are the tangata whenua (indigenous people) of this country. I want to emphasize that water is the most significant Kaupapa today. Yesterday I attended the TANK mediation hui and found the discussions to be filled with technical jargon that was challenging for me to understand. I want to express my gratitude to Ngaio Tiuka, Shade Smith, Marei Apatu, Morry Black and the two lawyers who represented the hapu interests of Heretaunga Tamatea Marae. I hope the intention is to take this matter to the Environmental Court. It was necessary to break down Māori concepts for the non-Māori individuals in the room, and I felt insulted buy that. It is incumbent upon every non-Māori person to learn our reo and tikanga for those who don't have a willingness to learn. The chairs report mentioned that Ngāti Kahungunu is collaborating with Ngai Tahu to lodge a water claim in the High Court, asserting our respective indigenous water rights. This collaboration reflects our commitment to upholding rangatiratanga over our water resources and hope this does not get watered down. What I'm interested in understanding is the practical impact of lodging this claim for us here today. I believe it crucial for us to assert our position firmly by initiating this claim, and id like to delve deeper into what this means for our community. I attended and participated in the Heretaunga Tamatea AGM trust hui and I was disappointed that they didn't show the courage, considering they hold our funds to submit a claim for this particular issue. Unlike Te Wairoa, which took the lead on this Kaupapa, when they were going through the hui. They emphasized that the claim must proceed, as the costs would be higher if we don't. Its about acting on our commitments, and a few years ago, they pledged to utilize the funds for this purpose. I would like to convey to HTST that there is \$5million allocated for this Kaupapa, and its crucial that action is taken rather than letting it remain unused. In terms of the water, our people are not getting their share of the water, under the treaty we are the main partner. Who's is extracting our water, and we demand our rightful share of this resource as we have our own aspirations for it. We are determined to break free from colonization and resist external control. We must rise and submit that claim, planting the pou firmly in the ground for the benefit of our own people.

8.1.30 Bayden Barber, Chair - expressed appreciation to Huia for presenting an update to the NKII Board and iwi members at the AGM. Ngai Tahu is expected to submit their claim next year in 2024. The claim emphasizes our recognition that we, as mana whenua, hold authority over the water ways in Kahungunu. The allocation process is determined by the Regional Council. Its about protection and te mauri o te wai. We are collaborating with Ngai Tahu due to our whanaungatanga relationship. Ngai Tahu brings significant resources to support the legal claim, and it makes sense for us to work together. They provide a template that we can fill in the blanks. This may become a claim that involves all iwi across the country. We understand the importance of the claim, and that's why we are collaborating with Ngai Tahu on it. The NKII Environmental team, including Ngaio and Shade, is exploring the best approaches for undertaking this work. We aspire to pursue the claim collectively.

8.1.31 Tania Eden - firstly I would like to acknowledge all the boards, recognising the challenging tasks of navigating through various challenges. Also, a heartfelt thank you to our diligent staff, particularly Chrissie and her team, Ngaio and Shad for their incredible work in the Taiao space. Special appreciation to Ruth for efficiently managing the operations and Te Rangi for orchestrating remarkable events consistently. It is crucial to acknowledge and appreciate their dedication.

I have two questions, with the first one is about accountability. I express concern about the continuity of K3 operations despite red flags, as highlighted by Trevor Moeke last year. I am concerned by the ongoing continuation of operations despite these red flags.

In summary; my concerns stem from the absence of the audited accounts and reports indicating losses in K3, Takitimu along with the lack of dividends for Taiwhenua. This has a direct impact on our ability to assist our people. I've noticed that a \$400,000 dividend paid, and I seek clarity on its accountability. I raised this concern at the previous AGM, emphasizing the need for accountability for these financial losses.

Turning to the losses of Takitimu, I inquired about the accountability of K3 directors, even those no longer on the board, who made poor decisions. Similarly, I question the accountability for Takitimu Seafoods' losses, focusing on the Kahungunu Asset Holding Company and its current directors. I emphasize the collective responsibility to reclaim funds for our people. This discussion is challenging but necessary for the benefit of our iwi, and I call for transparency regarding accountability and fund recovery. What is the plan regarding Kotahitanga and apopotanga?

8.1.32 Bayden Barber, Chair - regarding accountability, a review of past financial records reveals losses. The critical aspect is determining whether these losses result from negligence or poor management practices, a trend observed in various businesses. Weve actively discussed this issue, recognizing the responsibilities of directors in companies. Drawing parallels with cases like Mainzeal, the KAHC board has examined the legal aspects of director responsibilities. Our goal is to reclaim funds, though the likelihood might be slim. The decision on whether to hold someone accountable is complex, considering the challenges directors face in making decisions. We acknowledge your concerns, and if theres evidence of misconduct, that a different matter from poor investment decisions. Resolving these issues is not straightforward.

8.1.33 Mike Devonshire-co-chair KAHC – first and foremost when dealing with waka that has multiple issues, its unproductive to resist the leadership, whether it be the navigator the captain or the chief engine operator. Constant conflict could lead to the waka sinking. The primary focus is

ensuring the waka buoyancy. The next step involves evaluating the best options that align with the shareholders interests. Reflecting on my 12-month tenure in this position, as a director my primary obligation, according to the Companies Act is to act in the best interests of the shareholders. This duty extends to acting in the best interests of creditors, particularly in matters of liquidity. This fundamental obligation comes with personal liability, emphasizing the importance of accountability.

Takitimu - as a board, we recognised the unsustainability of the business and made the decisions to cease operations in the best interests of the shareholders. This decision was made while considering the Kaupapa and collaborating with the shareholder to ensure the well-being of individuals and whānau associated with the business. Currently, we are addressing immediate issues and assessing potential other concerns. K3, similar to Takitimu, operates under a general limited partnership structure with a separate board accountable to the holding company, which is the shareholder. The board has received information indicating recent liquidity in K3, and we've been transparent about injecting liquidity to facilitate its continued trading. We've resolved this situation and communicated it to the auditor. Moving forward, our focus is on a methodical approach to develop a plan that prioritizes the best outcomes for the shareholder and, crucially the creditors. K3 is currently not insolvent, and it is receiving support with a carefully crafted plan in place. We are fully cognizant of our personal and directorial accountabilities and are committed to fulfilling these legal obligations. Additionally, we prioritize safeguarding the future of the iwi, particularly in terms of protecting and fostering asset growth. While addressing these considerations, we are bound by the imperative to act within the bounds of the law, ensuring the best interests of both the shareholder and creditors are considered.

- 8.1.34 Bayden Barber, Chair - in reference to our partnerships, we have convened several meetings in Ahuriri to collaborate on housing initiatives. During our January board meeting, we gathered our PSGEs to explore avenues for joint efforts. While acknowledging existing tensions and challenges to overcome, I wholeheartedly endorse the points you've raised, Tania. Let's untie our efforts and work collaboratively.
- 8.1.35 Renata Hakiwai - We currently have 14 whānau residing in our marae, with approximately 45 individuals displaced by the cyclone. To address this, we entered into a vested contract between MBIE TAS and K3 for building transitional papakainga for our affected whānau and future accommodation for our kaumatua. However, we are encountering significant delays. As this involves a government contract subject to IOA (Official Information Act), which allows public access to information, I am seeking clarity on whether there has been any misappropriation, mismanagement of funds, or misconduct. Despite inquiries, we have not received a direct response and have directed MBIE to liaise with KAHC.
- 8.1.36 Bayden Barber Chair - confirmed that we have not done any forensic route, but we have a plan together to meet those obligations at Omaha.
- 8.1.37 Jenny Mauger - I'd like to discuss the possibility of conducting a forensic audit on our fisheries activities, which encompass our entire fisheries assets, It's disheartening to hear about the challenges we've faced as a commercial entity. I'm proposing a potential audit to provide transparency and insights into what has transpired within our iwi.
- 8.1.38 Bayden Barber, Chair - We are focused on the future, we can look under historic rocks, spend a lot of money doing it, chasing kehua. This board is focused on the future building for our Tamariki mokopuna.

- 8.1.39 Marie Brown - The outcome of the challenges in Takitimu and K3 remains uncertain, and only time will reveal their resolution. I'd like to highlight the reduction in expenses from \$31 million to \$26 million, which includes the elimination of scholarships, resulting in a \$5 million decrease. Expressing disappointment, I note the distribution of a \$5.00 coupon, and I had hoped the board would consider a higher amount, such as \$10-\$15 dollars, to better address the rising costs of living for whānau.
- 8.1.40 Mike Paku - I acknowledge the closure of Takitimu Seafoods and would like information on the timeline for the KAHC to establish a pātaka kai. Additionally, there have been inquiries over the past two years regarding the quality of auditing and the auditor. Over the last six–seven years, there have been reviews of the process and I advocate for a comprehensive review to instil confidence in the process. The responsibility is not solely vested in the Asset Holding Company; it also extends to the shareholders, namely the board and we the trustees, who bear the responsibility of holding them accountable.
- 8.1.41 Bayden Barber - verifies our continued access to pātaka, with ACE being harvested, by Moana and Deepsea by Sealord's.
- 8.1.42 Orine Gillies - firstly, I want to express gratitude to the board for their efforts in improving the resources around Kahungunu. While progress has been made, ongoing challenges persist, and the responsibilities now rest with the newly appointed board. The issue of unaffordable housing for Kahungunu whānau remains a concern, with the notable exception being the positive development of affordable papakainga. Furthermore, there is a positive uptick in the revitalisation of our language (reo) and cultural practices (tikanga). We have reasons to take pride in the achievement of Kahungunu.
- 8.1.43 Maakena Logan - I want to express my congratulations to the board for the challenging responsibility you undertake, being in the spotlight and accountable to us. I appreciate the transparency. Regarding the KAHC, I have inquiries about the Tautane Station asset valued at \$35 million we are realizing, and whether this investment is deemed favourable? Additionally, when does the lease expire, and what are the future development plans for Tautane. The second inquiry pertains to Takitimu Seafoods, specifically its assets and buildings. As the future involves engaging with potential lessees for these buildings, the crucial question is whether the expected income will exceed 4% return may be suboptimal, and we should aim for a more favourable 6%. Exploring unconventional approaches and collaboration among PSGEs for financial support could be beneficial. It might be worthwhile to explore alternative models to enhance our competitive edge. I am particularly interested in understanding the percentage returns, both on Tautane and the projected interest on the value of our assets and income.
- 8.1.44 Mike Devonshire - the first part of the plan is to retain the assets, followed by the implementation of a carefully considered investment strategy to enhance returns. Currently, the returns are below our expectations, prompting active engagement with the lessee to explore improvements. Additionally, we are developing a new statement of corporate intent to clearly delineate the desired returns from our assets. Tautane is less than 4% and it needs to improve. This is where we are going with the entire strategy around the investment portfolio, it needs a return to get it at a certain level to guarantee a return to the shareholder and sustainability.
- 8.1.45 Kane Koko – we request a comprehensive plan update from KAHC to enrich the discussions held today. Additionally, we propose adding the KAHC Statement of Intent to the agenda for

the Special General Meeting. This will provide an opportunity to keep whānau informed about the KAHC plan.

- 9 **Chair closing Remarks - Bayden Barber** If you have any inquiries regarding the annual plan feel free to reach out to Ruth Wong. Bayden extends gratitude to all present. We are open to addressing any questions you may have ensured alignment with the perspectives of our people, within our marae and hāpori. The NKII Board will be visiting our Taiwhenua and collating feedback. This year the survey links will be accessible on our iwi website. Atu tēna, ānei te poari o Ngāti Kahungunu e noho mai nā, he mihi atu nei I a koutou, te tini te mano kua hara mai nei ki tenei huinga ā tau mo te iwi tēnā koutou, tēnā koutou tēnā koutou katoa.

Himene – He Honore

Karakia Whakamutunga: Matiu Eru

As there was no further business, the NKII Annual General Meeting concluded at 11.25am

NGĀTI KAHUNGUNU IWI INCORPORATED HUI A TAU
Saturday, 25 November 2023 – Splash Planet, Hastings, 9am

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NGĀTI KAHUNGUNU IWI INCORPORATED HUI A TAU
Saturday, 25 November 2023 – Splash Planet, Hastings, 9am

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NGĀTI KAHUNGU IWI INCORPORATED HUI A TAU
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