



# OTAMA MARERE TRUST



**2023**  
ANNUAL REPORT



# RĀRANGI KAUPAPA

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# ITINERARY

**9:00** Tour of the Otama Marere Orchard, 178 State Highway 33, Paengaroa

**9:45** Registrations open at Whakaue Marae, 721 Maketu Road, Maketu

**10:30** AGM - Whakaue Marae, 721 Maketu Road, Maketu 3189.

**1:00** Kaihakari

## AGENDA

- 1** MIHI KARAKIA
- 2** APOLOGIES
- 3** OPERATIONS REPORTS
- 4** PREVIOUS MINUTES  
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- 5** GENERAL BUSINESS



# PAPATOHU Directory

## *Trustees*

Kiri Tapsell  
Aubrey Wilkinson  
Homman Tapsell  
Jade Chalmers  
Petera Tapsell  
Diane Berghan

## *Registered Office of Administration & Share Registry*

Perpetual Guardian  
1130 Pukaki Street  
Rotorua  
P.O Box 1040 Rotorua  
Ph: 07 921 7682

## *Accountants*

BDO (Christchurch) Ltd  
Chartered Accountants

## *Website Facebook*

[www.otamamarere.com](http://www.otamamarere.com)

<https://www.facebook.com/Otama-Marere>

**OUR CONNECTION TO OTAMA MARERE IS DUE  
TO OUR WHAKAPAPA TO RANGIIWAHO**



## OUR TRUSTEES



KIRI TAPSELL



PETERA TAPSELL



HOMMAN TAPSELL



JADE TAPSELL



DIANE BERGHAN



AUBREY WILKINSON

# Otama Marere Trust

ki Paengaroa

178 State Highway 33, Paengaroa 3189

## Nau mai, haere mai, ki Otama Marere Trust

Otama Marere has several safety signs erected around the orchard to notify of hazards and operate a safety board at the entrance to the orchard for those entering.

Visitors, employees/contractors can use the QR scanning code on their phone which uploads the hazards to a telephone application on their mobile phone.

For those who do not have access to the QR code, a hazard board identifies orchard hazards and operates an orchard registration schedule. No person who is not inducted is allowed on the orchard without being supervised by a manager.



# Otama Marere Trust

ki Paengaroa

178 State Highway 33, Paengaroa 3189

A4 - 1:1,000  
100 0 100 200 300 400 500 600 Meters



# OTAMA MARERE TRUSTEES

## 2023 AGM Report

**Kau ana te mihi ki a tātou a Otama Marere,**

**Your trustees are pleased to provide this update since the AGM held in May this year on the performance for Otama Marere's financial year ending 30 June 2023.**

### **2023 Summary**

The results of the General Election, bringing a shift in Government; in turn brings challenges for the economy, primary industries and the Trust. The Trust, being reliant on the orchard, which is subject to weather, disease and market implications has experienced one of its worst years due to Cyclone Gabrielle, PSA and chaotic interest rates. At our previous AGM in May this year, we asked - "What does 2023/24 hold for Otama Marere?" The trustees have progressed work on implementing the strategic plan and other areas of importance:

### **Strategic plan and Investment review:**

The review of the Trust's historical and current position with the aim to meet the needs and aspirations of our shareholders has set out a focus and discipline for growth as managed to completion.

### **Review of the Trusts policies and procedures:**

The Grants available to beneficial Owners were reviewed, including the application forms and policy information. Grants were extended to allow two new fundings:

(a) Marae Grant to support Whakaue Marae to recognise the role of the Marae in the community, and to tautoko the tikanga and kawa of the Marae;

(b) Discretionary Grant where a need or hardship can be demonstrated, for Kaupapa Māori, cultural pursuits, and whānau activities;

### **Actively looking for external investment options:**

Hapai Commercial did not meet the due diligence test for the Responsible Trustee and carried a strict non disclosure agreement, so we are unable to divulge any details.

Rangiuru Industrial Park is currently being promoted to Māori Trust investors by Tauranga Council / Port of Tauranga and appears to be a worthy option for Otama Marere to consider.

### **Development of portfolios for individual Trustees:**

Each trustee has their own very particular set of skills and attributes that they bring to their governance role for the benefit of the owners. Otama Marere has auspicious capabilities in management, education, consultation, and research to take the Trust governance to the next level.

### **Benchmarking and budget establishment:**

The Trustees have worked diligently with Seeka and BDO Accountants to align the budget and accounts to ensure the best possible performance for the Trust.



# OTAMA MARERE TRUSTEES

## 2023 AGM Report

### **Environmental plan and review of the “grazing” area of the orchard:**

The Trust has continued to follow its strategic objectives of conserving the environment while preserving its cultural heritage to uphold the whenua as a “pou”. The Trust has restored the Wetlands area, maintained pest control and protected waterways against evasive species that may harm native fauna and flora. Otama serves as an inspiring example for indigenous communities.

### **Further incorporation of Tikanga Māori Principles into Trustee work:**

Otama Marere ensures their land management and governance practices are not only legally sound but also deeply rooted in their cultural heritage and values. This approach fosters a strong sense of cultural identity and stewardship of their whenua, ensuring its sustainability for future generations. This is reflected in holding this AGM here, at the Marae and the considerations made in the review of the Grants. Trustees have also adopted a paperless administration to cut down waste, in keeping with para-kore.

The orchard continues to be well managed by Orchard Manager, Homman Tapsell and the Team from Seeka, including Rhys Rushton. Management is hands-on, tangata whenua ki te whenua and transparent. We are fortunate to have Rhys attend today to assist with presentation of the Orchard Report.

The financial position of the Trust is strong and positive despite orchard income continuing to trend down for the year at \$1,361,307, against \$2,000,392 in the 2022 financial year. A full analysis of the financial accounts is provided later in our reports with the highlight being that the asset has increased in value from \$25M to over \$30M for the year to 30 June 2023.

The Trust’s participation in the Zespri auction for a further gold licence of 0.99 hectares was not successful however; Zespri encouraged the Trust to enter into a private negotiation with a willing seller for a very reasonable price. The orchard is now audit compliant for Gold3.

The Trustees acknowledge the significant contribution of those who work in the orchard, including the orchard team and Seeka manager, Rhys Rushton. Their efforts and support of the Trust are crucial in the orchard continuing to achieve excellence in all areas. Acknowledgments must also go to you, the owners for your ongoing support.

Ngā mihi nui,  
Otama Marere Trustees



# Otama Marere Trust

## Strategic Plan Update 2023

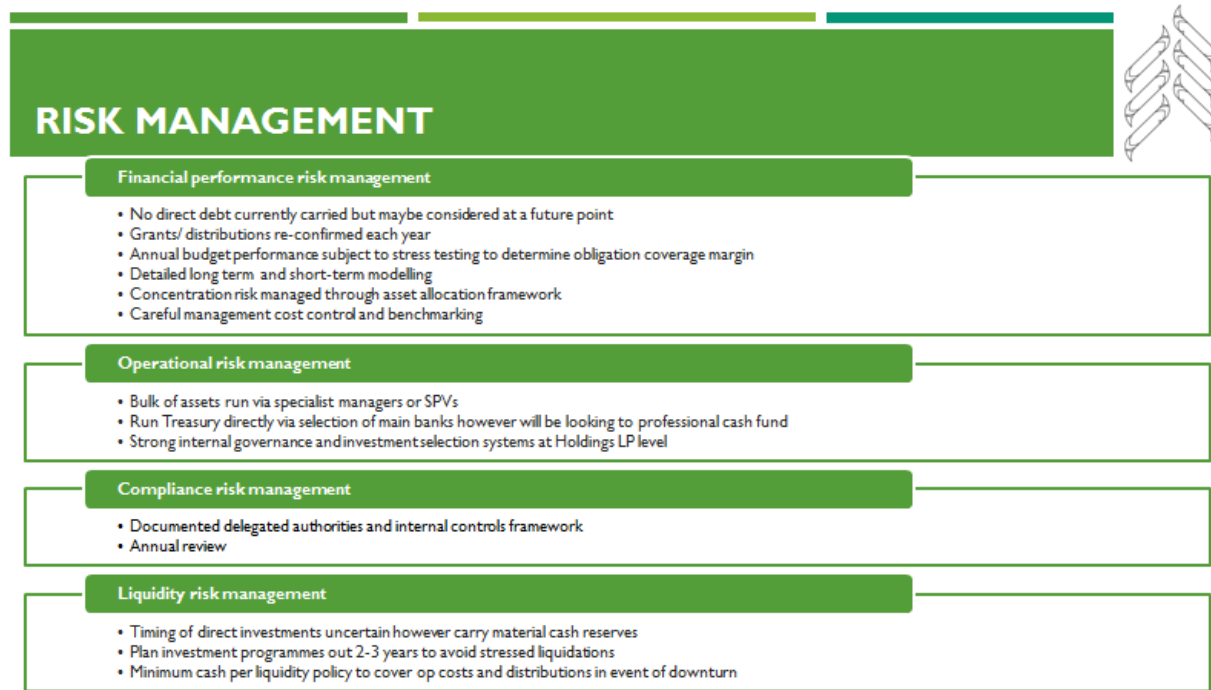
The Trustees have co-designed a strategic plan that considers the Trusts historical and current position, as well as areas for improvement to meet the needs and aspirations of Otama Marere shareholders. The initial work being undertaken is an investment strategy, strategic financial modelling and confirmation of policies and procedures as part of the Trust mandate as set out below:



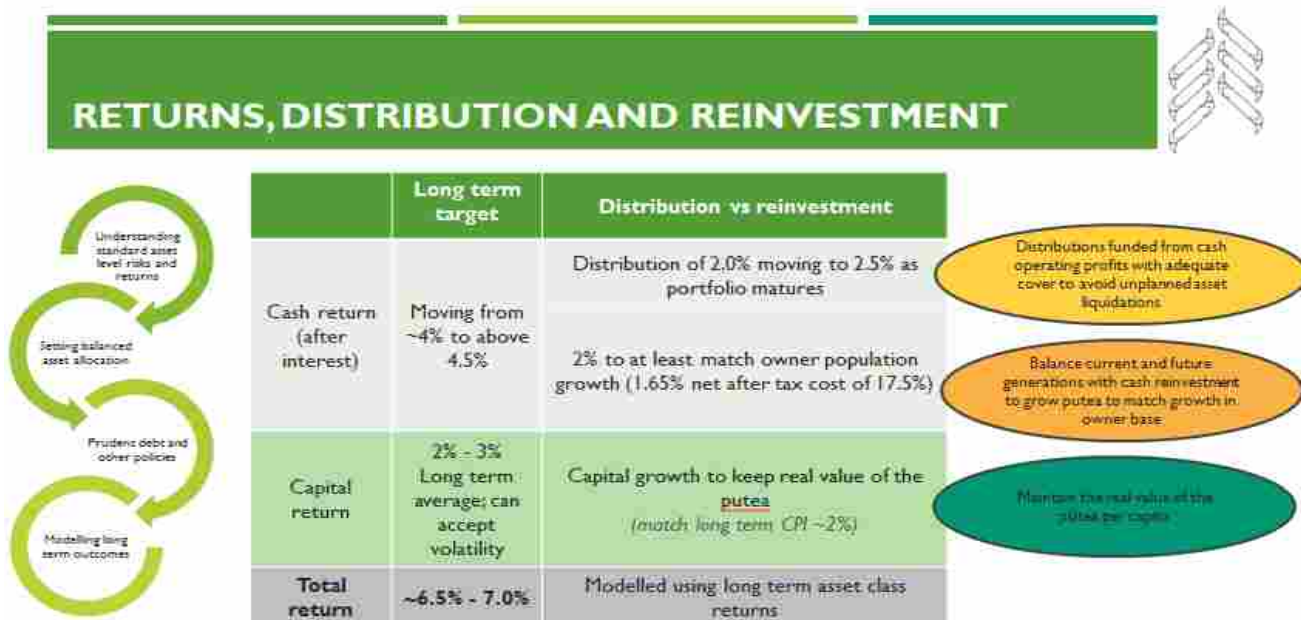
By completing this work, the Trust aims to achieve disciplined growth and more appropriately allocate their assets across Trust business to improve profit and minimise risk associated with their heavy reliance on the orchard which is subject to weather, disease and other market implications that can be difficult to manage. The image below provides a high level overview of the pathway the Trust are taking to achieve this disciplined growth:



The implementation of this strategy will strengthen the Trusts current infrastructure and ability to assess new business opportunities whilst strengthening processes and procedures including risk management as set out below:



Underpinning this work is the key aspiration to improve returns to the shareholders. This work will increase the resources available for distribution to owners and for reinvestment into the Trust for sustainable long-term growth as briefly set out in the framework below:.



Further engagement is going to occur with owners to understand their needs and aspirations for the Trust. This will involve a series of wananga and other methods of hui with shareholders which will be advertised in quarterly panui.



# Te PŪRONGO PŪTEA

## Financial Summary Report for year ended June 2023



### Net Profit/Loss

**\$876k**

Down \$589k from 2022



### Total Assets

**\$30.409mil**

Up \$5mil from 2022



### Trust Distributions

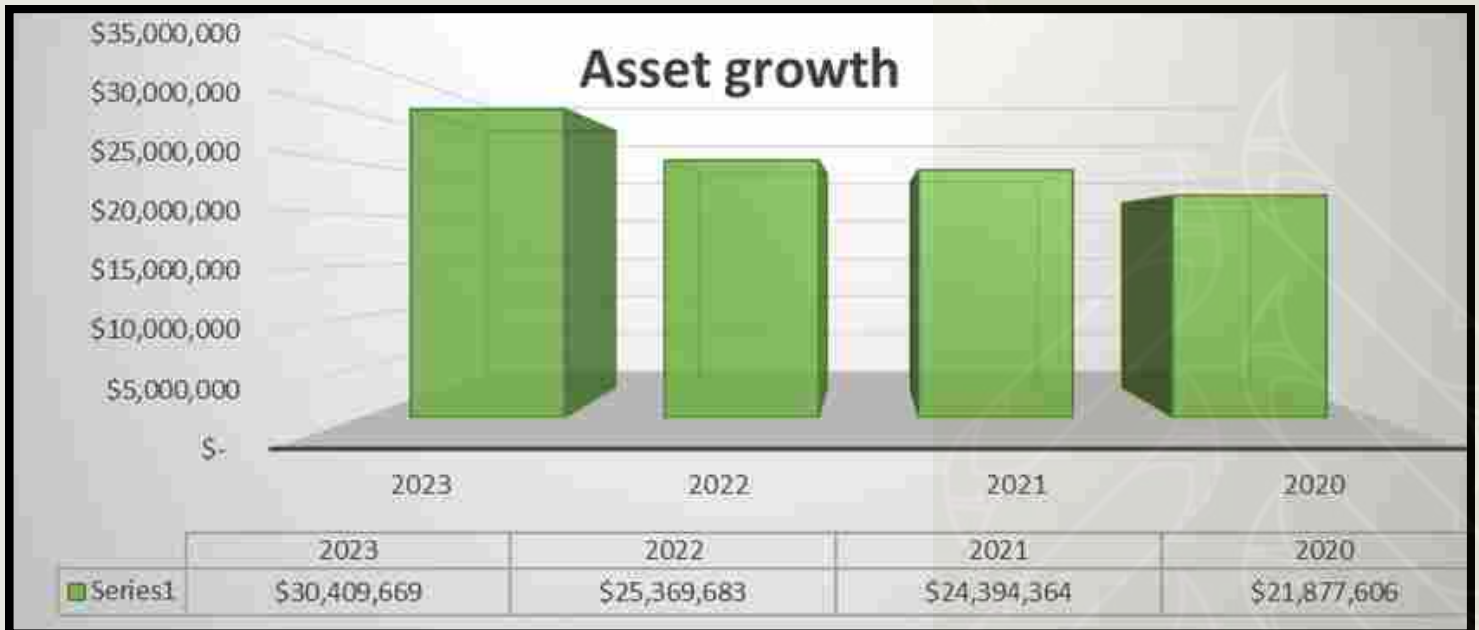
**\$108k** grants and  
**\$366k** dividends



### Total Equity

**\$29.64mil**

Up \$5mil from 2022



Net Asset value has grown by \$8.5m since 2022



Zespri shares reduced by \$1.1m in the past year



Property, plant and equipment increased by \$7mil as at 1 Sep 22

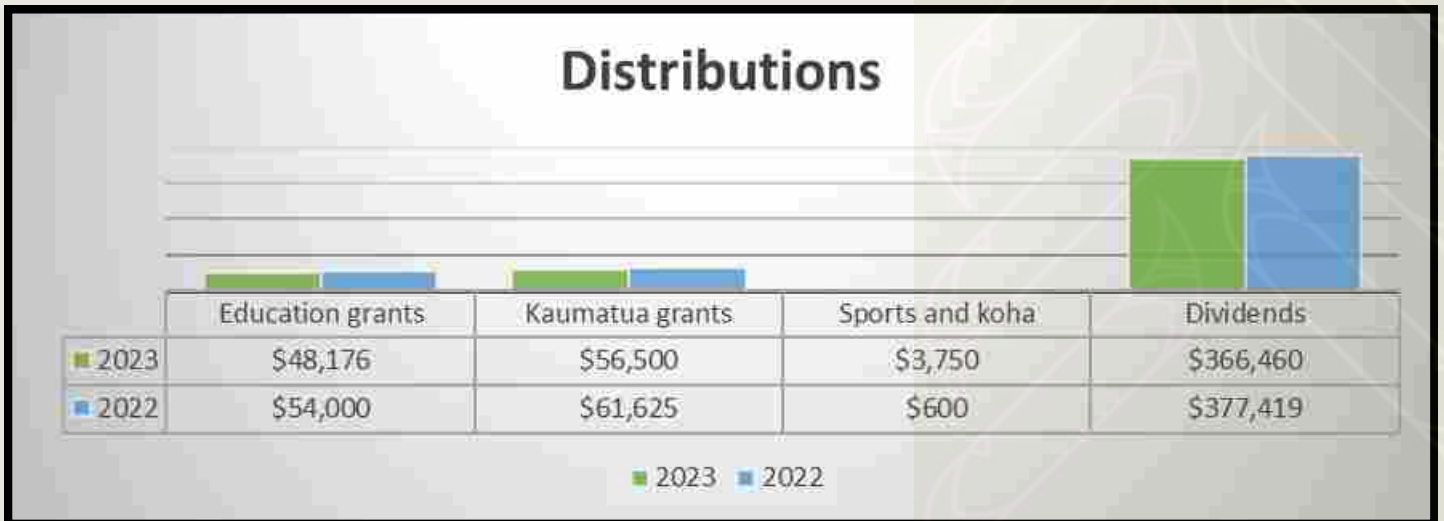


# Te PŪRONGO PŪTEA

## Financial Summary Report



Return on equity impacted by the large increase in rating value as well as reduction in investment income in YE2023



Distributions have been paid as per the current policy

# Te PŪRONGO PŪTEA

## Investment Report

### TE PAHAU LIMITED PARTNERSHIP

#### Key points from 2023 Financials

- Dividend \$70,861 which represents a return of 0.537% ( just over a half a percent)
- Revenue from milk solids down \$300,000 on the previous year.
- Milk solids up by 1,000 kg on the previous year.
- Gross profit down \$350,000 on the previous year.
- Stock deaths 5% for the year
- Feed supplements increased by \$130,000 on previous year.
- Consultancy fees up \$50,000 on the previous year.
- Contract Milker costs up \$50,000 on the previous year.
- Total farm expenditure up \$500,000 on the previous year.
- Surplus down \$650,000 on previous year.
- Bank lending is at 32% of the partnership assets
- Trevor Horncy Trust acquired additional shares from partners during the year.

The return is very much on the low side, and there may be management issues with respect to farm management. It may be worthwhile approaching the other partners to see if any are willing to buy some or all of the Trusts investment.

This unfortunately highlights the illiquid nature of Limited Liability Partnerships.

### ANZ BANK TERM DEPOSITS

Cash funds have traditionally been invested directly with ANZ on short-term Term Deposits.

It is noted that Craig's Investment Partners portfolio cash is now in the ANZ account, and there needs to be an evaluation of future needs and potential investment opportunities before any commitment, long or short term is made for these funds.

### CRAIG'S INVESTMENT PARTNERS.

This portfolio was liquidated as there was an opportunity to invest in a commercial proposal, but upon further due diligence this was not proceeded with.

The portfolio up to time of liquidation, August 2023 had a return for the period of 4.34%

Upon liquidation, there were some losses on the investments held. The material losses being:

- Deleat Group \$ 5,185
- Oceanic Healthcare \$ 9,065
- Restaurant Brands \$14,587
- Ryman Healthcare \$ 9,258
- Ansell \$ 4,318
- APA \$ 2,977
- Macquarie Group \$ 2,654
- Ramsay Healthcare \$ 4,071
- Walt Disney \$ 5,585

# Te PŪRONGO PŪTEA

## Investment Report

### PERPETUAL GUARDIAN DIMS

The portfolio returned 5.06% for the year ended 23 November 2023.

In an environment of rising interest rates and falling equities, this is a very sound return. The greatest increase was in the last month with a rally of 3.8%.

The star performances in the portfolio were:

- Auckland International Airport up 8%  
Brambles up 37.5%
- EBOS up 18.9%
- Spark up 7.6% Wesfarmers up 9.3% MSCI EAFE ETF up 14% S & P 500 ETF up 43.6%
- International Infrastructure INFR UCITS ETF up 18.3%

The detractors were

- ANZ down 5.7%
- Fisher & Paykel Healthcare down 19.6%
- Kiwi Property Fund down 25.9% P G Bond Fund down 8.4%

It should be noted that the PG NZ Bond Fund value will decrease as fixed interest rates rise due to the valuation being what can be obtained for the investments if they were sold on the open market. If interest rates decrease, the value of the fund will increase.

### INVESTMENT ECONOMY OVERVIEW

Whilst the investment environment continues to be challenging, investment in multiple geographies and asset classes mitigates the risk. Positively, companies have continued to reward investors with dividend income, especially in Australia and New Zealand. Over the last 12 months, New Zealand equities have paid over 4.1% with Australia paying over 5%. This is a significant improvement from the period in the aftermath of the pandemic and while growth in income is expected to slow from the rapid recovery, there is no sign that companies will need to curtail payments.

Investing is about the long-term and as the economic picture improves, asset prices should follow. With the investment backdrop remaining uncertain, we maintain our moderate overweight tilting to cash and fixed interest, and slight underweight to

equities both here and abroad. With that said, we remain on the lookout to invest further should the opportunity arise.

In the current environment of investment yields and deposit yields being broadly similar and higher than previous periods we are effectively being paid to wait, and should we see a catalyst for change leading to a structural shift in the current situation that will allow us to deploy capital in a prudent and sensible way, we will do so.



Craig Roebuck METI, GradDipBus PFP, Trusted Adviser ( FANZ) Investment Adviser  
FSP 112970

# TE PŪRONGO URU HUARĀKAU

## Orehard Summary

### Hayward harvest 2023

11.86 effective hectares

66,583- total trays harvested

100% Kiwistart

5,609 trays per hectare

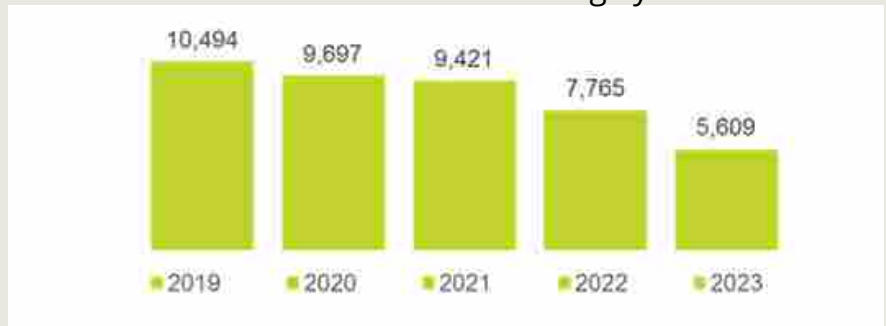
33.2 average count size

- 2022 fruit size – 29.7%

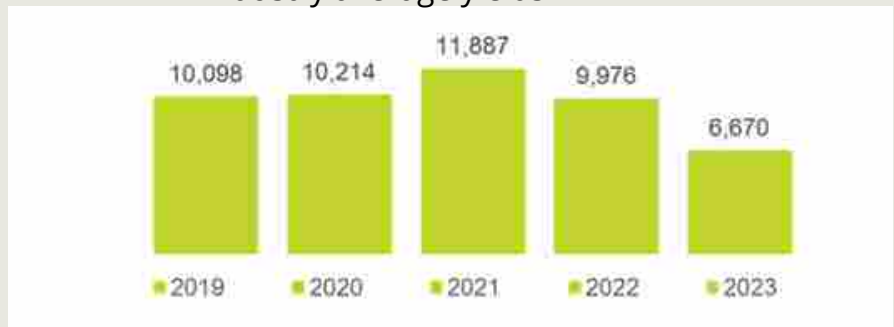
9.1% reject rate

- 2022 reject rate – 10.6%

Otama Marere Trust average yields

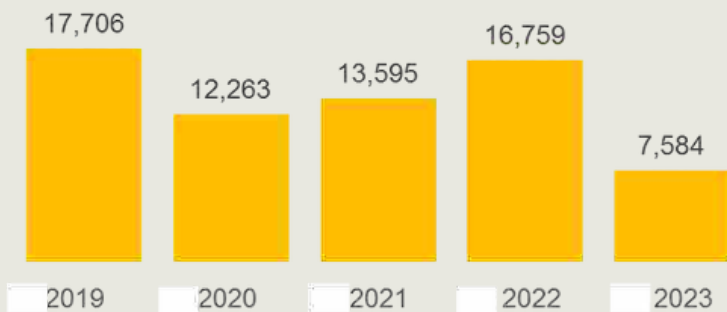


Industry average yields



### Sungold (Conventional) harvest 2023

Otama Marere Trust average yields



2.20 canopy hectares

16,684 total trays harvested

7,584 trays per hectare

100% Kiwistart

24.9 - average count size

2022 – 29.8

15.6% - average reject rate

2022 combined – 18.8%

Industry average yields



# TE PŪRONGO URU HUARĀKAU

## *Orchard Summary*

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### Season Update 2023/2024

- 2023 winter slightly warmer than 2022
- Fortunately, Te Puke chilling came at the right time
- Bud burst saw more shoots emerge than 2022
- Conventional Sungold has a good volume of flowers
- Organic Sungold affected by PSA & Armillaria
- Investigation in to sustainability of Sungold organics
- Rain during pollination but nothing like last year
- Rain hinders efficacy of natural pollination
- Long range forecast for dry summer
- Spring rains excellent for soil moisture - dry summer



# KAUMĀTUA GRANTS

Kaumatua Grants are available for those who register for the Grant. Owners in the Trust are entitled to apply for a Kaumatua Grant of \$300 if aged between 60-69 years old or \$400 if aged 70 and over and \$500 if aged 80 and over. The Grants are paid annually in December. Those who were registered in 2023 will receive their Grant payment in December 2023.

Please contact Shirley Pahl at Perpetual Guardian for an application form.  
Phone: (07) 921 7684.





# TE KŌTI WHENUA MĀORI

## **Q. How do I apply for succession?**

A. You need to file an application for succession at the Maori Land Court. You will need to provide the following:

- Original death certificate or a certified copy
- Original will (or grant of administration) if there is one
- Fully completed application papers
- Application fee of \$61.00
- Details of the deceased's whanau that is parents, brothers, sisters and children.

When obtaining Court land records you must tell them if the deceased person is in an Incorporation, as the Court does not maintain registers for Incorporations. They will then ask the Incorporation Secretary for details of that shareholding.

## **Q. How much does it cost?**

A. The application fee is \$61.00. That is the only cost payable to the Maori Land Court. You may incur other costs obtaining copies of death certificates and if you have to consult a lawyer. You should discuss this with Court staff.

Consider your own estate and how you wish to succeed your lands. Do you want a whanau trust established after you pass away? Do you have a will gifting your maori land? who will look after your land interests or vote on your behalf if you lose mental capacity?

Contact Perpetual Guardian for discounted owner services such as WILLS. EPA's and assistance to establish a Whanau Trust in your Will.

Contact Shirley Pahl on 07 921 7684 or [shirley.pahl@pgtrust.co.nz](mailto:shirley.pahl@pgtrust.co.nz) for more information

## **Q. What happens when I lodge my application?**

A. The application is searched by Maori Land Court staff to obtain full details of the deceased's land interests. You will receive a copy of that search and will be advised by letter when you have to go to court.

A court hearing will be arranged at the court venue closest to where the land is located or, if you prefer, closest to where you live. When you arrive at court, you will first speak to a Court officer who will confirm the details of your application. The Judge of the Court will then re-confirm those details in court.

Following the court sitting, you will receive a copy of the court minutes, which is a record of the hearing. This is confirmation of what happened at the hearing.

## **Q. Do I have to get a lawyer?**

A. In most cases, you can complete succession yourself. You should discuss whether or not you need a lawyer with the Court staff.

# OTAMA MARERE TRUST

## MINUTE OF ANNUAL GENERAL MEETING

13 MAY 2023, Paengaroa Community Hall, Paengaroa, at 10.30am.

**PRESENT:** Homman Tapsell, Aubrey Wilkinson, Petera Tapsell, Diane Berghan, Kiri Tapsell, Gemma Mills (Perpetual Guardian,) Shirley Pahl (Perpetual Guardian), Ryse Rushton(Seeka), Roberta Paaka, Helen Sutton, Aroha Wilkinson, Elaine Tapsell, Nukuhia Iles, Puti Hammond, Charles Viel, Aneta Muir, Pango Munro, John Kameta, Janice Taia, Ernest Butcher, Wiari Rauhina, Faenza Tapsell, David Tapsell, Aho Paki, Boy Corbett, Paulene Jackson, Margie Elers, Darcy Winiata, Lynn Tapsell, Janice Viel, Judy Tapsell, Kainamu Pouwhare, Richard Rewita, John Hodge, Lesley Clarke, Frances Rangiawha, Lyla Fornasiere, Sue Elliot, Jason Rogers, Aroha Tapsell, Willie Tapsell, Tohitoururangi Butcher, Huka Kameta.

**MIHI/KARAKIA:** Petera Tapsell

### 1. MEETING OPENED - 10.35am

- 1.1. The Trustees, Perpetual Guardian staff and Ryse Rushton of Seeka, were introduced to the owners.
- 1.2. Gemma Mills confirmed as chairing the meeting.

### 2. APOLOGIES

- 2.1. Gemma Mills shared that there were 26 apologies received. A further 7 apologies were taken from the floor.

***Motion** – That the apologies be received.*

*Wiari Rauhina / Elaine Tapsell*

***Motion Carried***

### AGENDA

- 2.2. Gemma Mills read through the agenda. No further agenda items were received from the floor.

***Motion** – That the Agenda be confirmed.*

*Jason Rogers / Paulena Jackson*

***Motion Carried***



### 3. TRUSTEE REPORT

- 3.1. Gemma Mills read through the tabled trustee report.
- 3.2. General discussion followed the report around questions from the owners ranging from policies and procedures for new investments, effects for frost on the orchard, the auction process for Zespri Gold Licence, investigation into medicinal cannabis venture, strategic planning and role of Brad Tatere.

**Motion** – *That the Trustee Report be received.*

*Pango Munro / John Hodge*

**Motion Carried**

### 4. ORCHARD REPORT

- 4.1. Rhys Rushton read the tabled Orchard Report with commentary by Homman Tapsell.

**Motion** – *That the Orchard Report be received.*

*Pango Munro / John Kameta*

**Motion Carried**

### 5. TE PAHAU DAIRY FARM REPORT

- 5.1. Gemma Mills read the tabled report for Te Pahau Farm.
- 5.2. Gemma Mills noted the trustees are doing a full review to see if this is still fit for purpose and aligns with the overall kaupapa of the Trust and will be part of the strategic planning process.
- 5.3. Discussion followed around return on the investment, change of management of the farm staff, their commitment to reducing their debt (which means no dividend paid), the difficult years for the farm and noting the last two years where the trajectory is moving up. It was noted the future of the farm continues to be reviewed by the Trustees.

**Motion** – *That the Farm report be received.*

*Wiari Rauhina / John Hodge*

**Motion Carried**

### 6. FINANCIALS

- 6.1. Gemma Mills read the tabled Financial Report.
- 6.2. Gemma noted the forecast for 2023/2024 is looking at a much reduced net profit as the orchard continues to recover from Covid and the recent hit from frost. This will mean continued prudent decision making by the trustees.

- 6.3. Gemma read the tabled investment reports with Craigs and Openly noting because of the drop in markets due to Covid, the overall return on investment is 2.67% and 3.03% respectively. Both investments portfolios are a balance risk fund, and the advice from the portfolio managers is to sit tight and ride out the bumps.

**Motion** – *That the financial Report for the year ending 30 June 2022 be received*  
*Pango Munroe / Jason Rogers*      **Motion Carried**

## 7. AUDITING

- 7.1. Gemma Mills explained the accounts must be audited as per the Trust order, unless the owners decided not to. She explained the costs is around \$8k, and went to explain Perpetual Guardian checks and balances process for the Trust funds as the accountant, BDO. General discussion followed regarding the pros and cons for auditing the account.
- 7.2. A vote of hands was taken and the following motion was passed.

**Motion** – *That the Trust dispense with auditing requirements for the financial year ending 2022 be accepted*      **19 votes for. 1 votes against.**  
**Motion Carried**

## 8. DISTRIBUTION TO OWNERS

- 8.1. Gemma Mills explained the Trustees had decided to pay out an owners distribution of \$366,460.23 being 25% of the new profit as per the distribution policy. This was after the Trustees considered the net profit income and the forecast for 2023/2024. Gemma advised the owners that because of the past difficult year re weather and PSA, it is likely the distribution for the next few years will be smaller or possibly not paid. This will be monitored closely.

## 9. GRANTS

- 9.1. Diane Berghan advised the owners on Kaumātua Grants, Tangihana Grants, and Education Grants. She noted the following:
- 9.1.1. \$900 was giving in Tangihanga Grant.
- 9.1.2. \$57,000 was given in Education Grants.
- 9.1.3. One grant, per year, is given from the Huia Tapsell scholarship and the recipient for this year is Alannah Grassick, for \$1000. Lyla Fornasiere thanks the Trust for giving this grant to her moko.

9.2. Gemma Mills then advised the owners there was one applicant for the Warwick Tapsell Sport and Cultural Grant was being considered, and noted this was under-utilised. She went onto say, it was a \$200 grant, open all year.

## 10. STRATEGIC PLAN UPDATE

10.1. Gemma Mills explained the Trust had engaged the services of Brad Tatere from Koau Capital to co-design a strategic plan that consider the Trusts historical and current position, as well as areas for improvement to meet the needs and aspirations of the Otama Marere shareholders. The initial work being undertaken is an investment strategy, strategic financial modelling and confirmation of policies and procedures as part of the Trust mandate as set out below:



The strategic planning will also cover disciplined growth and risk management.

10.2. Discussion followed. It was noted this process should be layered with pou, and come from a Te Ao Maori lens, and it would be better to send this draft plan out to the owners, three months before the next AGM to give them time to read and digest it. This was noted by the trustees.

10.3. The plan would be in draft format when presented to the owners, and the trustees would be seeking owner engagement before the final version was complete.

## 11. PREVIOUS MEETING MINUTES

11.1. Gemma Mills took the previous meeting minutes of the Owners meeting on 22<sup>nd</sup> January 2022 as being read.

**Motion** – *That the minutes of the Annual general meeting held on the 22<sup>nd</sup> January 2022 be accepted.*

*Pango Munroe / Elaine Tapsell*

**Motion Carried**

## **12. GENERAL MATTERS ARISING**

- 12.1.** Homman Tapsell advised the owners his son, James Kururangi-Tapsell, had received a koha from the trust of \$1500.00. This was in recognition of the mahi he had done for the Ahu Whenua awards.
- 12.2.** Gemma advised this was an application from James to the Trust, originally to assist with a curatorial research residency in London. As there was no current Discretionary Grant policy in place, a koha was agreed upon, and the trustees felt this was fitting as an acknowledgment of all the behind the scene's mahi, James had undertaken for the Ahu Whenua Awards.
- 12.3.** It also highlighted the need for such a Discretionary Grant policy, which the trustees are currently working through.

## **13. GENERAL BUSINESS**

- 18.1** Health grant – an owner asked if the Trust has such a policy. Gemma Mills replied there was not such policy in place at this time.

**With not further business, the meeting closed at 1.00pm with a karakia by Petera Tapsell.**



