

Strategic Plan

# Pirihima Whanau Trust

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2014-2019

# Pirihima Whanau Trust

## Strategic Plan Overview 2014-2019

### Vision

Realising the potential of the whenua for the wellbeing of the Pirihima whanau.

#### Current Position 2014

- Ahuwhenua Trust based in Tauranga, Welcome Bay
- Core asset of 90.30 ha of land
- \$3.83m total net assets as at 31 Oct 2013
- Diversified in horticulture, farming and forestry and investments
- 89 Shareholders and 6 trustees
- \$505,000 cash balance
- Non-performing investments and loans
- Forestry of 64.3ha established
- Orchard productivity a priority
- Relationship with Patetu Trust
- Restructuring phase at present

#### Future Position

Focussed on core horticultural business  
 Orchard productivity in top quartile of industry  
 Exited from Pukenga JV  
 Expanded canopy ha's  
 Shareholder loans settled within two years  
 Papakainga – current stage completed and tenanted  
 Biodiversity Plan signed off and physical work completed  
 Concise forestry harvesting and replanting plan in place  
 Exit from livestock farming operations  
 Sustainable long term orchard lease with Patetu  
 Trust has strong governance in place  
 Trust is paying dividends or grants

### Objectives

Being a sustainable business, creating opportunities for shareholders and developing business and governance capabilities of the trustees.

### Strategic Projects

**Patetu Lease/Farming**

**Orchard Productivity**

**Pukenga JV**

**Woodhouse Loan**

**Te Roha Loan**

**Papakainga**

**Investment Land**

**Biodiversity**

**Forestry**

### Values & Guiding Principles

Kaitiakitanga – guardianship of the whenua for the spiritual and general wellbeing of future generations.

Whanaungatanga – positive relationships with all people through transparency, respect and accountability.

Mana Motuhake – sustainable self determination.

Tino Rangatiratanga – providing responsible leadership.

Maanakitanga – supporting and uplifting those we come into contact with.

Ukaipotanga – the connection of whanau to their land and their people.

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## Document Overview

### What is the purpose of this document?

The purpose of this document is to provide a clear and deliberate strategic plan for Pirihima Whanau Trust from 2014 to 2019

All activities conducted by Pirihima Trust should link to one or more of the strategic objectives the organisation has set.

### Who should read this?

This is a confidential internal document and is intended for use by trustees, management and external advisers to Pirihima Whanau Trust.

All trustees and management should be familiar with this document.

### When was this document last updated?

The document replaces the previous plan dated 2007-2012. The plan will be ratified at the next Pirihima Whanau Trust hui.

### When is the strategic plan reviewed next?

The Strategic Plan will be formally reviewed by the trustees each year.

All amendments and additions to the strategic plan will be updated and ratified by the trust.

The selected strategic projects for the upcoming year will be incorporated into the Annual Plan and budgets. The Annual Plan and Budgets will be ratified by the board in March.

## Vision Statement

### What is the vision for Pirihima Whanau Trust?

#### VISION

Realising the potential of the whenua for the wellbeing of the Pirihima whanau.

### Why were these specific words selected?

Pirihima Whanau Trust is focused on assisting their shareholders and whanau through good business management and growth of their assets.

## Values and Guiding Principles

### What are the values and guiding principles Pirihima Whanau Trust has adopted?

Kaitiakitanga – guardianship of the whenua for the spiritual and general wellbeing of future generations.

Whanaungatanga – positive relationships with all people through transparency, respect and accountability.

Mana Motuhake – sustainable self determination.

Tino Rangatiratanga – providing responsible leadership.

Maanakitanga – supporting and uplifting those we come into contact with.

Ukaipotanga – the connection of whanau to their land and their people.

### Why are these values important?

These concepts are important as they set the tikanga under which the Pirihima Whanau Trust operates. These values represent best practice.

The corpus land represents tupuna land.

## Current Position

### What does Pirihima Trust have now?

- Ahu Whenua Trust based in Welcome Bay, Tauranga
- 89 Shareholders and 6 trustees
- Core asset of 90.30 ha of land
- \$3.83m total net assets in October 2013
- Diversified in agriculture, horticulture, forestry and investments
- Kiwifruit, avocados and residential investment properties
- Large operating cash balance
- Non-performing investments and loans
- Forestry of 64.3ha established
- Relationship with Patetu Trust
- Restructuring phase at present
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## Future Position

### Where does Pirihima Whanau Trust want to be in five years?

Focused on core horticultural business  
Orchard productivity in top quartile of industry  
Exited from Pukenga JV  
Expanded canopy ha's  
Shareholder loans settled within two years  
Papakainga – current stage completed and tenanted  
Biodiversity Plan signed off and physical work completed  
Concise forestry harvesting and replanting plan in place  
Exit from livestock farming operations  
Sustainable long term orchard lease with Patetu  
Trust has strong governance in place  
Trust is paying dividends or grants

## Objectives

**What are the specific Strategic objectives for Pirihima Whanau Trust in the next five years?**

- A. Being a sustainable business
- B. Creating opportunities for shareholders
- C. Developing governance and business capabilities of the trustees

**Why were these objectives selected?**

### **A. Being a recognised sustainable business**

Pirihima Whanau Trust adopts a strategy of focus on core business to manage sustainability and reduce risk. It is a business that continues to improve all areas of its operations.

### **B. Creating opportunities for shareholders**

After its responsibilities to guard ancestral land, the main vision for the Pirihima Whanau Trust is the creation of wealth and return to shareholders.

### **C. Developing governance and business capabilities of the trustees**

This objective is crucial to achieving A and B above. It also reflects the trust's vision.

## Strategic Projects

**What are the prioritised strategies for Pirihima Whanau Trust?**

**Patetu Lease/ Farming Operations**

**Orchard Productivity**

**Pukenga JV Investment**

**Woodhouse Loan**

**Te Roha Loan**

**Forestry**

**Papakainga**

**Investment Land**

**Biodiversity**

**Overall, what do we need to get there?**

- Regular annual review of the strategic plan by the trust
- Strategic Projects incorporated and budgeted in each Annual Plan
- Regular board meetings to monitor progress
- Budgets, project plans and reporting for each strategic project
- Delegation of authority to each project lead / team
- Shareholder support and communication
- External expertise for each strategic project (where required)
- Approved professional development and training opportunities for trustees.

# Pirihima Whanau Trust

## *How will each strategy be achieved?*

### Strategic Project 1: Patetu Lease/farming

Key Question	Response
What is this strategy attempting to achieve?	Fair orchard lease, formalise relationship, pay lease owing, secure long term use of orchard only, exit livestock.
Why do this?	Ongoing relationship with Patetu, financial returns from orchard, stick to core business.
What are the critical factors that this strategy requires to be achieved?	Meet with Patetu, draft lease agreement, pay off \$50,000 of debt, a response from Patetu, sell cattle.
Who is the project leader? Who is involved?	Marita
What are the major milestones for achieving this?	Either signed lease or walk away from Patetu orchard. Cattle sold.
What is the organisational priority for this strategy?	High
When is this aimed to be achieved?	3 months
What budget is allocated to this?	\$5,000 – John Koning
What indicators show we've achieved this?	Either signed lease or walk away from Patetu orchard
What resources will be required to maintain the outcomes of this strategy after it is achieved?	NIL
What is at risk?	Access to canopy ha's, risks due to uncertain lease, call from Patetu for debt
What profile does this strategy have? (Value vs Difficulty)	High priority and high value

# Pirihima Whanau Trust

## Strategic Project 2: Orchard Productivity

Key Question	Response
What is this strategy attempting to achieve?	Orchard operating as profitably and sustainably as possible. Top quartile returns.
Why do this?	To fulfil the vision and do the best for the shareholders.
What are the critical factors that this strategy requires to be achieved?	Expert advice received re the manager and consider. Signed lease with Patetu. Engage Tuhono Whenua for two years. Options document produced. Restructuring to improve efficiencies and productivity after considering advice.
Who is the project leader? Who is involved?	Marita
What are the major milestones for achieving this?	Restructure has occurred and productivity is in top quartile.
What is the organisational priority for this strategy?	High
When is this aimed to be achieved?	Lease – three months, restructure – one year, productivity – three years.
What budget is allocated to this?	Tuhono – TBA, employment lawyer \$5,000
What indicators show we've achieved this?	Production targets met.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Cost to come from operating revenue.
What is at risk?	Relationship may be strained due to restructuring staff, opportunity cost of not improving, risk that expert advice is no good, hostility from whanau, personal grievance from staff.
What profile does this strategy have? (Value vs Difficulty)	High value and difficulty.

# Pirihima Whanau Trust

## Strategic Project 3: Pukenga JV Investment

Key Question	Response
What is this strategy attempting to achieve?	Exit investment at lowest cost.
Why do this?	Bad investment that is draining cash reserves, not core business, poor governance and trust has no control.
What are the critical factors that this strategy requires to be achieved?	Report from John Koning (JK) with legal options/recommendations, actioning recommendations, letter to Pikowai and Rehua asking them to resign as directors.
Who is the project leader? Who is involved?	Neihana
What are the major milestones for achieving this?	Receive JK's report, letters written, complete recommendations, exit investment or appoint directors.
What is the organisational priority for this strategy?	High
When is this aimed to be achieved?	Two months
What budget is allocated to this?	\$5000
What indicators show we've achieved this?	<ol style="list-style-type: none"> <li>1. Exited investment</li> <li>2. New directors appointed</li> </ol>
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Nil
What is at risk?	Financial risk – not quantifiable yet.
What profile does this strategy have? (Value vs Difficulty)	High value and medium difficulty.

# Pirihima Whanau Trust

## Strategic Project 4: Woodhouse Loan

Key Question	Response
What is this strategy attempting to achieve?	Settlement of loan
Why do this?	Not core business, remove preferential treatment of individual shareholders, Judge Clark requires it.
What are the critical factors that this strategy requires to be achieved?	JK to give timeline to Public Trust Office, determine if mortgage is valid, wait for Public Trust response.
Who is the project leader? Who is involved?	Colin
What are the major milestones for achieving this?	Receiving JK's report, determination of title/mortgage validity, repayment of debt.
What is the organisational priority for this strategy?	Medium – not entirely in our control.
When is this aimed to be achieved?	Up to five years. Unknown.
What budget is allocated to this?	\$5000 JK
What indicators show we've achieved this?	Repayment or write off of loan.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	NIL
What is at risk?	Losing loan balance
What profile does this strategy have? (Value vs Difficulty)	High value and difficulty for all concerned.

# Pirihima Whanau Trust

## Strategic Project 5: Te Roha Loan

Key Question	Response
What is this strategy attempting to achieve?	Settlement of loan
Why do this?	Not core business, remove preferential treatment of individual shareholders, Judge Clark requires it. Opportunity to increase orchard size.
What are the critical factors that this strategy requires to be achieved?	Offer Te Roha a lease as repayment of loan. Partner to develop orchard, signed lease and development agreement.
Who is the project leader? Who is involved?	Colin
What are the major milestones for achieving this?	Feasibility study by partners/Tuhono, draft lease agreement, signed lease agreement/loan repaid, orchard developed.
What is the organisational priority for this strategy?	High
When is this aimed to be achieved?	September 2014
What budget is allocated to this?	\$5000 initially for lease - JK
What indicators show we've achieved this?	Loan settled/lease in place, orchard developed if possible.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	NIL – operating cash flow to finance orchard.
What is at risk?	\$70,000 loan unrecoverable, not having access to land for orchard.
What profile does this strategy have? (Value vs Difficulty)	High value and difficulty.

# Pirihima Whanau Trust

## Strategic Project 6: Forestry

Key Question	Response
What is this strategy attempting to achieve?	Best returns from forest and sustainable land use.
Why do this?	As per Trust's vision, best use of whenua.
What are the critical factors that this strategy requires to be achieved?	Forest plan developed.
Who is the project leader? Who is involved?	Wayne
What are the major milestones for achieving this?	Appointing forest consultant, signing off on plan, replanting plan in place.
What is the organisational priority for this strategy?	Medium
When is this aimed to be achieved?	One year
What budget is allocated to this?	\$5000 for forest consultant
What indicators show we've achieved this?	Plan in place and agreement on replanting.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Use forest harvest revenue to cover costs of replanting. Grants from EBOP, WBOPRC, Nga Whenua Rahui possibly.
What is at risk?	Lower grade logs/lower income, environmental issue with logging.
What profile does this strategy have? (Value vs Difficulty)	High value, low difficulty.

# Pirihima Whanau Trust

## Strategic Project 7: Papakainga

Key Question	Response
What is this strategy attempting to achieve?	To provide affordable housing for Pirihima whanau.
Why do this?	It ties in with our vision of providing for the wellbeing of our whanau.
What are the critical factors that this strategy requires to be achieved?	PCG formed, funding finalised, geotech finalised, consents issued and buildings built and tenanted.
Who is the project leader? Who is involved?	Irene
What are the major milestones for achieving this?	Contracts signed, construction started, houses tenanted.
What is the organisational priority for this strategy?	High priority.
When is this aimed to be achieved?	Next five years.
What budget is allocated to this?	\$400,000.00 max
What indicators show we've achieved this?	Houses completed and tenanted.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Minor, maybe some maintenance and running costs such as insurance. Rent to cover this.
What is at risk?	Cost over runs, no tenants.
What profile does this strategy have? (Value vs Difficulty)	High priority and difficulty.

# Pirihima Whanau Trust

## Strategic Project 8: Investment Land

Key Question	Response
What is this strategy attempting to achieve?	Use our non-corpus land investments to get the best return. Potentially increase size of orchard.
Why do this?	To realise the potential of our whenua.
What are the critical factors that this strategy requires to be achieved?	Get a better understanding of our land holdings, ensure tenancy agreements are in place, determine if bonds have been paid, check for rent arrears and rectify, appoint a property manager (TAHP), get advice on the best land use options (kiwifruit), determine if non-productive land can be sold.
Who is the project leader? Who is involved?	Irene
What are the major milestones for achieving this?	Tenancy agreements in place, manager appointed, report from Tuhono group regarding best land use, discuss land options at board level.
What is the organisational priority for this strategy?	Tenancies – high Other - medium
When is this aimed to be achieved?	Tenancies – 3 months, other – ongoing.
What budget is allocated to this?	\$2000.00 legal, \$5000.00 repairs.
What indicators show we've achieved this?	Tenancy agreements in place, decision on remaining land made.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Resources will come out of operating cash flow and should be minimal.
What is at risk?	Loss of rent income, potential landlord liability risk, opportunity cost of having land lying idle.
What profile does this strategy have? (Value vs Difficulty)	Medium difficulty and value.

# Pirihima Whanau Trust

## Strategic Project 9: Biodiversity

Key Question	Response
What is this strategy attempting to achieve?	Protection of whenua
Why do this?	This is part of our vision and we have high value areas that need protecting.
What are the critical factors that this strategy requires to be achieved?	Good relationships with EBOP and Nga Whenua Rahui for funding, sign off on environmental plan, physical work being completed.
Who is the project leader? Who is involved?	Wayne
What are the major milestones for achieving this?	Funding arranged, sign off on plan, physical works completed, ongoing maintenance undertaken.
What is the organisational priority for this strategy?	Medium.
When is this aimed to be achieved?	5 years.
What budget is allocated to this?	To be advised.
What indicators show we've achieved this?	The physical works have been completed.
What resources will be required to maintain the outcomes of this strategy after it is achieved?	Minimal ongoing costs, maybe some spraying.
What is at risk?	Continued environmental degradation of out waterways and harbour.
What profile does this strategy have? (Value vs Difficulty)	High value, low difficulty.