



Tumu Kaituna 14 Trust

Owners Information and Voting Pack

Resolutions 1 and 2 - Variation of the Trust Order for Rotation of Trustees.

1. *That the Tumu Kaituna 14 Trust applies to the Māori Land Court for an amendment to the Trust Order to allow for new rules for a Trustee Rotation and Election system based on:
 - a) *Seven trustees to hold office for four years;*
 - b) *An election for 2 trustee positions every two years starting from 2023 (with two existing trustees to stand down each election and be eligible to stand again);*
 - c) *Trustee eligibility criteria based on a CV showing experience or an ability to contribute to land governance and/or financial management and/or tikanga Māori.**
2. *That three of the seven trustee positions to be “hapū endorsed seats” relating to each of the 3 constituent hapū of the land, whereby the nominee must demonstrate they have obtained written endorsement from the relevant hapū authority or a recognised hapū kaumatua.*

Background:

The current 5 longstanding Trustees were 5 of the original 13 Trustees appointed for life in 1990 by the Maori Land Court. In 2017 a proposal to introduce a rotation policy for Trustees was dismissed by the Court on the basis that there was not sufficient evidence of support by the owners. If there is sufficient support through this voting process then it is expected the Court will accept the wishes of the owners and approve a variation of the Trust Order to introduce the rotation process. The scale of potential development of the Trust lands is in the hundreds of millions of dollars – a very large scale development. It is important that Trustees with the right skills, experience and acumen are appointed to lead the Trust into the future and that there is an opportunity to refresh Trustees from time to time.

A further consideration are the iwi connections to the land. The Trust owners are comprised of members from the 3 hapu of Ngāti Rangiwewehi, Ngāti Rangitearore and Ngāti Uenukukopako. An option has been put forward in the voting process to gauge support for 3 appointments to be endorsed by their relevant hapū. If supported then the individual hapū will then establish their own processes for nominating a Trustee. That nomination would still need to be acceptable to the registered owners of the Trust and the Māori Land Court.

Trustees will be elected by the Trust registered owners on a one owner, one vote basis through a postal voting process along the lines of the election just held. Any vacancies occurring mid-term will be filled at the next rotation.

The first rotations will be done on a gradual basis to ensure an orderly transition of knowledge and experience during a very active time for the Trust as it progresses its development strategy.

Resolution 3 - Resolution on the Infrastructure Corridors and Active Reserve

That, in order to facilitate the development of Tumu Kaituna 14 land in accordance with Trustee Guiding Principles, the Tumu Kaituna 14 Trustees are authorised by the owners to negotiate with the Tauranga City Council the granting of Access and Use rights to the parts of the land shown on the plan as 'infrastructure corridors' and the 'active reserve' through easements or long-term leases on the basis that:

- *The Trustees act in accordance with the Trustee Guiding Principles;*
- *The Trustees are prohibited from selling any part of Tumu Kaituna 14 land;*
- *The Trustees obtain best value compensation for the use/access rights by way of additional ownership of land and/or financial compensation;*
- *The Trustees return to owners with full details of the negotiated agreement for consultation before final agreement.*

Background:

In 2017 the Trust put forward proposals to develop the land that involved a change in land status to obtain development funding. Those proposals did not proceed and in the meantime our operating environment has changed significantly. Currently there are opportunities for development funding to come from other sources and our approach has changed. We have developed 7 guiding principles that the Trustees undertake to follow:

Principle one: Developing the land without selling it

Principle two: Ensuring our history and cultural connection is represented and respected

Principle three: Houses for our people

Principle four – Community spaces and places

Principle five – Commercial opportunities

Principle six – Education, training and employment

Principle seven – Sustainable income

Further information on these guiding principles is set out in Appendix A. Principle one is the dominant principle. 70% of the original historical land ownership is gone so we need to protect what we have.

There is an opportunity to acquire more land through an exchange of interests in land. As discussed through the engagement hui, we may be able to acquire additional land from the Tauranga City Council by granting an easement or long term lease to a portion of our land for infrastructure, while still retaining our underlying ownership of all our land. Surplus land is available from the Papamoa East Interchange development that we could potentially acquire through a negotiation process with the Council.

Negotiations of this nature are naturally complex and in allowing rights to use our land for easements etc these negotiations will include a range of elements for compensation that includes issues of betterment, injurious affection and commercial leverage. We have a strong position to secure good outcomes but we need to have owners support to make progress. This is the reason for the owners vote on this resolution. If it is supported then we will enter negotiations with the Tauranga City Council to see if we can strike an acceptable deal that we can bring back to the owners to discuss in a hui.

Some owners have asked why we need to do a deal with the Tauranga City Council. The answer is that Council are willing to invest over \$100 million to build infrastructure to support development of lands at Te Tumu which includes not only our land (260 hectares) but those of the adjoining landowners to the East of our block. To justify this investment by council they

need to know that the landowners want to develop their land and that we are prepared to allow access across our land for the infrastructure corridors (for roads, power and water) that will unlock the 760 hectares of land in the overall Te Tumu area.

The council does own land next to our block but this is under an option to purchase by the property developers Carrus Corporation. If the infrastructure corridors (9.95 hectares, approx) are approved the Council will benefit from the sale of their land to Carrus and that is a commercial consideration that we will include in our negotiation process.

The 20 hectare active reserve would be for sports grounds and recreational open spaces with land ownership remaining with the Trust but access via easement or long term lease paid for by the council. This is a significant opportunity to obtain cashflow to support our other development initiatives including housing for owners and commercial areas for employment opportunities.

This resolution is an initial step towards development to authorise the Trustees and advisors entering into negotiation with the Council to see if an agreement in principle can be reached. Any draft agreement will be brought back to the owners for approval.

There are many subsequent steps needed including Māori Land Court approvals for easements or land interest exchanges, planning processes under Town planning and resource consent rules, development design to determine what we would like to see on our lands, and policies around housing for owners, to name a few. Approximately 150 hectares of our land could be developed, the remaining 100 hectares would be retained for ecological, environmental, archaeological and cultural purposes.

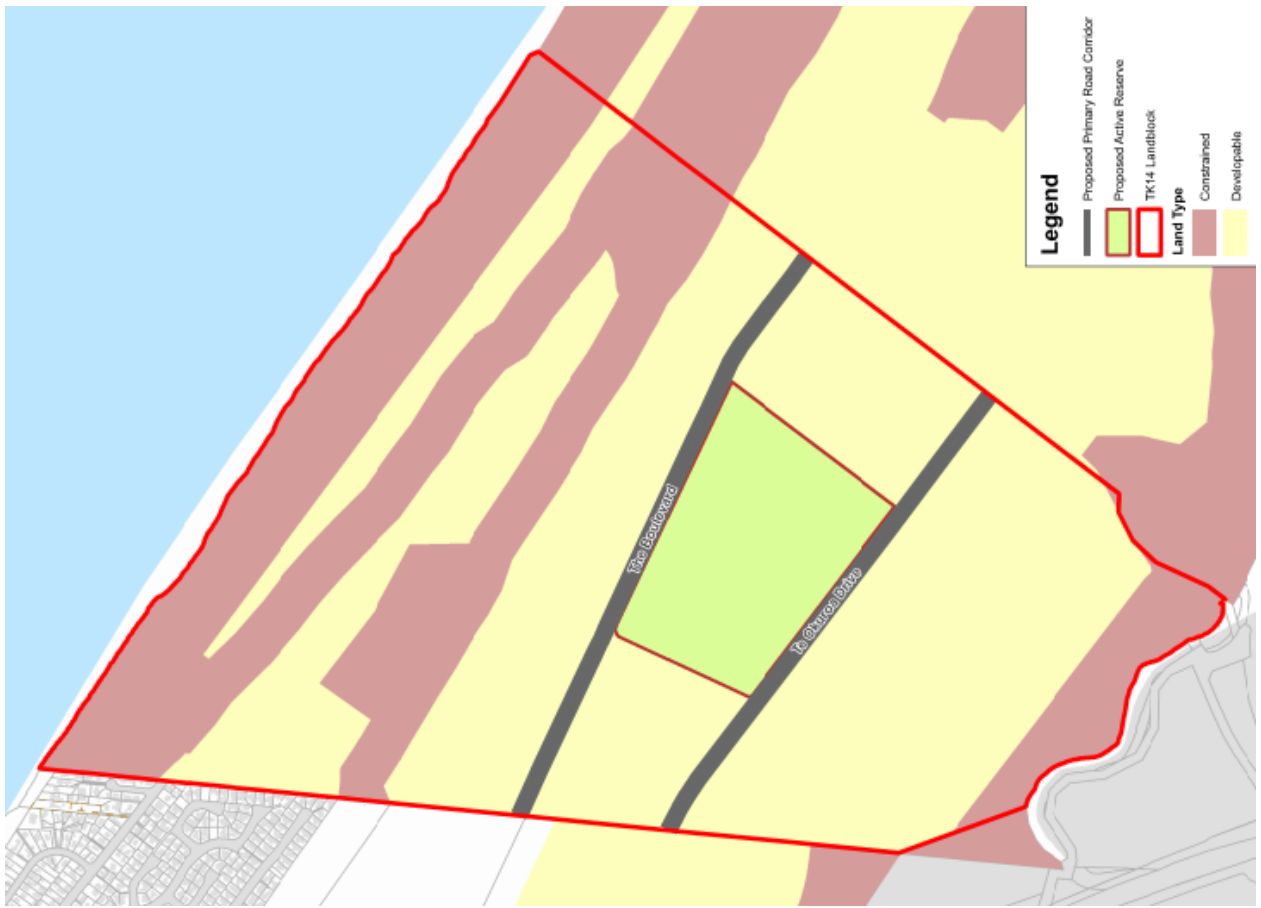
Some owners have queried why we are having a postal vote – this is to ensure we get the widest engagement with owners and that as many owners as possible can participate in the decision-making on what happens with our lands.

More background information is available on the Trust website www.tumukaituna14.org.nz.

VOTING

A personalised voting paper is included in this information pack. To vote select your preferred options, sign, and return your voting paper to the Returning officer either by the replay paid envelope, email or deliver by the closing date of 15 December 2022 to:

The Returning Officer
GHA Chartered Accountants
P.O.Box 1712
ROTORUA 3010
Level 1 GHA Centre 1108 Fenton St ROTORUA
Email: nero@gha.co.nz



Appendix A

Developing our Whenua – The Trustees’ Guiding Principles

Having a strong set of guidelines is important when undertaking any project. These guidelines help to keep the purpose, the vision, in the front of minds as we immerse ourselves in the detailed and complex world of property development.

This is even more important when you’re undertaking a project for the benefit of a collective of owners and their uri, who will have diverse backgrounds and interests such as we are doing at Tumu Kaituna 14 Trust for our more than 5500 owners.

We all know how complicated things can get when you have to make decisions not just for yourself but also others. That is why we have designed a framework of guiding principles to keep us on track as we work towards developing our whenua.

While we know we must always retain ownership of our land, our challenge is also to find a way of generating sustainable income so that we can facilitate developments, work with regulatory authorities and our neighbouring landowners, and provide benefits to our owners and their whānau.

Our vision is that we want to develop an area of the land and put in place a range of short, medium and long term leases so we can retain ownership and still benefit from the whenua. We can then build, own, and lease out the buildings, whether they are used for housing or light industrial purposes. Some of our land (almost half) will be retained for ecological, environmental archaeological and cultural purposes.

As you can appreciate, developing our lands will be a complex process but to keep us on track we have created a framework made up of seven guiding principles that outline these principles and the underlying philosophies.

Principle one: Developing the land without selling it

The first principle is that, in accordance with the Trust Deed and our owners wishes, retention of the land is a priority. However as part of the urbanisation and development of the land:

- The goal is also to use the land to create sustainable income streams and so parts of it will be put into long term leases;
- An exchange of land interests may be required for infrastructure servicing; and
- Some land for roads may need to be alienated to enable housing to be delivered.

We are doing this to allow for infrastructure for development of our block and the urban growth areas surrounding Te Tumu. By doing this we will be able to create:

- Community infrastructure so that we can have parks and reserves
- Commercial and industrial areas to stimulate sustainable employment opportunities
- Residential housing for owners and the wider community to build and rent
- Primary and secondary schools, kura and puna reo to encourage education

Principle two: Ensuring our history and cultural connection is represented and respected

Ensuring our significant history and cultural connection to the land is represented and respected within the development is vitally important to all of us. So we have included this principle to ensure we have the following initiatives:

- A Master plan of development that is uniquely based in our own tikanga and values
- Protection of known historical and cultural sites within the block
- Appropriate naming of roads, streets, parks, cycleways and reserves that includes te reo Māori and recognises our history

- Give priority preference to our own people for employment, advisory, commercial and personal participation with our lands

Principle three: Houses for our people

Being able to provide affordable housing for our beneficial owners and whānau is a key priority under this development. As a result, we have started discussions with Crown Agency Kāinga Ora to explore opportunities for ownership and rentals under a partnership arrangement. The initiatives to explore are:

- Build Own Operate Transfer Model – Kāinga Ora build, own and operate affordable rental properties that cater for beneficial owners and the wider community on leasehold land, which is returned after a period of up to 25 years.
- Build to Own Housing – This would likely be on a shared equity basis guaranteed by Kāinga Ora and the Tumu Kaituna 14 Trust, and provided for through the Progressive Home Ownership Fund.
- Community Housing – Establishing community housing development through a provider and our trust that would specifically cater to providing affordable rental accommodation for our owners and their whānau.
- Transitional housing for people without stable accommodation.
- Private build by beneficial owners, with long-term occupation rights for land under and around the house.

To enable us to explore these initiatives further, we are proposing to apply to the recently announced Whai Kāinga Whai Oranga initiative, which is a new Māori housing and infrastructure fund.

Principle four – Community spaces and places

We know that building houses is not enough to ensure a successful development and that we also need places and spaces for other uses to ensure a thriving community. Therefore, we recognise we must provide owners and their whānau access to use and connect with the whenua. We are proposing the following initiatives:

- A holiday park and campground on the coast for priority use by our owners and their whānau, which is managed by the Trust (or Trust appointed persons).
- A cultural centre to show and highlight the substantive history and cultural aspects associated with the whenua. We have received feedback from some owners that a marae could be established, which is a significant step.
- A boat storage adjacent to the Kaituna River for use by the owners and their whānau.
- Parks and reserves that will cater for a range of ages and abilities.
- Sports grounds and facilities for the whole community.

Principle five – Commercial opportunities

In addition to the community facilities, we are also proposing to include land zoned for commercial activities because these will help provide the cashflow and livelihoods for the development of surrounding areas through a variety of trade-based and service industry uses.

We believe this will help create a range of opportunities for owners and their whānau to establish their own businesses and we are willing to support this in the form of subsidised land leases, low interest loans as well as business set up and mentoring assistance once we have established a secure financial base for the Trust.

Principle six – Education, training and employment

Building this development is going to take a huge commitment from all of us. We are looking to work and partner with trades and employment training providers to develop a wide range

of paid skills to owners and their whānau. This will enable you to help to build this dream from the ground up and be rewarded along the way. Whether it is as a builder, plumber, landscaper – whatever role suits - you can help achieve our collective goal of using our whenua to support our whānau and our descendants.

As a result, our sixth principle is to ensure our owners and their whānau will have the benefits of employment opportunities throughout this development.

Principle seven – Sustainable income

The seventh and final principle underpins all of the others and that is: we are working to develop a sustainable income to help support our owners, your whānau and our descendants.

As stated in Principle 1 our vision is that we will always retain ownership of the land. But we will be able to use it in a way that derives sustainable income so that we can reinvest in these initiatives and the ongoing urban development of our whenua as well as other benefits to owners. This way the benefits of this land will be ensured for generations to come – mō tātou, ā, mō ngā uri, a muri ake nei.

If you are interested in receiving more information or wish to share your thoughts about the development then please use the contact us page on our website.