

Final copy for 28th March, 2009 meeting:

Red indicates update since 2004 and/or latest information available...March, 2009

Green indicates some action or discussion required.

Previous version: 23/2/04

SUMMARY OF TAMATEA TE WAATI TAIAROA WHANAU TRUST LANDS

1. CATEGORY I: LEASED LAND AND SUBSTANTIAL INTERESTS:

1.1 Waituhi Kurutau 1B1: is located on Highway 41, just west of the junction with Highway 32 (which is the western route around Lake Taupo) on the Kuratau Stream which flows into Lake Taupo.

There are 208 owners in this block but our Trust owns 108 shares of 561 total shares. This is substantially more than any other individual shareholder and together with Rakeipoho Tairaroa's family interests (74 shares) could be in a position to influence decisions within this Trust.

The block covers approximately 196 hectares (486 acres) of which 100 to 130 hectares are suitable for farming. It was last valued at \$220,000. It is administered by the Maori Trustee. In 1988 the Waikato Valley Authority paid for the planting and fencing of the streams leading into the Kuratau Stream at a cost of \$83,000 in return for a 999 year lease of that land. At that time the current lessee surrendered his lease and a neighbouring Maori Trust farm took up a 15 year lease at \$2,800 pa.

In 2003 it was proposed that the lease with the neighbouring Trust be renewed for a further 21 years, with an increase in the rent to \$11,500 for the first 7 years and \$16,000 thereafter. As well, the lessee undertook to undertake development of the block to the tune of \$275,000 and investigate the possibility of planting trees on 14 hectares (35 acres) to be harvested on a 50/50 basis with the owners.

The advisory trustees (Merv, Rakei, Warwick Whenuaroa and Kahi Dickinson) have met on at least two occasions in 2004

and 2005. Subsequently the lessee did not accept the above lease proposal and that lease has lapsed. Another prospective lessee has shown interest but has declined to sign pending clarification of obligations under Environment Waikato (EW) "nitrates policy".

This is a disappointing result. None of the previous lessees have fulfilled their obligations under the leases and TPK seemed powerless in remedying that situation. TPK are now discussing the situation with EW in an attempt to secure another lease.

Lindsay suggests we explore QEII covenant which, at least, would preserve current bush and obtain relief from rates.

In 2006 TPK arranged for an inspection of the property by Urban & Rural Consultants. They estimated the Capital Value at \$350,000; 60% of 196 ha to be in pasture the rest in conservation (5%), gully waste (4%) and light & heavy scrub (31%)...but capable of sustaining 700 stock units pa but is not set up for grazing cows/bulls; access is difficult but for the adjoining property for winter grazing it should be worth about \$22,500 pa.

The Quotable Value rating July, 2007 was:

Land Value \$510,000

Improvements \$28,000

Capital Value \$538,000

Currently (2009) the Maori Trust Office is holding \$12,674.87 on behalf of the owners.

1.2 Waipapa Blocks:

There is no easy access to these blocks but they are located close to Highway 47 which runs from Tokaanu to Tongariro National Park, not far from Minihihi's Track and Lake Pounamu which are well known tourist attractions; and border onto the northern boundary of Tongariro National Park and the northern slopes of Mount Pihanga.

It appears these blocks were partitioned off in 1949 at about the time highway 41 was surveyed. There is no reason given why this was done.

1.2.1 Waipapa 2A1A:

This block covers 74 hectares (183 acres) and out of a total of 28 shares the Trust has 6.5625 shares the largest individual holding; Rakeipoho Taiaroa's family with 5.3 shares is the next biggest shareholder.

It is not leased and there is no trust for its administration in place.

1.2.2 Waipapa 2A2A2:

This block covers 73 hectares (180 acres) and out of a total of 28 shares the Trust has 6.5625 shares the largest individual holding; Rakeipoho Taiaroa's family with 5.3 is the next biggest shareholder.

It is not leased and there is no trust for its administration in place.

1.2.3 Waipapa 1C1A:

This block covers 6.22 hectares and of the 28 total shares the Trust has 7.875 shares. There are 26 owners in all.

It is not leased and there is no trust for its administration in place.

Category I conclusion so far:

We have yet to visit these blocks but we believe they are covered with scrub and manuka. *A possible option could be to amalgamate the blocks (provided we could get agreement of the shareholders in all three blocks) and/or apply for assistance from the Department of Conservation to fence and protect whatever bush remains on the blocks and/or seek a QEII covenant.*

It is our intention to visit these blocks over the next twelve months to get a better idea of the terrain and access. (See also CD from Geographix)

Gary has, I think, subsequently visited one or two of these blocks.

These blocks are also close to Mt Pihanga and Rotopounamu where a Restoration Project has been in place for the last five years aimed at protecting native bird-life (kiwi, kereru, kaka, North Island robin, morepork and NZ falcon) and native flora (podocarp forest, mistletoe and red beech). This project has been undertaken by local iwi, DOC and the Tongariro Natural History Society.

The Waipapa blocks seem to lend themselves to some sort of Nga Whenua Rahui arrangement as they back onto Tongariro National Park or possibly a carbon credit opportunity.

2. CATEGORY II: BLOCKS PLANTED IN FOREST AND/OR MANAGED BY OTHER TRUSTS:

2.1. The Lake Taupo Forest Trust (LTFT):

LTFT represents 66 separate Maori land titles located on the eastern shores of Lake Taupo. 33,000 hectares (66%) is in forest, which was first planted in 1969; harvesting commenced in 1994 and harvested areas are replanted each year. The land was originally leased to the Crown and LTFT's share of the stumpage is 35%--it will be 2021 before the LTFT begins to receive 100%.

Our trust has shares in three of the LTFT blocks:

- 2.1.1. **Tauranga Taupo D2**: this covers 364 hectares, there are 203,374 shares and the Trust has 0.033 shares.
- 2.1.2. **Tauranga Taupo 1A2**: this covers 373 hectares, there are 44,466 shares, 3127 owners and the Trust has 1.22 shares.
- 2.1.3. **Hautu 1A6**: this covers 342 hectares, there are 847 shares, 148 owners and the Trust has 1.2365 shares. Value: \$2,500 1989.

(Note: Each of the brothers and sisters has succeeded individually to one of the blocks in LTFT ie: **Opawa, Rangitoto 4&5 and Hautu D (Aggregated)** (1.22 shares divided by 7 each out of 44,466 total shares). At the time of succession this allowed individuals to enjoy certain benefits not available to members of a Whanau Trust. This is no longer the case. Now that Ray has deceased his family needs to make a decision to "succeed" as individuals or vest their interest in the Whanau Trust.

LTFT(2002) (in 2008) had assets of more than \$176m (\$181m), sold more than 500,000 (480,494) cubic metres of logs, earned \$27m (\$10.14m) and paid out over \$1m (\$2.5m tax free) to nearly 4,000 owners. In addition its Charitable Trust gave out nearly \$120,000 (\$nil) in educational grants (which are now being phased out). Grants for tangi, marae and community purposes totalled \$520,000. And over 600 applied for \$200 kaumatua grant.
Website: www/ltft.co.nz

2.2 Lake Rotoaira Forest Trust (LRFT) :

LRFT was established in 1977 and brought together 85 separate titles located on the slopes of mounts Pihanga, Tongariro, Karakamea and Kuhaukua.

The LRFT is separate from the LTFT but has a common Chairperson (Tumu Te Heu Heu). It (2008) (2005) has assets of \$70m (\$53m), controls over 23,000 hectares of which 16,000 is in forests (the rest is lake shore or unsuitable for planting), mostly pines. The land was leased to the Crown and planted; harvesting of forests only started in 1999 and in 2008 198,000 (193,000) cubic metres was harvested in 2005. There are over 9,000 owners although only 4000 are registered. Most of the forest is located west of Lake Rotoaira.

Net operating earnings for 2008 was \$0.66m (cf \$1.4m 2007); forest revaluation resulted in 25% decrease in value of its wholly owned forest to \$1.9m; its share of the joint venture forest decreased in value by 11% to \$22.6m...and net deficit for year was \$2.41m. Nevertheless, they have maintained their standard distribution to shareholders of \$0.5m; and \$80,000 to marae improvement projects and \$20,000 in health assistance grants to those over 65 years old.

Our Trust has shares in three blocks: (see map inside back cover Annual Report, 2008)

- 2.2.1. **Ngapuna**: this covers 582 hectares; there are 3,529 owners and the Trust has 0.2 shares of a total of 1524 shares.
- 2.2.2. **Papakai 1**: the records are not quite clear on this block...it comprises (either 8.5, 36.6 or 151??) hectares depending on which record you accept...it has 3,000 owners and the Trust has 2.0583 shares.
- 2.2.3. **Okahukura 6A2**: this covers 51 hectares has 1,162 owners and of a total of 12.834 shares the Trust has 0.1834 shares. This block is SW of Turangi.

(See www.lrft.co.nz)

2.3. East Taupo Lands Trust: *comprises three separate blocks-Kaimanawa, Tapapa and Wharetoto Blocks. The chairman of the Trust is Jim Maniapoto and the Secretary (Russell Feist) is located at PO Box 5003, Wellington. Our block comprises 22.52% of the total. 40% of the net income is set aside for the ETLT Charitable Trust which distributes funds for education and health grants. They earn income from rents (they own a building in Taupo), hunting/tourism fees (\$143,000 pa) and investments (\$1.4m). Net assets are over \$4m. (see also education & medical grants)*

2.3.1. Kaimanawa 2B: *this covers 10,926 hectares, there are 3,011 owners. Of a total of 301 shares the Trust has 0.25. Value: \$820,000 (1995) Shareholder No: 4710*

2.4 Ngaporo Waimarino Forest Trust (NWFT)

This comprises over 50 different blocks of land varying in size from 5 to 700 ha. Victor Taiaroa (the son of Kahukura who was Te Waati's brother—therefore Victor was Dad's first cousin) was one of the original Trustees. Much of the land is planted in forest managed by Winstone Pulp International who pay land rentals (\$72,000 pa); timber royalties (\$5,000 pa); interest received on other money invested—\$44,000 pa; Total Capital: \$2.6 mill—Amount available for educational grants: \$10,000 pa; other grants eg kaumata: \$7000 pa—March, 2008)

NWFT is administered by an Ahu Whenua Trust (possible contact: Soraya Peke: swpeke@extra.co.nz Secretary: c/o Phillip Lendrum, PO Box 282 Wanganui; our shareholder No: 3584 (See also education and kaumata grants)

Website: www.ngaporowaimarino.maori.nz or phil@barlendfitz.co.nz

The two blocks in which we have interests are:

2.4.1 Waharangi 6K: *covers 50.5 hectares, there are 100 owners and our Trust has 0.5 shares out of 125 shares.*

2.4.2 Taku 5: *covers 108 hectares, there are 155 owners and our Trust has 0.2083 shares out of 285 shares.*

2.4.3 Lake Rotoaira Trust:

Lake Rotoaira is a small and shallow lake situated between Lake Taupo and Mount Tongariro—20 minutes SW of Turangi on SH 47. The lake drains via the Pouto Stream into the Tongariro River. However, it is also used as a storage lake for the Tokaanu Hydropower Station. The area is listed as 1539.8239 ha or 13 sq km.

It is one of the few privately owned lakes in NZ. A fishing licence and access permits are required, boat ramps are provided and it has a large population of rainbow trout.

There are 7850 owners, there is an Ahu Whenua Trust in place and our Trust has 2.55118 shares of a total of 9063 shares. Value: \$21,000 (1985)—though this is hard to believe; perhaps this is the value used for rating purposes? (By coincidence I have recently re-discovered a note from Archie Taiaroa to Dad, written in 1971, which states that 300 people attended a meeting at which they declined a Government offer of \$5 mill for the lake!) Trustees: Arthur Smallman, 98 Gloaming Hill, Onepoto; John Grace & others

CATEGORY II Conclusion so far: Most of these trusts are substantial businesses and appear well-managed but our trust has insignificant interests. Therefore, the greatest benefits are probably going to be from the educational and kaumatua grants available to members of our Trust.

Need to recognise that these trusts are significant participants in the preservation of water quality of Lake Taupo and the carbon emissions trading environment.

3. CATEGORY III: OTHER LAND:

These are blocks that we know little about and in which we have an insignificant interest. Some have trusts in place but none have leases.

3.1 Tauranga Taupo 1B2C: This block covers an area of 21.9ha. There is no trust in place and our Trust has 0.033 shares out of 35.4830. There are 556 owners.

3.2 Whitianga 2B16B8B: There is a trust in place but no lease. This covers 2015.73 ha. There are 1025 owners. It is located SW of Turangi and NE of Raetihi. Contacts: Mark Cribb PO Box 63, Raetihi/Sydney Tairaroa 153 Puriri Street, Wanganui/Geo McLeod 19 Anaua St, Putiki. Our Trust has 0.76381 shares out of 4,980.233.

3.3 Tokaanu 1st Reserve: This block appears to be in two sections. One is registered as a Maori Reservation for Hato Petera Maori College.(0.1011 ha) The other is registered as the Piripekapeka Maori Reservation (1.9778ha) –John Asher (PO Box 27 Turangi) and others are “Responsible Trustees”. No rates are paid. Our Trust has 0.05 shares of 1956 shares. It covers 2.28 ha. There are 1542 owners.

3.4 Tokaanu B2M1B: this covers 41 hectares, there are 530 owners, and of a total of 375 shares the Trust has 0.1 shares. There is an Ahu Whenua Trust in place but no trustees. This is located south of Tokaanu near Waipapa 2A2A2.

3.5 Tokaanu Township 2nd Reserve: this covers 6.9 hectares in the township of Tokaanu. The Trust has only 0.0553 shares out of 1956.8 total shares and there are 2,000 other owners. Contact: Wiremu Mariu PO Box 209 Turangi(There are two other Tokaanu blocks but we do not appear to receive any income from them. See “Other Land”).

3.6 Kaimanawa 3B2B: this covers 5163 hectares, there are 1921 owners, and of a total of 569 shares our Trust has 0.0667. Contact: Wh Downs State Highway, Waitaha 1, Taupo. It is located SE of Turangi.

3.7 Papakai 2B3: this covers 36 hectares, there are 2,404 owners, and of a total of 1413.52 shares our Trust has

2.0583 shares. This is located SW of Turangi. There is no trust in place.

3.8 Waimarino B2: this covers 203 hectares. There is no trust in place and our Trust has 14.3751 shares out of 500 shares. Value: \$15,000(1996); there are 47 owners.

3.9 Ohutu 5B2: this covers 350 hectares, there are 2,350 owners and our Trust has 0.0796 shares out of a total of 957.8 shares. Value: \$58,000 (1966). There is an Ahu Whenua Trust in place. Contact: Cyril Ranginui, RD6 Upokongaro, Wanganui, Piripi Haami, Reuben Ashford and others are listed as "Responsible Trustees."

CATEGORY III conclusion so far: as the Trust's interests in these blocks are so insignificant we will follow up on them when time or the opportunity arises.

CATEGORY IV: WANGANUI INCORPORATIONS:

The application to establish the Trust's interests in these incorporations was separate from those to the Maori Land Court. But we have made contact with the administrators of these incorporations and are gradually learning more about them.

4.1. Phipiriki Incorporation: this organisation owns land and buildings worth \$1.7m in the vicinity of the township of Phipiriki. Some of the land is in forest and farm leases. The property includes kaumatua flats and Phipiriki House. Our Trust has 1.54 shares of a total of 72,000 shares. Shareholder No: 3584. Contact: Phillip Lendrum, PO Box 282, Wanganui.

4.2. Atihau-Whanganui and Morikaunui Incorporations: these are two separate organisations but they both fund the Whanganui Trust, a Charitable Trust, which provides educational and other grants to shareholders and their descendants. (In Oct 2008 Atihau withdrew its Unclaimed Dividends from the Trust because of a dispute about appointment of Trustees?) Reference No: 2811 Contact: www.whanganuitrust.com or Keri Browning/Frances Te Porana, Robson & Partners, PO Box 4035, Wanganui. 06 348 7482. These incorporations were established in 1970 to resume (or purchase back)Wanganui land (100,000acres)

that had been leased by the Maori Land Court to farmers mostly in 21 year leases. (see also separate note on history by Lindsay 15 July, 2008—"The Atihau-Whanganui Incorporation")

4.2.1 Atihau-Whanganui (*updated Nov 08*) comprises 42,000 acres in *six* separate sheep and cattle stations *and a dairy farm* (see map Annual Report 2008); 5,000 acres leased (for 99 years) to Winstone Pulp & Paper in a joint forestry venture; *assets (2008-\$140m; Gross Farm Income \$9.3m but overall deficit \$2.4m mainly due to sheep and lamb prices, drought-approx cost \$2m; and debt servicing--\$2m)*; overall stock units carried close to 180,000? Our Trust has 355.73 shares. Only about 8% of shareholders have more shares than our Trust. There are over 7,000 shareholders holding 1.256m shares.

In July, 2008 the Crown provided \$23.5m to AWHI to reduce debt incurred in resuming leased lands.

4.2.2 Morikaunui (2008) comprises two separate stations located at Ranana and Kakatahi; assets of *\$11m deficit (\$390,000)* (2007-\$12m; deficit \$102,000) Severe drought, returns for lamb and beef down; annual lamb sales of 5,000; with overall *stock units carried at 42,000*. Our Trust has 0.85911 shares.

Twice a year a limited number of shareholders are invited to participate in farm visits either on four wheel quad bikes or horse treks...see www.atihau.co.nz or www.morikaunui.co.nz.

CATEGORY IV conclusion so far: whilst the Incorporations are substantial operations the Trust's interests are insignificant. Again the major benefits will be from the Whanganui Trust which distributes educational grants, to high school and university students, of more than \$100,000 per annum. See: www.morikaunui.com/trustgrants.html

The information on our trust land is now online found under: "maori land online"...Search MLOL...enter: Tamatea Te Waati Taiaroa Whanau Trust...and following the meeting on 28 March, 2009 this information can be found at www.taiaroa.org

