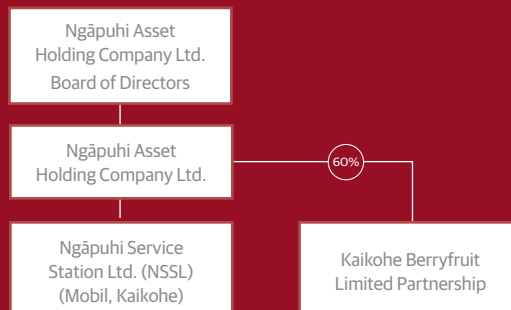




## TĀ TE HEAMANA O NGĀPUHI ASSET HOLDING COMPANY LTD.



# Chair's Report

## NGĀPUHI ASSET HOLDING COMPANY LTD. BOARD OF DIRECTORS

John Rae	Independent Chair
Elena Trout	Independent Director
Nicole Anderson	Director / Rūnanga Representative
Jason Witehira	Resigned
Mike Simm	Resigned

**John Rae** – Independent Chair  
Ngāpuhi Asset Holding Company Ltd.



### **Tēna rā tātou katoa.**

Korōria ki te Atua i runga rawa, he maungarongo ki te mata o te whenua, he hakaaro pai ki ngā tāngata katoa. Tēnā rā tātou katoa.

Tēnā koutou e ngā kūia, e ngā kaumātua o Ngāpuhi e noho ake nei hei hakaruruhau mō mātou. Ka mihi atu ki te hunga kāhui e hakarangatira ake ana i tō tātou hui.

Ka nui te aroha ki a koutou.

## HE MAHI AHUMONI PERFORMANCE AND HIGHLIGHTS

It is pleasing that for my first report as Chair of Ngāpuhi Asset Holding Company Limited (NAHC) that the NAHC Group has continued its run of achieving exceptional financial returns.

For the 12 months ended June 2021 NAHC Group reported a net profit of \$4.6m, a record trading result. Having only recently been appointed to the position of Chair of NAHC, I wish to acknowledge the contributions of the dedicated NAHC staff, management team, Board and the recent Chair – Jason Witehira, in delivering another exceptional result for the enduring benefit of all Ngāpuhi.

During the year we all experienced significant disruption as a result of the ongoing impact of COVID-19. With businesses having changed as well as low interest rates and the closure of global borders, the business environment became categorised by extreme uncertainty. However, throughout this uncertainty NAHC has continued to demonstrate resilience and has capitalised upon the opportunities that arose.

The key financial and performance highlights for NAHC during the year were:

- Net profit of \$4.6m (2020: \$3.22m),
- Undertook comprehensive due diligence of three significant local investment opportunities within the tourism, transport and horticulture industries
- Established Kaikohe Berryfruit Limited Partnership (KBLP), a new 10ha horticulture tunnel house joint venture, at the Ngāwha Innovation and Enterprise Park (NIEP)
- Sold three investment units within the John Butler Centre
- Secured a new strategic tenant for the Paper Plus building in Kaikohe; and
- Core returns within fisheries and funds-under-management exceeded budget.

Furthermore, the total assets of the NAHC Group increased to \$66.8m [2020: \$64.1m] after having provided Te Rūnanga-Ā-Iwi-O-Ngāpuhi (the Rūnanga) a further dividend of \$2.27m (2020: \$2.27m).



## HE RINGA TOHU DIRECTORSHIPS

The first point of note is that Jason Witehira stood down as Chair of NAHC in April 2021, after having successfully served six years as a Director of NAHC, with four years at the helm as Chair.

In mid-2020 Jason foreshadowed to the NAHC Board that he would likely have to reassess his position if he and his wife (Kimiora) were successful in acquiring a new larger supermarket. In 2021 when they acquired Pak'nSave Albany, Jason made the rightful call to step down. This was a particularly difficult decision for someone who has such an overwhelming desire to give back to their people and had chaired NAHC with such pride.

Jason continues to be an influential proponent of NAHC and Ngāpuhi, due to the respect that he has earned in the commercial and political arena. Having had the privilege of working alongside Jason for his time at NAHC, I sincerely acknowledge the contributions and personal sacrifices he and Kimiora have made on behalf of NAHC and Ngāpuhi.

Prior to Jason stepping down, Mike Simm had elected not to stand for reappointment having completed his first three-year term, and Wane Wharerau also stepped off the NAHC Board in February having served his maximum nine-year tenure. Wane was replaced by Nicole Anderson as the Rūnanga' representative on the NAHC Board. NAHC is equally grateful for the services of Mike and Wane, and we appreciate the capabilities and renewed perspective that Nicole provides.

Therefore, NAHC currently has three serving Directors – Elena Trout, Nicole Anderson and John Rae (Independent Chair).

This Board structure exceeds the minimum requirement of maintaining 60% independence (Māori Fisheries Act 2004), and we are currently in the process of appointing a third Independent Director, following a well-advertised process. From this search, we have been overwhelmed by the calibre and number of candidates that are willing to participate on the NAHC Board, and we believe there is a rich stock of governance wanting to contribute to the future successes of Ngāpuhi.

## HE MAHI HĪ IKA FISHERIES

It is worth restating that being 'pre-settlement' Ngāpuhi has primarily relied upon deriving an economic existence from within the fisheries sector, through its interests received under the Māori Fisheries Settlement. The two primary income sources from Ngāpuhi' fisheries settlement assets are:

- (i) The receipt of dividends from Aotearoa Fisheries Limited, trading as Moana NZ.

Ngāpuhi is the single largest shareholder in Moana NZ with a shareholding of 12.6%, based upon notional Iwi population (Māori Fisheries Act 2004, schedule 3). An additional 3.1% interest in Moana NZ is scheduled to be transferred from Te Ohu Kaimoana to NAHC under the proposed Māori Fisheries Act amendments. This will bring NAHC investment within Moana NZ (and its 50% owned subsidiary Sealord) to the full recognised notional Ngāpuhi population of 15.79%; and

- (ii) The sale of annual catch entitlement (ACE).

ACE is derived from the settlement and general quota shares that NAHC holds within the quota management system (QMS). Every year NAHC transacts this allocated ACE with its fisheries partners Moana (inshore), Sealord (deepwater), Sanford (scampi), and a mix of Ngāpuhi and bespoke commercial fishers.

Although NAHC received another significant dividend contribution from Moana NZ during the year of \$1.1m (2020: \$1.4m) the quantum received was bolstered by the accounting treatment of Sealord's acquisition of the Petuna Aquaculture operations in Tasmania, Australia. The Moana NZ dividend, which is formula driven, masks the extent of the overwhelming societal and commercial pressures currently placed upon fisheries; and the important and relatively immediate decisions that all Māori will be faced with to preserve this essential resource, whilst maintaining the hard-fought settlement rights of Māori.

During the year NAHC advocated for and participated within an industry-led shelving arrangement for 20,000MT of hoki ACE; and assisted the Rūnanga in participating within the Environment Court proceeding regarding the proposed Bay of Island Maritime Protection Areas. As the mandated Iwi organisation for Ngāpuhi on behalf of fisheries, the Rūnanga has a difficult responsibility to balance the best interests of the people of Ngāpuhi, and the fishery itself. Finding the right balance is challenging. However, with the health of both tangata whenua and Tangaroa being intrinsically linked, we must take a holistic and collaborative approach with a multi-generational focus.

Commercial fisheries is a core industry for New Zealand that provides significant revenue streams and employment for Ngāpuhi. However, in the absence of science we must preference preservation, and in the short term (at least) it is likely that commercial fisheries as an industry in New Zealand will retract whilst the correct balance is being determined and sustainable fisheries practices are universally endorsed.

## HE MAHI HAUMI INVESTMENTS

The NAHC Group has a total asset base of \$66.8m which represents a \$2.7m increase from the prior year (2020: \$64.1m). Fisheries-related assets represent 65% or \$43m of the total NAHC assets, with \$23.8m (2020: \$20.8m) being non-fisheries-related.

During the year NAHC continued its strategy of growing and diversifying its non-fishing related investments. This included:

- (i) Increasing its investment portfolio under management with MINT Asset Management to \$14m (2020: \$11.6m) with a further capital investment of \$1m with an annualised return of 12.31%,
- (ii) Completing the sale of its three investment units within the John Butler Centre; and
- (iii) Establishing Kaikohe Berryfruit Limited Partnership (KBLP) with NAHC holding the majority and controlling interest.

“

KBLP has already begun with employing 27+ local people (predominantly Ngāpuhi) in the construction phase ... with the anticipation of creating a further 130-plus jobs for the region once the site is fully established.

## EMPLOYMENT AND WORK EXPERIENCE FOR

**13-15**  
LOCAL STAFF

## NSSL CONTRIBUTION OF

**\$460K**  
IN WAGES  
DURING THE YEAR



“

The NAHC Board and management team are continually evaluating the merits of all investments, including NSSL, and supports the employment and financial outcomes that NSSL delivers.

---



KBLP is a newly developed protected horticulture venture, that is located within the Ngāwha Innovation and Enterprise Park (NIEP), just outside of Kaikohe. KBLP was established as collaboration between NAHC and Far North Holdings Limited (FNDC's commercial arm), and independent growing expertise; to provide sustainable economic returns and significant new employment opportunities into the region.

KBLP represents the first significant investment within horticulture for NAHC and signifies the transition away from the Runanga' reliance upon the fisheries sector for economic sustainability.

In April 2021, site works began at KBLP. This first stage of the KBLP development will include 10ha of tunnel houses, a water reservoir, irrigation system with self-sustaining water reticulation and a modern packhouse/coolstore facility that can cater for up to 160 pax, with a further 7ha of tunnel houses (stage two) proposed to be developed on the adjacent site.

KBLP has already begun with employing 27+ local people (predominantly Ngāpuhi) in the construction phase of the project, with the anticipation of creating a further 130-plus jobs for the region once the site is fully established. The NIEP location and accessibility to Kaikohe labour market has proven to be a boost to the development capitalising upon the Provincial Growth Fund's significant investment within infrastructure at NIEP.

Although weather, consenting, and supply chain disruptions have impacted KBLP meeting its initial ambitious timeline, we are committed to delivering this project for Ngāpuhi and the wider community. At the time of reporting, KBLP has already completed the irrigation and water reservoir, with roading and the first 10ha of tunnel houses being almost complete. In late spring when further major earth works are permitted, the development of the packhouse/cool store, administration offices and staff facilities are scheduled to commence.

NAHC also continues to retain a portfolio of commercial properties which are fully tenanted, with NIEP having leased the premise at 21 Broadway, Kaikohe, following the departure of Paper Plus.

Ngāpuhi Service Station Limited (NSSL) operating as Mobil Kaikohe, a wholly owned subsidiary of NAHC, reported a net profit of \$152k for the year (2020: \$264k) and declared a dividend of \$150k (2020: \$250k). Although NSSL contributed less than the prior record year, the business performed admirably during a change with the senior management team, and during a period of lower fuel margins. As NSSL operates within the highly competitive fuel market and on a restricted margin model, NSSL is unable to recoup the ongoing increasing costs of labour which will continue to challenge future returns.

The NAHC Board and management team are continually evaluating the merits of all investments, including NSSL, and supports the employment and financial outcomes that NSSL delivers. NSSL provides secure employment and work experience for approximately 13-15 local staff, and during the year NSSL contributed \$460k in wages (2020: \$419k), whilst providing a valuable service to the community.

“

2020/2021 has been another outstanding financial year for NAHC, which can be attributed to the great mahi of all those that have gone before us; and the exceptional and dedicated team within the NAHC Group, all of whom are committed to ensuring a prosperous future for Ngāpuhi.

---

## HE MIHI

### ACKNOWLEDGEMENTS

2020/2021 has been another outstanding financial year for NAHC, which can be attributed to the great mahi of all that have gone before us; and the exceptional and dedicated team within the NAHC Group, all of whom are committed to ensuring a prosperous future for Ngāpuhi.

NAHC continues to be well served by chief executive, Paul Knight, who provides astute commercial leadership and decision making on behalf of Ngāpuhi. The NAHC Board wishes to acknowledge Paul's ongoing contribution to the success of NAHC, and the Rūnanga Group.

I also wish to acknowledge the NAHC Board and the Rūnanga governance members that have participated within NAHC throughout the year, as having the professionalism and desire to meet the challenge of enabling NAHC and the Rūnanga to grow equitably. Having Wane Wharerau, a respected and long serving NAHC Director, appointed as Chair of the Rūnanga has greatly assisted in these ongoing strategic discussions as we continually look towards Settlement, and our ability to work together to achieve the aspirations of Ngāpuhi.

**Ngā mihi nui ki a koutou i tēnei wā,**



**John Rae**

Independent Chair  
Ngāpuhi Asset Holding Company





Whakaahua: Te Rawhitiroa Bosch | Rawhitiroa Photography