

Runanga Performance

Corporate Services

Tena koutou e te whanau, e nga hapu o to tatau Runanga.

As per the 2019-2020 period the current 2020-2021 period continues to be focussed on the Corona virus and the continued impact to all governments, industries and organisations including the Runanga.

The disruption to the normal operating procedures of the Corporate Services, particularly the Administration and Health & Safety departments, remains the status quo as the Runanga remains the control centre for the iwi wide plan. It is a plan that has since been realigned given the Iwi's new reality which started with originally stopping the disease from spreading into the Whanau a Apanui rohe to now being that of control, containment and eradication. This is being addressed by continuing to provide logistical, communication and health & safety support to the local businesses, Police, Health clinic, hapu, whanau and community, by providing liaison with local businesses, Regional and District Councils and other interest groups inside and outside the rohe.

Health & Safety: The system continues to operate as per policy and process control measures. The organisation continually checks to ensure that any potential threats to the Health and Safety system are identified and addressed in a timely and accurate manner.

With respect to Covid-19, our new reality has forced more creations and additions to the Runanga's operating procedures to ensure the safe handling of any cases that are expected to rise. Despite the continued persistence of the pandemic, there were no Covid-19 cases reported by staff or volunteers.

Administration: Continues to operate without incidents. It also continues to provide the necessary communications and logistical support for the iwi. Having experienced the first wave of the pandemic and the effect of it in terms of work streams, administration has since rationalised staff workload over the period resulting in there being no further need for volunteers who helped to accommodate the increase caused by the pandemic for now.

Asset Management: Assets tracking normally as per maintenance schedules. Fleet management has been reinstated with new vehicles being allocated and older vehicles being replaced as they need to be in due course.

Quality Management: An area also still affected whilst the pandemic remains an issue due to the realignment of the Iwi Covid strategy. Quality Management in terms of the Whanau Ora Policy and Process Controls are continually being rewritten to keep pace with with our new reality as **the** most affected business unit as staff will be part of the frontline if, or should the pandemic strike Te Whanau a Apanui.

Human Resource: In the last year the organisation has seen the most turnover of full time staff from the Whanau Ora unit with four resignations, six recruitments and one maternity leave. There was one resignation from the Te Heteri group and one from TWA Fishing Ltd. Of the Te Kaha Beach Hotel staff there were six resignations and five recruitments whilst the Te Kaha Holiday Park remained stable.

This brings the total of full time staff employed by Te Runanga o Te Whanau to forty seven employees and all staff to a total of fifty four.

On a sad note, I inform of the passing of Bryan (Waddy) Wadsworth in May 2021. A number of long serving members of the Board may remember Waddy's role in the early days of the Runanga's formation as a Human Resource consultant from the then Te Tira Ahu Iwi, and who has since helped and mentored management and governance from that time till his passing. For those of us who availed ourselves of his guidance he will be sadly missed.

No reira e te rangatira, te totara, haere, haere koe ki Paerau, haere ki Te Waonui a Tane. Haere ki nga rangituhaha, ki te nohoanganui i te po. Moe mai ra e mara, moe mai i te ringa aroha o te karaiti.

Fisheries

We continue to operate under a 60% cut in ACE (Annual Catch entitlement) which resulted in putting 9.9 tonnes through our crayplant between July to December 2020.

Although the season runs through to March 31 2021, this was the total catch for the year.

Fishermen have been enjoying good prices in the Chinese market, thanks to the ongoing disagreement between China and Australia. China has banned the importation of Australian timber, coal, wine and seafood. As Australia catches 8 times the amount of rock lobster that NZ produces this has seen some high prices achieved.

However, it also turns out that a lot of Australian lobster is being smuggled into China through Hong Kong.

While the ACE cut continues, we operate with two fishermen, Grigor Wilkie and Jamie Hei. If ACE is significantly reinstated, then we will restart our own catching operation.

With our own Bluenose ACE and the inshore ACE we get through Te Ohu Kai Moana, we enjoyed a good relationship with Greg Bishop, CEO at Leigh Fisheries, who gave us a good deal as well as access to some extra Cra2 ACE. However Leigh was brought out by Supermarket interests and we have turned back to Moana NZ (formerly Moana Pacific) with Mark Ngata there as 2IC.

Whanau Ora Services

Tena tatou katoa,

Ki te hunga mate moe mai moe mai moe mai ra.

Ki te hunga ora Tihei Mauri Ora.

Another eventful year had in this financial year June 2020 to July 2021, Covid-19 is still keeping us on our toes. However, being the resilient people we are we continue to lead the way in Aotearoa with - time and dedication in our vaccination drive. Our caterers, St John Ambulance staff, our behind-the-scenes whānau and lastly, a huge thank you to Dr Rachel Thomson and her medical team. You are all amazing. Ngā mihi nunui rawa atu.

Te Runanga o Te Whānau Whānau Ora Services have had to accommodate to the COVID-19 rules and regulations and adapt in the way we deliver services. As the Delta strain differed our Iwi responded and adapted differently. Today, we are fortunate our rohe is still COVID-19 free. In saying this, I

would like to remind everyone that we still need to be vigilant. Wear our mask, contact trace every time you leave your home, if you are sick stay home, and if you have symptoms please make contact with our Clinic or Healthline. These habits will provide extra security within our rohe.

No reira ki a haumarū ai te noho.

Ta Mātou Tiima

There was a lot of staff turnover this year. We farewelled Trinity Walker, Noelle Parata, Sharon Campbell and Kara Waititi-Kurei. They each had gems to support our whānau but were needed in a different area. Ngā mihi nui for your time, hard work in the Whānau Ora space.

We also farewelled Ohorere Gage, who dedicated 20 years of service to our Iwi, a wonderful support for our whānau and a nanny figure for our tamariki. Ohorere contributed a lot to our iwi and had a lot of experience in the field.

Te Reweti Wharepapa left the Whānau Ora space after 5 years of service to work with our tamariki/mokopuna at Whangaparaoa. Te Reweti's growth over the 5 years of service has enabled him to thrive in his current position.

Lastly, Tommy Waititi. Tommy worked in the Whānau ora services for over 3 years, a great honest hardworker and supportive person for our whānau.

We thank you all for your contribution to the Iwi and to our team and we wish you all a successful, safe and happy future.

We welcomed Maia Calcott, Carol Trinick, Toni Pritchard, Natalie Ngamoki and Daine Perese to our team. 5 versatile wāhine willing and keen to support our whānau. We look forward to their future contribution to our whānau, hapu and Iwi.

Our current Staff:

Tracey O'Brien (Whānau Ora Manager),
Faith Ngatoro (Whānau Ora Administration),
Richard McDonald, Te Motu Savage, Maia Calcott,
Carol Trinick, Toni Pritchard, Natalie Ngamoki and Daine
Perese (Whānau Ora Practitioners)



The team are continuing on a professional development pathway to improve their ability to better serve our whānau. Richard McDonald has completed his first year of Te Taketake studies (A diploma

in Applied Addictions Counselling). Richard has been travelling to Dunedin once a month to attend these studies.

The team continues to deliver the:

- #KoAuKoApanui model into the Whānau Ora Services and;
- Te Kawa o Whānau Ora (Competency Framework for Whānau Ora Practitioners)

Individual professional development pathways include:

- Counselling
- Therapy models
- Motivational interviewing
- Feedback informed approaches
- Group facilitation
- Secondments
- Supervision
- Te Reo Māori

Programmes and Services

We continue to deliver support services for whānau, minor and major issues equally important impacting on the whānau. Whānau Ora Kaiarahi have had to adapt to the new way of working implementing modern technology and becoming Digital Rehabilitation Counsellors offering appointments via zoom or facetime or phone consultants.

Apanui Hikitia programmes have been put on hold due to staff turnovers and Covid-19. However, in saying this we continue to monitor the ECE programme at this time.

Up and Coming programmes: Staff are eager to deliver the Apanui Hikitia Mama programme as well as a Apanui Hikitia Haoura programme in the new calendar year. This will be delivered in a group type setting for different genres. Our programmes are based on Whanau Ora aspirations, getting whanau to dream, to work alongside like-minded people and work towards a common outcome determined from the vision board sessions. The running of the programme is determined by the participants. However, it is the facilitators' job to coordinate and bring out what the commonalities arise from each wnanga.

Workshops

These one day events were organised not only for our Pakeke but also for the wider community. We were very fortunate to bring in knowledgeable people to talk about these fields.

Some of the workshops delivered:

- Living with Autism
- Cancer Awareness
- Touch Rugby Coaching & Training
- When Life Ends
- Anxiety Awareness

We try our best to provide workshops that may be of interest to our community. Workshops are one-off kaupapa to provide information for our Pakeke and the wider community.

ARA TUATORU PROGRAMMES

We were very fortunate to be able to run our programmes at the first half of the calendar year. Unfortunately, with the Covid-19 Delta strain it put a halt in the latter stages.

Kahui Pakeke Programme

First week of March 2021 Kara Waititi-Kurei coordinated this programme whilst Te Marino Painting-Davis was on maternity leave.

We were fortunate to deliver this programme either side of the Christmas/New Years break. Prior to the latest Covid-19 lockdown we were able to deliver this service. Our pakeke contributed a lot this year enabling us to deliver a fun and eventful programme that held their interest on kaupapa that aligned with what was happening at that particular time. We were fortunate to host 2 Kahui Pakeke luncheons this year, one at Otuwhare Marae in March – the theme being Te Aranga, and the other in June hosted at Whangaparaoa - the theme pertaining to the Moki. We hosted the Christmas luncheon in December 2020. Special mention to our sponsors who provided us with some hemp oil as a gift for our pakeke. Ngā mihi nui ki a Cilla Ruha koutou to tungane, to whānau hoki.

Our pakeke were spoilt by our hosts and really enjoyed their outings together.

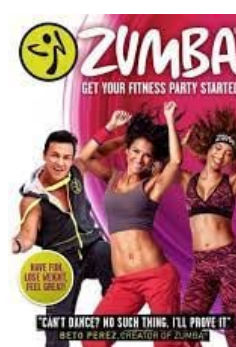


Photo: Te Kura Mana Māori o Whangaparaoa entertaining our pakeke, June 2021

The Kahui Pakeke Transport days to Opotiki ran fortnightly Tuesday and Fridays but came to a standstill due to Level 2 restrictions. We would like to thank all the volunteer drivers for their support and commitment to deliver this service for our pakeke. Ngā mihi nui kia koutou katoa.

Hauora Programme

This initiative was to encourage whānau to push play. This year we introduced Zumba and a Walking Club. Enjoyed by many. Due to



Covid-19 levels, Zumba was also delivered via Zoom. Unfortunately the instructor was unable to continue to deliver the programme. We would like to thank Lisa Halbert for her contribution to this kaupapa. Ngā mihi nui.

Te Marino is now delivering a Zoom Boxfit programme available to all and can do it in the comfort of your home. All you require is internet access and your smartphone. Te Marino will continue to deliver this programme into the next year in hopes that whānau can attend ā tinana.

Tuakana Teina Programmes

Kids club is a very popular afterschool activity for our tamariki, these are based at Kauaetangohia Marae and Otuwhare Marae. Tamariki really enjoy these days. These programmes were delivered during Covid-19 Level 1. Hotaka Hararei is a 2 day programme for our tamariki during the holidays. There is a variety of activities throughout the 2 days where a variety of experts join in on the fun. We were able to run 3 Hotaka Hararei programmes in this term, venturing to Whakatane and as far as Te Araroa Lighthouse.



Photo: Te Araroa Lighthouse

We continue to nurture our relationship with 1XX FM staff to bring the annual Beach Dig, Easter Egg Hunt and Super Heroes events to Te Whānau a Apanui. We planned to do things a little different this December introducing a Colour Run held at Oruaiti.



Photo: 1XX crew



Photo: Easter Egg Hunt ki Omaio

Wānanga

Te Runanga o Te Whānau continue to support a number of kaupapa around the Iwi. These being:

Iwi Meth Wānanga are based at Cyberwaka in Opotiki on a weekly basis. These wānanga are for our whānau who have been affected by methamphetamine. Ngā mihi nui ki a Kylie Poihipi mā nga kaiwhakahaere o tenei kaupapa.

Photo: Te Aotakaia and Takapukapakapa



Apanui Lil 3 is a kaupapa for tamariki and mātua. This kaupapa established and based on our passion for outdoor learning, the goal being to promote future kai gatherers “Whakawhanaungatanga”. As an Iwi and Māori dominant community, we are strong in educating our tamariki with the basic knowledge and resources to survive and provide off the whenua, moana, and awa. This was about whānau and iwi coming together. This was a very successful event for the community. A great turn out, happy tamariki and chuffed mātua. We thank Margie Galloway and her support crew for organising this event.

Te Matarau

This year we reinitiated Te Matarau, our Te Runanga o Te Whānau newsletter. We thought this a great way to inform our community of the happenings in our community, keeping whānau up to date with our services, programmes, up and coming workshops, Pakeke and Kids Fun page, our Te Whānau a Apanui Community Health centre and kaupapa relatable to the Covid-19 pandemic. Te Matarau is a bimonthly newsletter and staff collaborate to get this out to the community.

Future

Key strategies heading into the future will focus on;

1. #KoAuKoApanui Implementing model into practice.
2. Whānau Ora Programmes.
3. Community/Hapū Innovation Grants.
4. Healthy and Wellbeing Initiative – home grown kai, maara kai and Whakapakari Tinana Programmes
5. Building relationships with external organisations to create opportunities for whānau.
6. Building capability in the area of data capture and measurement.

No reira, tena koutou, tena koutou tena tatou katoa.

Te Kaha Holiday Park

This is always a good reminder for us about the purpose of the purchase of the Park. The key motivation was to keep the store running for the local community and to get the land back into Iwi hands. It was always known that running such a business under a Runanga structure would be challenging.

Towards the end of previous financial year while New Zealand had just seen its first lockdown and a pandemic that no one knew anything about, the shop as an essential service sold all essential items at a cost. At the time everything was looking uncertain, especially for the tourism sector with closed borders and travel restrictions. The budget was prepared based on the worst year ahead and to end up with a deficit of \$82k. But since the lockdown lifted and local restrictions were off, the people of New Zealand started to travel inland exploring new areas including Te Kaha. We did see a rise in

turnovers and we had a very good December to June period to bring an end result of \$45k surplus. This is quite a turn around.

Year	Revenue	Surplus (Deficit)
2020-21	\$2.01m	\$45.6k
2019-20	\$1.74m	(\$23k)
2018-19	\$1.65m	(\$52k)
2017-18	\$1.44m	(\$142k)

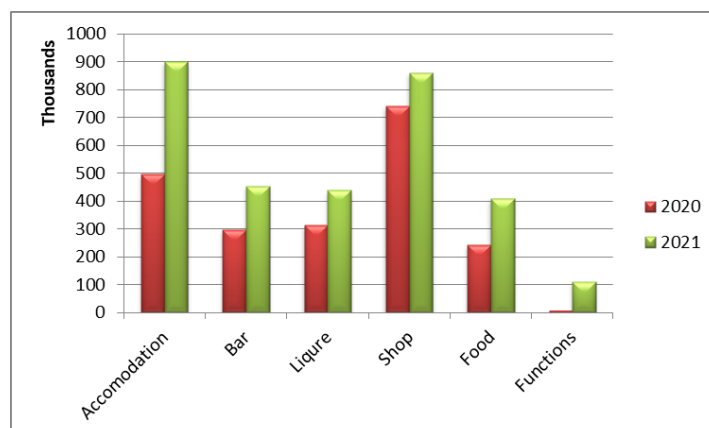
Of the 17% increase in turnover, the Park has seen variation in the % contributor of the turnover. The growth in tobacco productions (4%) and liquor (1%) has reduced, while increasing growth in Camp (3%), Takeaway (3%) and General Groceries (2%).

The Park continues to employ 6 permanent staff, and up to 10 staff during the high season. This year the Park has paid \$378k (LY \$370k) in wages to employees appointed from the local community.

Te Kaha Beach Hotel

The Beach Hotel (formally Resort) is the biggest highlight of the year. A complete turn around has been seen during 2020-21. Turnover has seen a million dollar increase (51%) in one year (\$2.95m v/s LY \$2m), and accommodation was the biggest contributor to the same.

Accommodation	82%
Bar	53%
Liquore	40%
Shop	16%
Food	68%
Functions	1358%
Sundry	29%
Total	51%

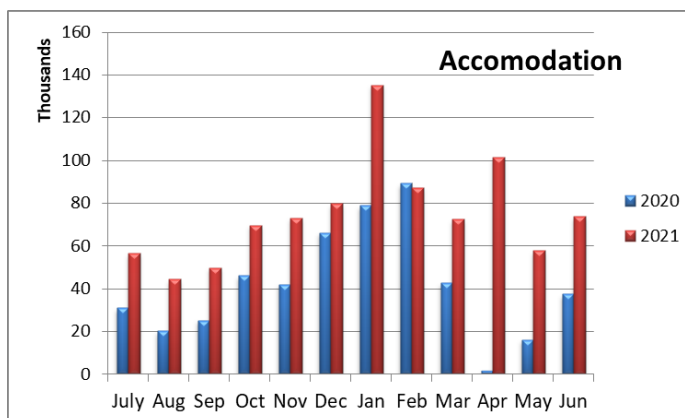


This star performer has completely changed the outcome and the way we look at this asset. All the efforts that went in to capture the local tourism in the time of COVID worked.

We have seen buses in our parking for the first time.

At the time of purchase, the rating of the Resort was sad to see, but that has completely changed now.

This was a run down Resort that now is delivering to its potential. There has been lots of maintenance work completed to deliver the best experience to our guests.



There is a long way to go as the building still needs lots of maintenance. These are some of the high costs, work and the Resort is already undertaking this work. The total costs are expected to come under half a million. Currently, the Hotel is valued at the cost price which is about \$2m because of its rundown situation. After this result and once the work is completed, the Hotel will regain its potential value that may be in \$5m+.

The Hotel continues to employ eleven people and in the high season this goes to seventeen staff.

Maaramauku

The Maaramauku Orchard now has the capacity to produce more than 80,000 trays. And this is what we expected.

The year 2020, we accepted high reject rate due to delay in picking in 2020 and lower production of 63,413 v/s 80,000 expected trays. In 2021, we hope to reach the target of 80,000 trays and that was achievable.

Winter pruning was completed well before hicane this year which was a big achievement given the labour shortage the kiwifruit (and other) industries have faced all season so far. Good winter bud counts were achieved which ranged from 28 – 35 buds per square metre on “targeted” cane. Anything that was too big or of a “bullcane” nature was cut out and not used as this was the cane we had seen give the greatest variation in budburst in seasons prior. Compost went on early too, along with the base fertilizer applications. Hicane was applied in line with the Hazeltrex technologies recommendation.

All the preparation was done to avoid a repeat of the previous season – under production!

BUD BURST and BUD ABORTION

We had a very good budburst as a result of all the hard work. HOWEVER, the cold start to Spring caused flower bud abortion. The buds started to form but just never carried through. This was not mistaken for bird damage where the buds are pecked off the stem. To add to the bud abortion woes, there is the most wind damage we have seen at Maaramauku this early in the season. We had severe wind and rain in one event on the 5th of November which did this damage.

We could only put up 54,051 trays, much lower than our previous year.

Production Details

	2016	2017	2018	2019	2020	2021
Total Trays	46,583	52,487	79,295	70,276	63,413	54051
Trays per hectare	7,559	8,279	12,507	11,085	10,395	8760
Size	30	25	25	28	31	25.22
Rejects	22%	18%	15%	15%	23%	13%

The above table highlights the last six years for Maaramauku.

On a positive note, our rejects were way better than before to 13% and the OGR was one of the highest ever to the net amount of \$14.88 per tray from the average around \$10 in previous years. One of the key reasons was early picking.

SO WHERE TO FROM HERE

Whilst disappointing on the trays outcome, financially it did well for the Runanga.

When the season doesn't meet expectations, we have to ask some pretty hard questions. Firstly, we need to review the performance of the orchard manager. For the following season, we have a new management in place. This new management is confident to out perform previous performances.

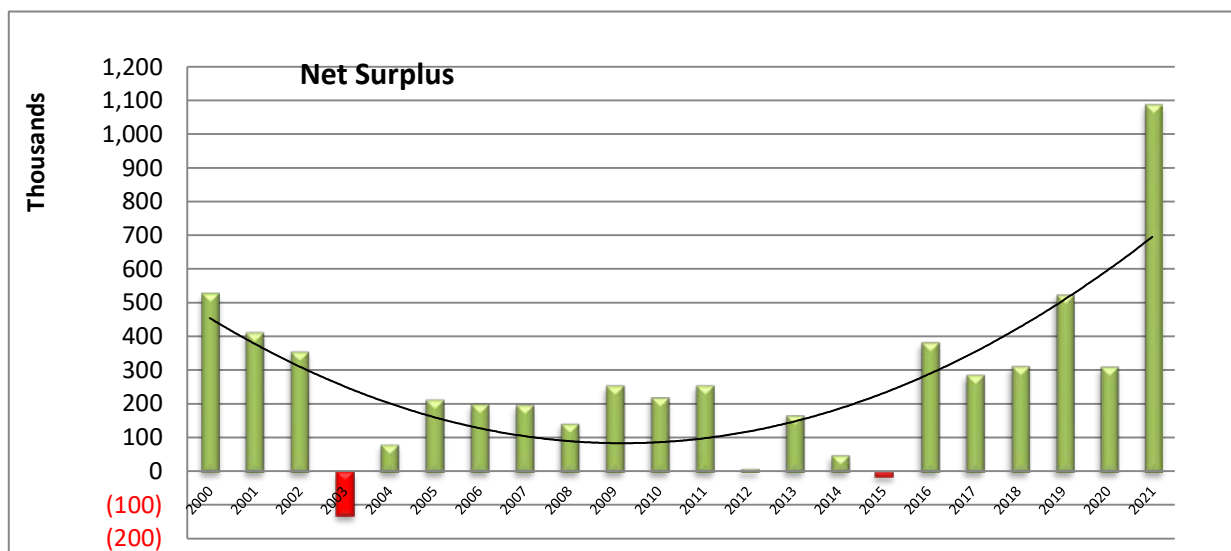
Similarly, last year, it was great to see how the orchardists, contractors and packhouses worked together to make it all happen under such complicated circumstances of high material costs and shortage of labour.

Financial Overview

The year 2021 has made history for the Runanga with the financial performance of a million dollar surplus.

The year has seen the worst and the best. When started, this financial year in July, it was a time just after the first lockdown. There was so much uncertainty that the Board budgeted for a breakeven year with \$131k deficit expectation as a worst case scenario.

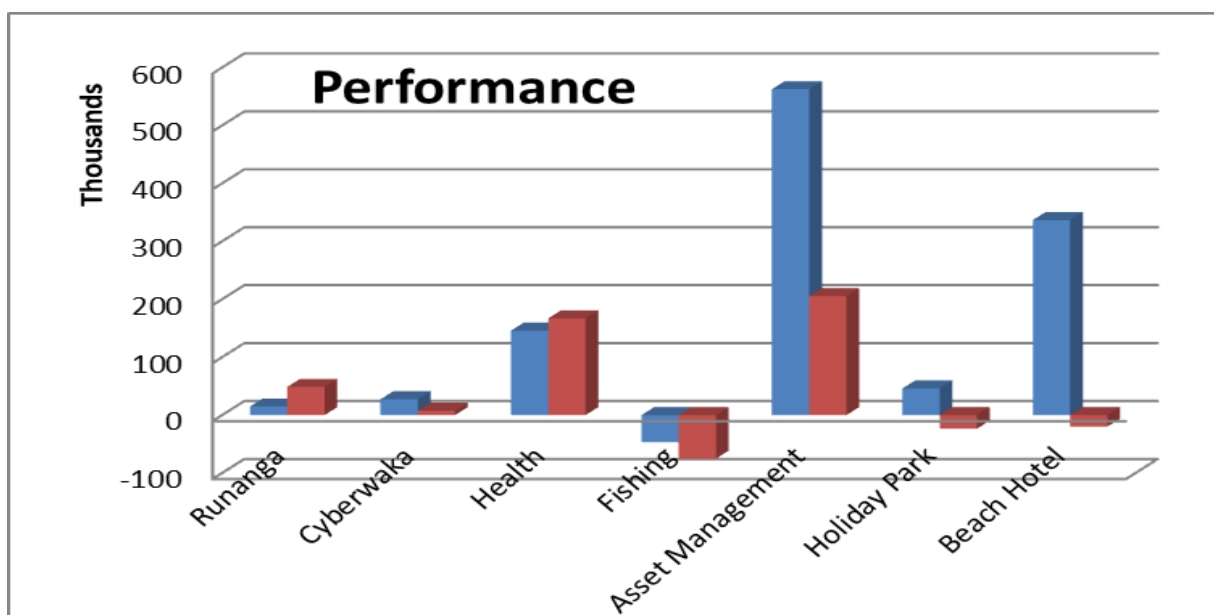
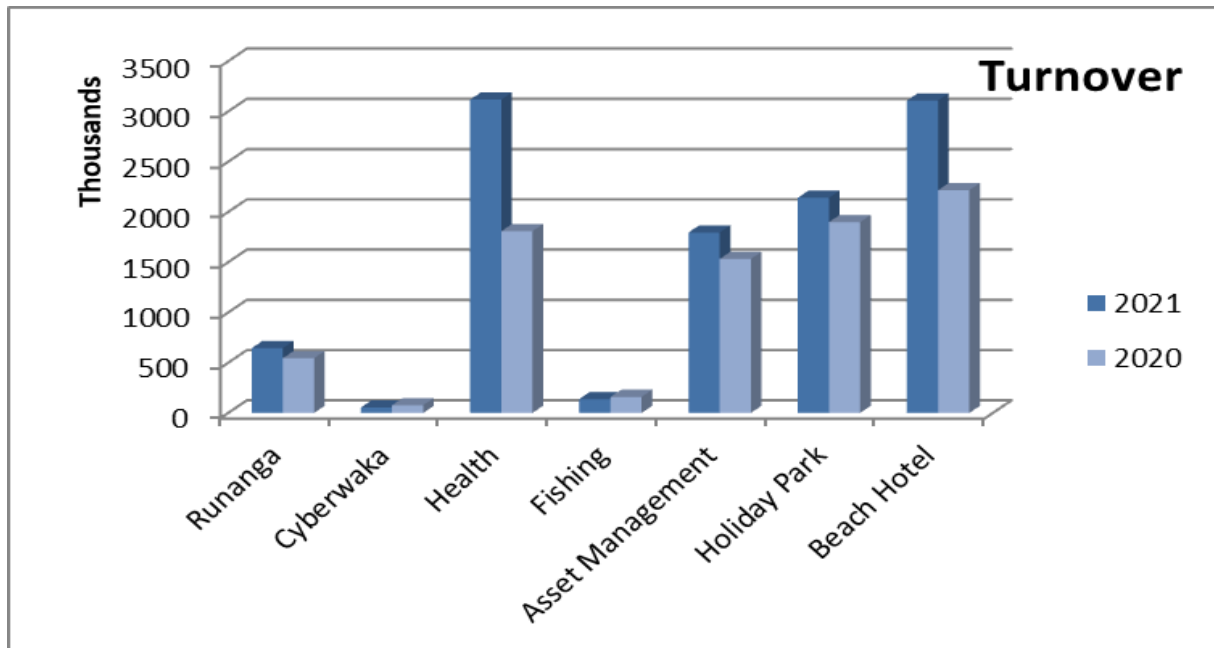
The first quarter was full of uncertainty, but also brought hope with successful elimination of COVID within NZ. This is where the economic turnaround started, and next three quarters was so busy and full of activities.



On one hand the vaccine roll out was initiated, and also the Government started pouring money into the economy via large infrastructure projects and regional development.

While the country is now completely out of Covid, the Delta virus has created new threats in the current time, and 2020-21 was busy making history.

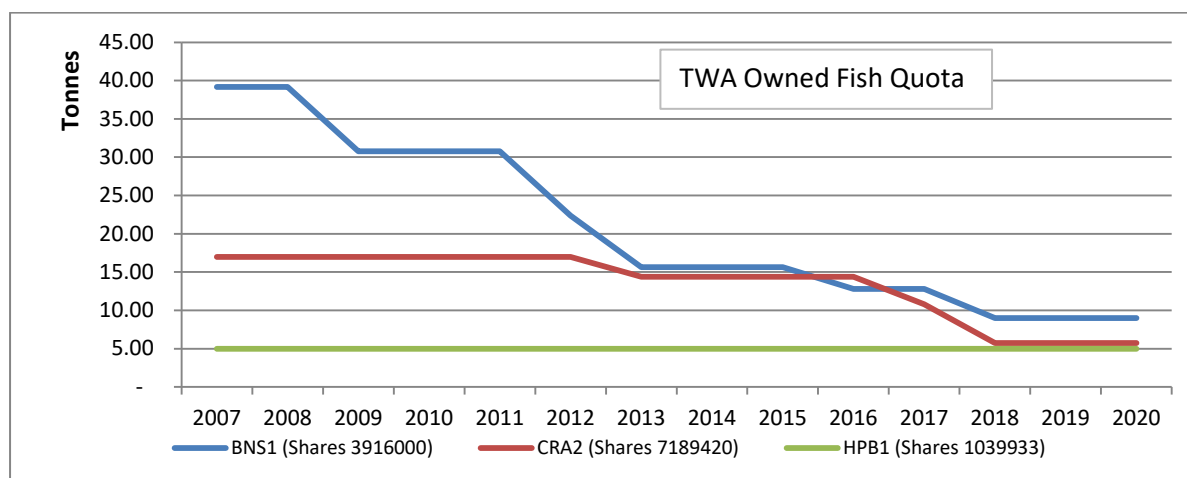
The Runanga has multi business units that have opportunities and challenges of their own. During the year, Covid presented an unwanted opportunity to test the business continuity in the emergency situation. A self-prepared scorecard gives the Runanga a pass, and plenty of learnings.



The only unit that had a negative result was the Fishing unit. While the rock lobster market was really high this year, the Fishing unit was unable to catch any, and the only activity they could do was at the processing plant and supporting our fishers in the rohe. The Fishing unit has no fisherman to go on the boat to fish for the Runanga. The plant with two permanent staff is over capacity due to the reduction in CRA2 quota. The plan has in the past managed 30T rock lobster using two staff, who are only managing 10T rock lobster.

Also to note that, Fisheries has undergone a challenging time. Since the first reduction in CRA2 quota during 2012, survival has become a challenge. Loss of ability to catch more due to reduction in quota, and to justify the same level of fixed costs has made fishing operations financially non-viable. As we

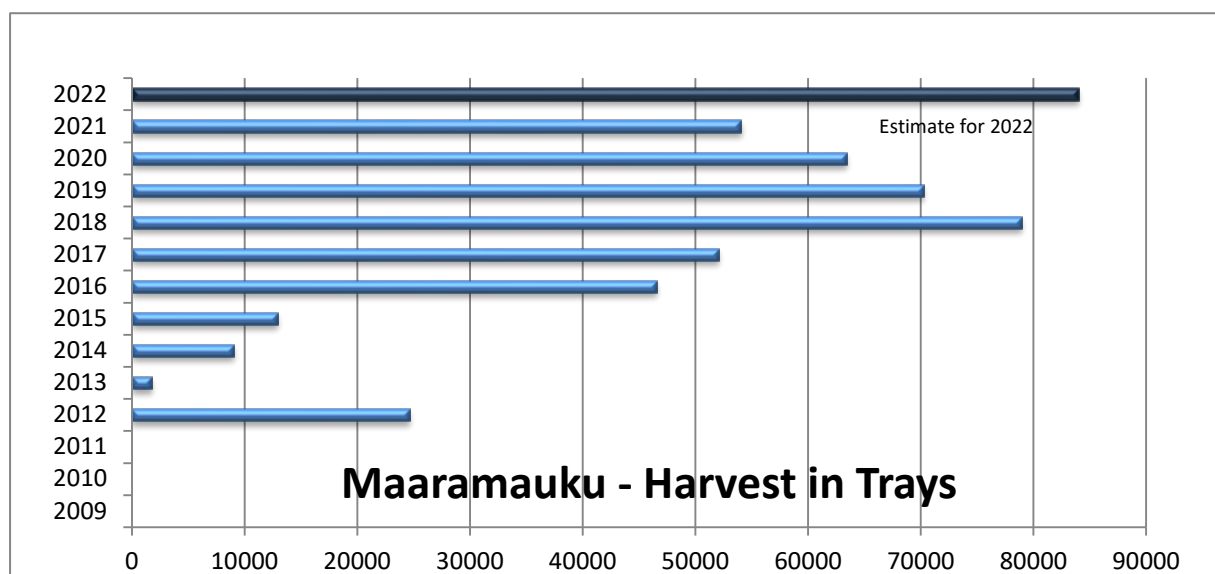
know from previous years, TWA Fishing has been performing over-capacity and under performance due to a large quota reduction in CRA2 (Rock Lobster). This is not going to change for some time, All the Runanga has to do is to wait and hold the capability that we have built over the years.



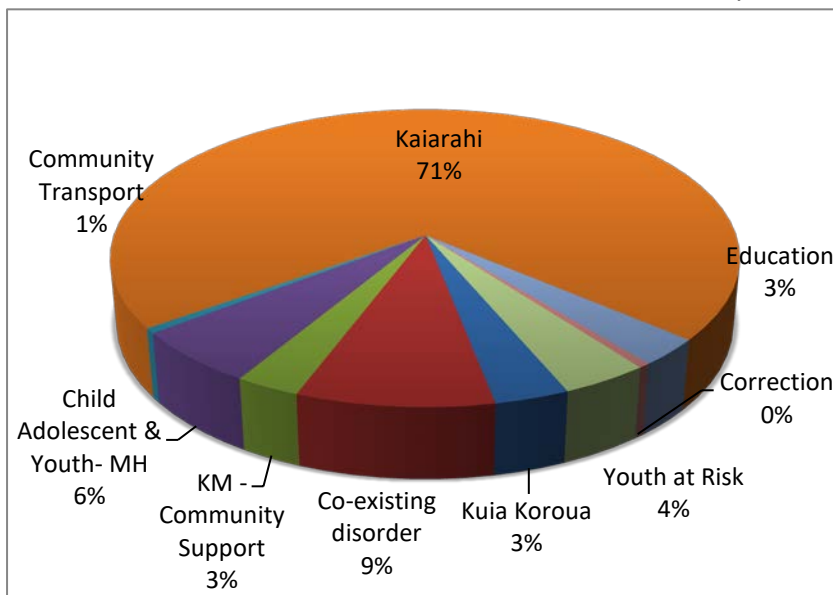
The Te Kaha Holiday Park continued working through the struggles. The Park revenue for the year saw a new high \$1996k (LY \$1738k), and also ended up with a surplus of \$45k (LY (-\$23k)). The key driver of the performance in 2021 was again the camp income \$85k (LY \$30k). But we have seen better than this in the past, so there are plenty of opportunities to reach to the true potential.

Maaramauku, since coming out of its PSA and boron struggle, has been on a growth journey. However, year after year it has been seen how nature is always in control. We have seen hail burn, wind damage, boron in the soil, bud burst issue and now bud abortion.

The estimated 84,000 trays ended with 54,051. Financially, it did not change the outcome as we secured better OGR. The Orchard continues to aim and estimate 84,000 + trays in 2022.



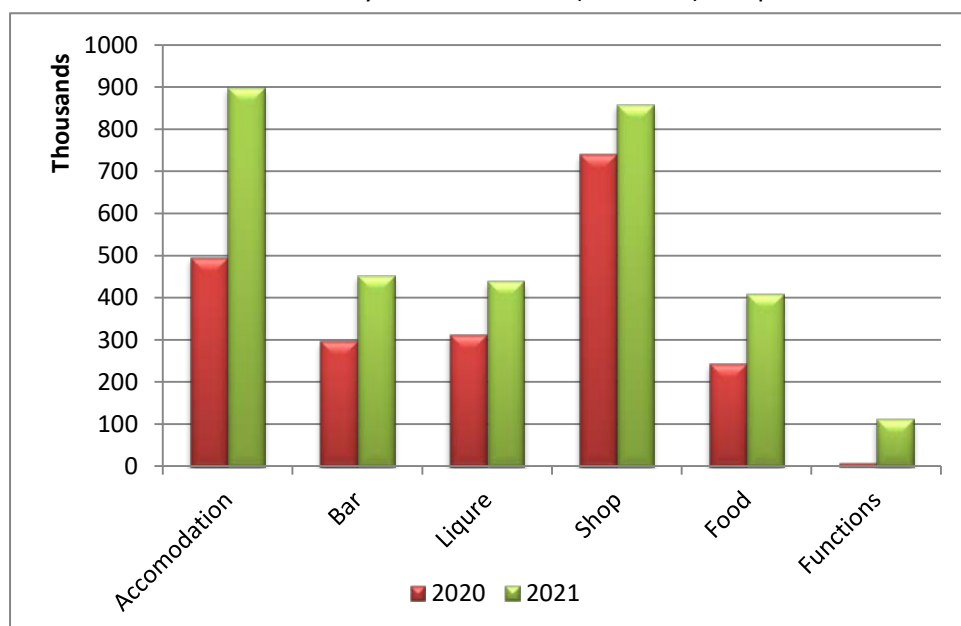
The Health and Social Services delivered 9 contracts this year. The Kaiarahi Services contract was



expanded to include Nga Tini Whetu initiatives and some innovation funding during the year. The unit brought \$3.1m (LY \$1.8m) worth of contracts this year. While we all thought and didn't expect for these contracts to earn a surplus, the unit ended up with \$145k (LY \$167k) in surplus. The Health unit is the biggest contributor to the Runanga in terms of the Administration's cost contribution.

The Hotel (Resort) has completed its third full year. There has been much improvement on all fronts since the purchase of the business in 2017. The turnover has seen an increase, the service is much improved, and so are the customer feedbacks. Sales for the year were \$2.0m (LY \$1.9m). In spite of an

increase in the sales, the end resulted in a deficit of \$19k (LY surplus \$33k). The costs include \$63k worth of maintenance and replacement costs of assets. We have still a few major repairs to complete soon. The property was purchased at a rundown price knowing the maintenance needs. The market valuation completed last year came back at \$3m, which is very positive. The Runanga now owns all units within the Hotel, but two.



The Asset Holding Company could repay a million dollars worth of loans this year with a closing balance to pay was \$4.4m (LY \$5.5m). This is a huge indication that the Runanga not only reported a large sum of surplus, but actually generated cash, and not just an inflated surplus. The reduction in borrowing always saves on costs of borrowing, paid \$178k in interest (LY \$259k).

During the last year, Management signed a pre-development funding loan with Lance Capital based in New York. The pre-development funding was for US\$1.5m, repayable with interest in one year. The company borrowed funds to make this deal. There was much to gain in this relationship, the reason the Runanga Board and TWA Management signed this deal. The opportunities that such relationships

can bring are endless. Unfortunately, Covid played a role and the deal has been delayed until end of 2021.

This funding is unsecured and that was the reason auditors have qualified this item under their audit report and highlighted as they could not verify the fair value of the carrying value.

Most Fishing ACE values were under pressure from the low demand and there was expectation of some reduction in the value compared to previous years.

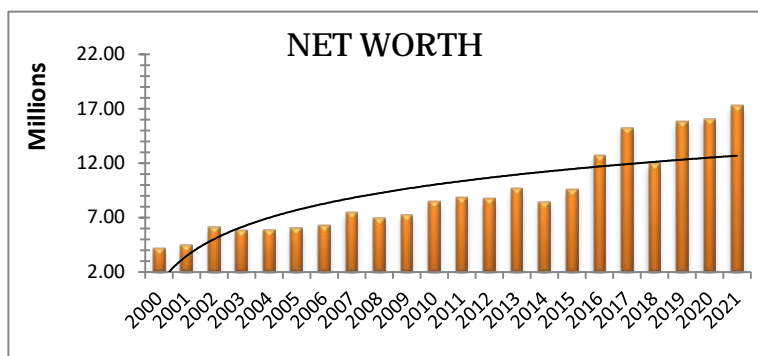
The Orchard has returned a value that was expected, even with lower number of harvests.

Cashflow generated from operations was about \$1.4m. This was used to repay some term loans and purchase of new assets. During the year, the Runanga received a settlement advance of \$500k each for 12 hapu totalling \$6m from the Crown. All but one hapu were paid out during the year and the Runanga was carrying \$500k on the balance date. This hapu was paid out after balance date.

The Park and the Beach Hotel applied for the second round wage subsidy during the year. This wage subsidy was a lifeline during the first quarter.

The Treaty of Waitangi negotiations continued during the year. The Runanga have invested \$1.39m in this process and invested a further \$58k net of cost reimbursement from claimant funding \$584k (LY \$37k) from the Crown contribution during 2020-21 year. The audited financial statement provides more details about the same as we do that every year. The Crown Negotiation process does not come cheap, especially when an iwi does not have their foothold in Crown Forestry who provide additional financial support. The Runanga is solely reliant on Claimant Funding which is designed to support only partial reimbursement.

During the year, our valuations have not dropped, but also not increased. The Fishing Quota value is still maintaining, and property prices are strong. Kiwifruit licence value is now in the range of \$420k+ per ha. The total Runanga net worth is now at \$17.2m (LY \$16.15m).



Overall, the 2021 year was a milestone year. The Runanga certainly hope to see this repeated, but unique circumstances have made this possible. While as an Iwi we are proud to be one of the first to be 95% vaccine, we also should be proud of the financial achievement of the Runanga.

Tena koutou katoa

Jack Parata

Joe Ngatoro

Haydn Read

Tracey O'Brien

Umesh Naik