



Monitoring Report

for Installment Installment Five report due on 01/07/2009

APPLICATION/ORGANISATION DETAILS

SmartFund Ref: NDOE/HO.374.20209.16081
 Project Name: FOMANA Charitable Purposes Project
 Organisation Name: FOMANA Capital Ltd
 Address: 108 The Terrace,
 Wellington,

MONITORED DETAILS

Short Outcome	Increased knowledge by Maori pilot entities and their beneficiaries of the policy, processes and requirements of the Charity Act and tax regime.
Output	Report of case studies completed and generic compliance and audit model developed.
Success Indicators	Report and compliance/audit model completed within budget and timeline.
Status	Achieved

Risk Monitoring	
Risk	The demand for the new standards and audit models for Maori is not met.
Risk Comments	The project is progressing well and there are no impacts which affect the identified risk.
Status	Not Applicable

ASSESSOR COMMENTS

Report 4 dated July 2009 is comprehensive and confirms the case studies have been completed and the generic compliance and audit model have been developed.

QUALITY ASSESSOR COMMENTS

Confirm assessor's comments and receipt of report.

INVESTMENT MANAGER COMMENTS

concur with monitoring & assessment comments

Released under the Official Information Act 1982

Assessor: _____	Date: _____
Quality Assessor: _____	Date: _____
Investment Manager: _____	Date: _____

Released under the Official Information Act 1982

REPORT 4
July
2009

Charitable Purposes and Tax Compliance Systems Programme

CASE STUDY REPORT
31 JULY 2009

Authors:
Kim Skelton BA/LLB
Wayne Mulligan MMgt

Reviewer:
Peter Doolin LLB

Prepared by FOMANA CAPITAL LIMITED for Te Puni Kokiri



Contents

Introduction	3
Introduction	4
1.1 Purpose	4
1.2 Disclaimer	4
1.3 Limitation	4
1.4 Context and Previous Reports	5
1.5 Objectives	5
1.6 Definitions	6
1.7 Acknowledgements	7
1.8 Forward Programme and Outputs	8
Section Two: Case Study Methodology	9
Section Two: Case Study Methodology	10
2.1 Review of relevant NZ Case Study examples	10
2.2 Consult pilot organisations and Te Puni Kokiri	10
2.3 Develop Objectives and Interview Questionnaire	10
2.4 Review and analyse pilot programme data for each of the eight entities	11
2.5 Search Charities Commission Register for listings of eight entities	11
2.6 Conduct phone interview with individuals in each of the eight entities	11
2.7 Analyse data and write draft case studies for each of the eight entities	12
2.8 Review of case study by eight entities and approval of drafts	12
2.9 Design and formatting of final case studies for publication	12
2.10 Methodology Framework and Diagram	13
Section Three: Case Studies	14
Section Three: Case Studies	15
3.1 Ngāti Rārua Atiawa Iwi Trust Case Study	15
3.2 Taranaki Iwi Trust Case Study	20
3.3 Taranaki PHO Ltd (Hauora Taranaki PHO) Case Study	25
3.4 Te Aroha Medcare Ltd	30
3.5 Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust Case Study	35
3.6 Te Kaahui o Rauru Case Study	40
3.7 Te Rau Pani Māori Mental Health Trust Case Study	45
3.8 Tui Ora Ltd Case Study	50
Appendices	55
Appendix 1: Case Study Overview and Questionnaire Form	55
Appendix 2: Charities Commission Registration Update as at 20 July 2009	58

Case Study
Report
Section One
Introduction

Charitable Purposes and Tax Compliance Systems Programme

Section One: Introduction



Introduction

1.1 Purpose

The purpose of this Case Study report is to fulfil the requirements of Output 8 of the Investment Agreement (“Agreement”) dated 1 May 2008 between Te Puni Kokiri and FOMANA Capital Ltd. Schedule C of that Agreement sets out the reporting requirements for this Report:

Short Term Outcome	Outputs 8	Due Date
Increased knowledge by Maori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime.	Report of case studies completed and generic compliance and audit model developed.	31 July 2009 ¹

1.2 Disclaimer

This report presents the case studies for each of the eight Maori Charitable entities participating in this pilot programme. It is prepared for Te Puni Kokiri only. It does not purport to provide specific legal advice for any entity on their legal obligations under or relating to the Charities Act 2005, the Income Tax Acts and or any other relevant legislation and or case law. It should not be relied upon by any entity accordingly.

1.3 Limitation

This report is limited to providing Te Puni Kokiri with a report on eight case studies, one for each of the participating pilot Maori charitable entities. It does not provide further detail on the generic compliance and audit model, which was covered in the previous Report 3 dated 31 March 2009. This report should be seen as one of a series of reports that are being developed over the two year term of the Agreement and should be read in conjunction with those prepared to date.

¹ Delivery date for final versions of Case Studies renegotiated to 31 July 2009 (originally 30 June 2009) to accommodate approval process by pilot entities and to allow time for professional design and formatting of case studies.

1.4 Context and Previous Reports

This report is the fourth in a series of reports for the Charitable Purposes and Tax Compliance Systems Pilot Programme. Whilst the case studies are stand-alone documents, readers are referred to the three previous reports for broader context and more detail on the programme to date.

Report 1 31 May 2008	Preliminary research on the legal framework affecting Māori Charitable Entities under the Charities Act 2005 and the Income Tax Acts.
Report 2 30 September 2008	Research Report, Charitable Purposes and Tax Compliance Systems Programme.
Report 3 31 March 2009	Risk and Audit Report

1.5 Objectives

The main objective of developing these case studies is to increase knowledge of the policy, processes and requirements of the Charities Act 2005 and the tax regime amongst the pilot Maori entities and their beneficiaries. Essentially, it is a means to share knowledge and experiences by which other participating Maori charities can learn, benefit and identify potential areas for improving their own practices.

To meet these objectives and to ensure broad accessibility to the knowledge to be shared, it was considered imperative that the case studies be presented in a brief 1-2 page, easy-to-read format which contained personal insights, learnings and comments from a key member of the organisation, either from the Governance or management teams.

In addition to meeting the above objectives, there is potential use for case studies as:

- part of the annual report to stakeholders showing how the organisation is maintaining compliance with the Charities Act and its tax exemption status;
- an educational training tool for internal organisational use;
- a general communications sheet for beneficiaries and other stakeholders that may be updated and republished from time to time².

² See Appendix One: Case Study Objectives & Interview Outline provided to all pilot organisations prior to interview.

1.6 Definitions

For the purposes of this report, the following working terms and definitions are used:

Term	Definition
Governance members	Includes company directors, trustees, or other governing body members. Referred to as “Officers” on Charities Commission website.
Charities Act 2005	Referred to as the Charities Act 2005 or the Act
Charities Commission	Referred to as the Charities Commission or Commission
Constitution	Governing documents such as the organisation deed, constitution or charter.
IRD	Referred to in the report as IRD or Inland Revenue
Māori charitable entities	Legal entities that are registered or eligible for registration with the Charities Commission and which are majority owned by Māori or whose members or beneficiaries, the majority of which are of Māori descent.
Policy	A deliberate plan of action to guide decisions and achieve a rational outcome(s).
Procedure	A series of prescribed steps followed in a definite regular order which ensure adherence to the guidelines set forth in the Policy to which the Procedure applies.
Risk	The chance of something occurring that will, should the event occur, have an impact on the achievement of organisational objectives. It is measured in terms of the likelihood of something happening and the consequences if it happens.
Risk Management	A systematic and logical process of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise opportunities.
Stakeholders	Those individuals, groups, institutions etc (either internal or external to the organisation) who are or perceive themselves to be affected by a decision or activity.

1.7 Acknowledgements

FOMANA would like to acknowledge the ongoing support provided by Te Puni Kokiri for the Charitable Purposes and Tax Compliance Systems Pilot Programme.

We wish to thank Ben Bradley for the application of his professional graphic design skills which have lifted normal text-based case studies into the realm of extraordinary by using photos and design embellishments to both capture and engage the readers while imparting important learnings and messages for other charities.

Thanks to Peter Doolin for providing a welcome set of fresh eyes and critical review of the report so that we maintain standards and consistency across reports.

Finally and most importantly, the case studies on which this report is based would not have been possible without the eight individuals who generously agreed to be interviewed as part of the case study process. We are profoundly appreciative of your willingness to share personal insights and organisational experiences relating to charitable purpose compliance, and to have that information and knowledge made available for the benefit of the other pilot organisations, and more broadly, to other Maori charities later in the training phase of this pilot programme. Our thanks also to staff in the pilot organisations who prepared data, obtained photos, sent logos, and responded diligently to all our follow up requests.

Kei te mihi, Kei te mihi, Kei te mihi.

Ngati Rarua Atiawa Iwi Trust	John Charleton	Selina Tait
Taranaki Iwi Trust	Kerry Walsh	Tokatumoana Walden
Taranaki PHO Ltd	Pauline Cruickshank	Kirsty Montgomery
Te Aroha Medcare Ltd	Hayden Wano	Rangimahora Reddy
Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust	Morrie Love	Peter Reweti
Te Kaahui o Rauru	Hayden Potaka	Pania Winterburn
Te Rau Pani Māori Mental Health Trust	Hinemoerangi Ngatai Tangirua	Terry Huntley
Tui Ora Ltd	Hayden Wano	Rangimahora Reddy

1.8 Forward Programme and Outputs

The following table outlines the outputs for the next three reports.

Short Term Outcome	Outputs 9 and 10	Due Date
<p>Increased knowledge by Māori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime.</p>	<p>Training developed and provided to Māori entity team on application of compliance/audit model.</p>	<p>28 August 2009</p>
	<p>Training delivered to beneficiaries of each pilot entity on compliance and audit model.</p>	<p>15 December 2009</p>

Case Study
Report
Section Two
Methodology

Charitable Purposes and Tax Compliance Systems Programme

Section Two: Case Study Methodology



Section Two: Case Study Methodology

The case studies were developed using the following methodology:

2.1 Review of relevant NZ Case Study examples

- a) Review structure, style and presentation format of 30 case studies of Maori organisations and their governance experiences. Published in three reports jointly by Te Puni Kokiri and the Federation of Māori Authorities in 2004-2005.³
- b) Review structure, style and presentation format of case studies about NZ businesses that have improved their workplace productivity. Published by Department of Labour.⁴
- c) Identify elements of structure, style and format appropriate for presenting case studies for this pilot programme.

2.2 Consult pilot organisations and Te Puni Kokiri

- a) Provide samples of some of the above case studies to eight pilot organisations and obtain feedback on preferred length, style and format of case study.
- b) Discuss appropriate length, style and format of case study with Te Puni Kokiri Investment Manager.

2.3 Develop Objectives and Interview Questionnaire

- a) Draft Case Study Objectives and Interview Outline document with two parts:
Part One: Objective of Case Study Report
Part Two: Key Parts of the Case Study Report and sample interview questions⁵
- b) Distribute by email to key contacts in the eight pilot organisations.
- c) Identify interviewee within pilot organisation.
- d) Arrange date and time for 30 minute phone interview (recorded with permission).
- e) Print blank copies of interview outline for note-taking during interviews.

³ <http://governance.tpk.govt.nz/share/casestudies.aspx>

1. "Hei Whakatinana I te Turua Po: Business Success and Maori Organisational Governance Management Study";

2. "He Mahi, He Ritenga Hei Whakatinana i te Turua Po 2004";

3. Maori Business Innovation and Venture Partnerships 2005: Hei Whakatinana i te Turua Po.

⁴ <http://www.dol.govt.nz/workplaceproductivity/case-studies/index.asp>

⁵ See Appendix One: Case Study Objectives & Interview Outline

2.4 Review and analyse pilot programme data for each of the eight entities

- a) Review organisation's Constitution and extract "Charitable Purposes" statement;
- b) Review responses to Questionnaire completed during Research Phase, noting organisation's self assessed areas of strength and areas for improvement;
- c) Review responses to Policy Checklist completed during Risk & Audit Phase, noting areas where no policies existed or under development by the organisation;
- d) Review Risk Profile completed during Risk & Audit Phase.
- e) Note any questions to ask during interview.

2.5 Search Charities Commission Register for listings of eight entities

- a) Search online register www.charities.govt.nz for each of the eight pilot organisations and their affiliated marae or wholly owned subsidiaries.
- b) Record in table format for inclusion in case studies.
- c) Note any omissions and follow up during interview.

2.6 Conduct phone interview with individuals in each of the eight entities

- a) Outline rationale and objectives for the case study, and provide background to project if necessary.
- b) Seek permission to record interview for the purpose of facilitating the incorporation of quotes and comments into case study.
- c) Ask questions according to notes, using Interview Questionnaire as a guide only.
- d) Record responses in writing or by digital recording.
- e) Outline next steps, timeline for feedback on draft case study.
- f) Request photos, logo and any other additional information to complete draft.

2.7 Analyse data and write draft case studies for each of the eight entities

- a) Draft Case Study in three main parts:

Part One: Charitable Purpose statement, Background, Size and Resources of Charity;

Part Two: Interview notes with personal comments and quotes;

Part Three: Charity's listing on Charities Commission website as at 30 June 2009.

- b) Incorporate photos, logos where available.
- c) Send draft case study to interviewee for comment, correction and feedback.

2.8 Review of case study by eight entities and approval of drafts

- a) Internal review and sign-off process by each of the eight pilot organisations.
- b) Follow up communications to obtain any missing data (eg. Financial and HR figures) and to obtain photos and logos.
- c) Draft updated by FOMANA and returned to pilot organisation for sign-off.
- d) Approval of draft and agreement to distribute to Te Puni Kokiri.

2.9 Design and formatting of final case studies for publication

- a) Transformation of draft case studies to publication quality documents by FOMANA in-house graphic designer.
- b) Follow up communications to obtain any missing data (eg. Financial and HR figures) and to obtain photos and logos.
- c) Final case studies incorporated into Case Study report.

The methodology is illustrated in a Diagram on the following page.

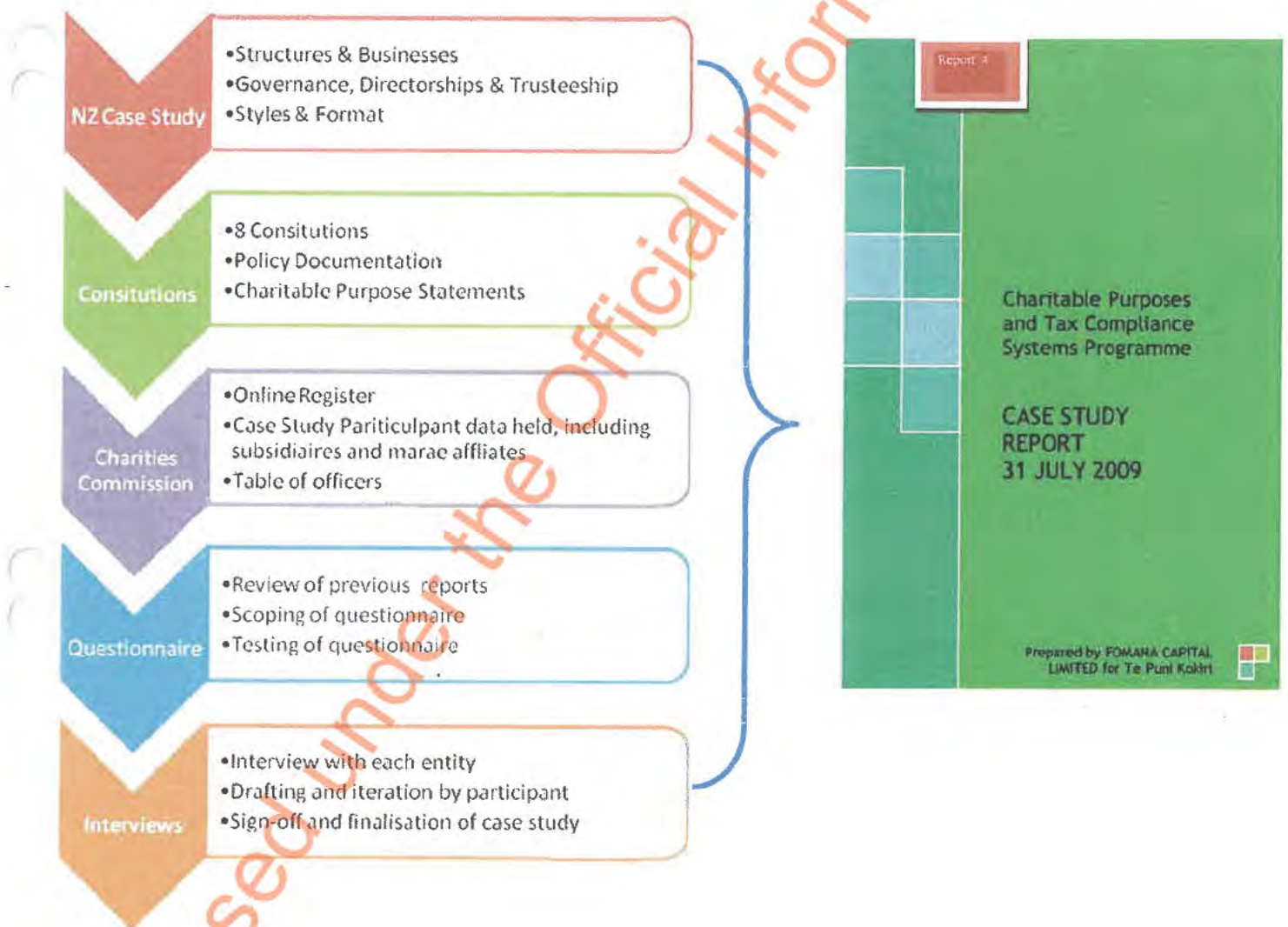
2.10 Methodology Framework and Diagram

Methodology Framework

The research and development of the case studies has been conducted in five segments:

1. A New Zealand case study review and particularly relating to Maori organisations;
2. A review of each organisation's constitution;
3. A review of the Charities Commission requirements;
4. Development of questionnaire;
5. Interviews.

The methodology is outlined in the following diagram.



Case Study
Report
Section Three
Case Studies

Charitable Purposes and Tax Compliance Systems Programme

Section Three: Case Studies

1. Ngāti Rārua Atiawa Iwi Trust
2. Taranaki Iwi Trust
3. Taranaki PHO Ltd
4. Te Aroha Medcare Ltd
5. Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust
6. Te Kaahui o Rauru
7. Te Rau Pani Māori Mental Health Trust
8. Tui Ora Ltd



Section Three: Case Studies

3.1 Ngāti Rārua Atiawa Iwi Trust Case Study

Released under the Official Information Act 1982



Ngāti Rārua Ātiawa Iwi Trust

About Ngāti Rārua Ātiawa Iwi Trust (NRAIT) The Ngāti Rārua Ātiawa Iwi Trust is a statutory Trust with charitable purposes created under the Ngāti Rārua Ātiawa (NRAIT) Empowering Act 1993. In 1853, land originally owned by two hapū of Ngāti Rārua and one hapū of Ātiawa Iwi, was subject to Crown grants made to the then Bishop of New Zealand for the purposes of establishing a school. No school was ever erected on these lands but a school operated intermittently, supported by income earned from the land. The 1993 Act was the culmination of more than 140 years of complaint and grievance by the original owners and their successors. It finally gave effect to the resolution made by the Nelson Diocesan Synod of the Anglican Church to vest the assets of the Whakarewa School Trust Board in a new Charitable Trust for the descendents of the original owners. The Deed of Trust was duly signed on 7 May 1993.

The Trust currently has 1900 registered owners who are the direct descendents of the original owners. It is a hapū-based Trust and the assets are owned communally and not with individual shareholdings like other Māori land incorporations or Trusts. The Trust's core business activity is land management and it has interests in horticulture, pastoral operations and leasing land with a landholding of over 1200 acres, including land in interests across companies and associate interests.



Charitable Purpose Statement in Charity's own Constitution

TRUST

3. The Trustees declare that they shall hold the Trust property UPON TRUST to promote the education, vocational training, economic development, health, religious and spiritual welfare (including the promotion of Māoritanga), social services, hospital and residential care of beneficiaries and the relief of poverty and provision of social support and care for indigent or impoverished beneficiaries in each case in New Zealand.

Charity's Distribution policy and impact on Marae

A second change still in draft and awaiting approval, is the Trust's Distribution Policy. As Chairman, Paul Morgan, noted in the 2008 Annual Report "the Trust has reviewed our distribution process under the new Charities Act regime as it is essential that all distributions of a charitable nature are made to Charities compliant organisations to ensure our status is maintained. This has required the marae we support to complete registration, also with some being registered". The four Ngāti Rārua and Te Ātiawa marae affected are: Onetahua Marae at Takaka; Te Awhina Marae at Motueka (registered charity CC37457); Whakatū Marae at Nelson (registered charity CC38862); and Waikawa Marae at Picton. In addition to being registered as a charity, the funding application from marae will need to specify how the funds will be used, that is, for which one of the four charitable purposes. For example, are the funds to be used for a purpose that:

1. relieves poverty?
2. advances education?
3. advances religion?
4. is beneficial to the community?

John says that he is also drafting a checklist which can be easily used by Trustees to test that applicants meet the charitable purpose criteria. It's another plank in their risk management framework and John notes, "if audited, the Board's completed checklist can be produced as evidence of a sound process". Once the Distributions Policy has been approved and the Education and Marae Grant application forms updated, the Trust intends to communicate the changes to its members via the website www.nrait.co.nz, the quarterly newsletter, the Annual Report, and on the Grant Application Form.

Learnings for other Maori charities

Asked about particular challenges for kin-based Māori charities, John thinks "the big one is to ensure that they operate within charitable purposes and within the auspices of the Charities Act. Where, in the past distributions might have been a lot broader, they really have to put more thought into the process of making those distributions, otherwise they could become taxpayers and with it the loss of assets".

Impact of Charities Act 2005

When the Charities Act came into force in 2005, NRAIT Trustees considered the implications for the Trust and conscientiously decided to bring some of their existing practices into strict alignment with the new legislation. John says the Trustees took this "stringent line" in order to make sure that they kept their charitable status and maintained their tax exemption. One change is to align the broader eligibility criteria for Trustees under their own legislation with the narrower criteria for Officers under the Charities Act 2005. The Trust also maintains clear separation between its charitable (non-taxable) activities and the business (taxable) activities of associated companies (as a minor shareholder). These companies were established as separate legal entities to mitigate the risk of loss of Trust assets.

Charity's involvement in Pilot programme

Ngāti Rārua Ātiawa Iwi Trust was the first of the eight Māori charities to sign up for the pilot programme in September 2007. As John Charleton, Chief Operating Officer, recalls "we wanted to be able to benchmark ourselves against other entities and try to get best practice by comparing our policies and procedures with what others are doing". John is responsible for completing and filing the compliance returns with the Charities Commission including any change of Officers after the Trust's AGM in April and filing the annual returns due in June. He has found the Charities Commission process for annual returns fairly simple. "All you have to do is fill it in and make sure the Officers' names are up to date. It wasn't overbearing and only took an hour at the most to complete".

Charity's Organisation Structure and Links to Iwi community

Under the Trust's constitution, the Board consists of eight trustees, Ngāti Rārua with 80% (6 Trustees) and Te Ātiawa with 20% (2 Trustees). Trustees are elected at the AGM on a 3 year rotation. In 1999, NRAIT decided to separate its activities into two divisions, each with its own clear objective and focus. The first (Koru Investment Group Ltd) is to manage and grow the Trust's commercial assets and opportunities, and the second (Te Whanake) is to give new momentum and focus to social and cultural aspirations. Management of the Trust is undertaken by the Chief Operating Officer, John Charleton, assisted by a small team of 0.5 full time equivalent staff, and some external contracts.



9(2)(b)(ii)

Ngāti Rārua Ātiawa Iwi Trust Board
Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 13/12/2007

Registration number: CC20248

IRD number: Restricted

Annual Return Due Date: 30/06/2010

Charity's street address: 5 Duncan Street, Nelson 7040

Note new Address to be updated on Register:
Level 2, Wakatu House, 28 Montgomery
Square, Nelson 7040, P O Box 13

Charity's postal address: Square, Nelson 7040, P O Box 13

Phone: (03)5480770

Fax: (03)5390492

Email:

Website: <http://www.nrait.co.nz>

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: Arts / culture / heritage)
Accommodation / housing
Education / training / research
Environment / conservation
Economic development

Activities: (Makes grants / loans to individuals)
Makes grants to organisations (including schools or other charities)
Acts as an umbrella / resource body
Provides advice / information / advocacy
Provides buildings / facilities / open space

Beneficiaries: (Family / whanau)
Children / young people
General public

Areas of Operation: Nelson - Marlborough - Tasman

Officer Name & Effective Date:

Paul Morgan
13/12/2007

Russell Thomas
13/12/2007

John Morgan
13/12/2007

Robert Taylor
13/12/2007

Melanie McGregor
13/12/2007

Emma Park
26/04/2008

Rima Piggott
26/04/2008

Warren Kahukura
11/04/2009

Past Officers & Past Since:

Alan Willison 12/04/2009
Andrew Luke 26/04/2008
John Katene 26/04/2008
Robert Shore 12/04/2009

Exemptions:

This charity has been granted an exemption from filing an annual return by 30 June 2008 under Section 43 of the Charities Act 2005. The first annual return is due by 30 June 2009.

Notice of Change: Date: 29/07/2008 Reference: NOC002

Annual Returns: Due Date: 30/06/2008

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.2 Taranaki Iwi Trust Case Study

Released under the Official Information Act 1982



Taranaki Iwi Trust

About Taranaki Iwi Trust Taranaki Iwi Trust was established by Te Rūnanga O Taranaki Iwi Incorporated as the Mandated Iwi Organisation (MIO) for Taranaki Iwi under the Māori Fisheries Act 2004. At the Rūnanga AGM in December 2007, it was agreed to disestablish Te Rūnanga and have just one governing body for the iwi, the Taranaki Iwi Trust. The Deed of Trust was adopted on 3 September 2006 and there were 15 establishment Trustees. Since 2006, Taranaki Iwi Trust has held annual elections under the terms of the Trust Deed and there are now seven Trustees, elected for a term of 3 years by registered adult members, those 18 years and over.

As the mandated body to speak on matters affecting the collective interest of people who whakapapa to Taranaki Iwi, the Trust has certain political, social, cultural and economic responsibilities in addition to the asset management and distribution responsibilities brought about by the Fisheries settlements. The current Vision of the Trust is:

To enhance the Social, Cultural, Economic and Political aspirations of those who are whakapapa to Taranaki iwi.

Charity's Organisation Structure and Links to Taranaki Iwi community

Marae of Taranaki Iwi
5 Marae

Members of Taranaki Iwi
2,600 registered members

Hapu of Taranaki Iwi

Taranaki Iwi Trust
7 elected Trustees
1 Executive Assistant (part time contract)

ASSEST HOLDING COMPANY (Registered Charity)
Taranaki Iwi Fisheries Ltd
2 Directors

Charitable Purpose Statement in Charity's own Constitution

3. Kaupapa/Purposes

3.1 The purposes for which the Trust is established are to receive, hold, manage and administer the Trust Fund for every Charitable Purpose benefiting Taranaki whether it relates to the relief of poverty, the advancement of education, or religion or any other matter beneficial to the community of Taranaki and all the Members of Taranaki irrespective of where those persons reside.

Clause 3.1 of the Deed of Trust for Taranaki Iwi Trust adopted 3 September 2006

Charity's involvement in Pilot programme

Kerry Walsh, Executive Assistant, has been with the Taranaki Iwi Trust since its establishment in 2006 and has been the mainstay for managing the operational aspects of the pilot programme for the Trust. The Trust accepted the invitation to participate in the programme in October 2007 on the understanding that the organisation would benefit by:

- (a) increasing their capability and understanding of the new charities and tax compliance regime;
- (b) protecting their tax exemption status; and
- (c) providing quality assurance systems to their organisation, their beneficiaries and stakeholders.

Charity's compliance and risk mitigation strategies

As a new entity, Taranaki Iwi Trust has had to start from scratch to develop its own operating systems, policies and procedures. While the Trust Deed sets out clear rules for some aspects of the Trust's activities (e.g. election process and annual reporting), there are few guidelines for the day to day management of the Trust. To its credit, the Trust has now drafted a substantial Operation Guidelines and Procedures Manual with key areas such as Governance, Membership, Operations (Admin, Finance, HR, and Information Management), Liaison and Advocacy and Subsidiaries. Kerry says the Trust intends also to draft specific policies for Delegation of Authority and Distributions.

To manage any risk of non-compliance with its charitable purposes while the distribution policy is being drafted, the Trust has decided not to make any distributions. Furthermore the Trust is not expecting to receive a dividend from its wholly-owned asset holding Company (Taranaki Iwi Fisheries Ltd) until the 2009-2010 year. Trustees have expressed an interest in learning more about the criteria for Marae to become registered with the Charities Commission and this will be addressed during the next pilot programme training session in August or September 2009.

Charity's distinctiveness and current or future challenges

A particular challenge for this organisation is the constitutional requirement to maintain an up to date register of Iwi members. Kerry says that this is an onerous task, as she needs to keep track of 2,600 registered members, "which can be really difficult if they don't update their addresses". To keep it manageable, she uses the Tuhono service and has recently installed a new membership database in the office. This was critical for the recent mailout to 1347 adult members as part of the Taranaki Iwi Trust's Strategic Planning process. In the words of the Chairman, Tokatumoana Walden "a draft version of the strategic plan will be presented at the next Annual General meeting later this year so our members are aware of our shared vision and future direction". (Letter dated 23 March 2009)

Charity's registration experience

Of the eight participating Māori charities in the pilot programme, Taranaki Iwi Trust has had to wait the longest for official confirmation of their registration with the Charities Commission. This was finally received on 22 June 2009 after more than 18 months in the queue. The Commission did raise one issue about the Trust's name being very similar to another Trust on the companies register but Kerry said that this issue was resolved many months ago. She's pleased that the Trust can now go forward with certainty about its charitable status. She intends to inform Taranaki Iwi members and stakeholders via the Trust's regular communication channels, that is, the quarterly newsletter, the Annual Report, and the Trust's website – www.taranakiwi.org.nz. The other task before her, Kerry says, is to complete the annual return by 30 September 2009 and to notify the Commission of changes in Officers following last year's Trust election. She is hopeful that these compliance processes will proceed smoothly, as they have for the other pilot participants.



9(2)(b)(ii)

Taranaki Iwi Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC39750

IRD number: Restricted

Annual Return Due Date: 30/09/2009

Charity's street address: 6351 Surf Highway 45
Pungarehu

Charity's postal address: P O Box 40
Pungarehu 4538

Phone: (06)7638550

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Economic development)
Education / training / research
Health
Environment / conservation
Marae on reservation land
Community development
Arts / culture / heritage
Sport / recreation

Activities: (Acts as an umbrella / resource body)
Makes grants / loans to individuals
Makes grants to organisations (including schools or other charities)
Provides advice / information / advocacy
Provides human resources (e.g. staff / volunteers)

Beneficiaries: (Other charities)
Children / young people
Older people
People of a certain ethnic / racial origin
Family / whanau
Hapu Iwi

Officer Name & Effective Date:

Tokatumoana Kevin Walden
23/08/2007

John Niwa
23/08/2007

Leanne Horo
23/08/2007

David Tamatea
23/08/2007

Keith Manukonga
23/08/2007

Peter Moeahu
23/08/2007

Fay Mulligan
23/08/2007

PAST OFFICERS
Note: Register has yet to be updated with new Officers following last election in 2008:

Past Officer: Peter Moeahu
Current Officer: Diane Ratahi

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

know
ledge

3.3 Taranaki PHO Ltd (Hauora Taranaki PHO) Case Study

Released under the Official Information Act 1982



**About Hauora Taranaki
Primary Health
Organisation (PHO)**

Hauora Taranaki PHO is the trading name for the limited liability company (Taranaki PHO Ltd) that was established in April 2003 with a clear not-for-profit status. Hauora Taranaki PHO is one of three PHOs located in Taranaki, and one of 81 nationwide. PHOs vary widely in size and structure but all work to bring doctors, nurses and other health professionals together in the community to serve the needs of their enrolled populations. With an enrolled population of 45,966 as at July 2008, Hauora Taranaki PHO is serving nearly half the total 104,000 plus population in the Taranaki DHB region and is considered one of the leading health care providers within Taranaki.

**Charity's Organisation
Structure and Links to
Māori community**

Hauora Taranaki PHO has a complex and multi-layered structure. This reflects its accountability back to the community it serves, and also its unique network of primary health care services including GPs, dieticians, midwives, Kaupapa Māori services, and low cost practices with reduced patient charges.

Hauora Taranaki PHO is owned 50% by Taranaki Primary Health Provider Inc. (TPHP Inc) and 50% by Tui Ora Trust (TOT). TPHP Inc was formed early 2003 as a legal entity for a network of 18 General Practices that provide First Level health services across the Taranaki region. TOT was established in 1998 with four appointees from Te Whare Punanga Korero (representing each of the eight Iwi of Taranaki) and four appointees from Kotahitanga (representing sixteen Māori providers).

Charitable Purpose Statement in Charity's own Constitution

The charitable objects for which the Company is established are to:

(a) Improve community health outcomes in the Taranaki region in accordance with the MOH Service Specifications;

(b) Consolidate and integrate the delivery of services to more effectively to meet the needs of the population; and

(c) Pursue any other objectives which the Directors consider are consistent with the objectives set out in paragraphs (a) and (b) above.

Clause 2.2 Constitution of Taranaki PHO Ltd

Charity's involvement in Pilot programme

Pauline Cruickshank, Manager of Hauora Taranaki PHO, welcomed the opportunity to participate in the FOMANA led pilot programme and signed up her organisation in August 2008. When asked why she decided to engage in the programme, Pauline was clear that her Board directors were supportive and "from a personal point of view, she wanted to understand a little more about charitable purposes and the role of the Charities Commission".

As evidence of the PHO's commitment to increasing its capability and understanding of the new charities and tax compliance regime, both Pauline and Board Chairperson, Kura Denness, participated in the initial research phase interview, conducted late August 2008. Their responses indicated a high level of organisational and personal understanding of their charities and tax compliance obligations. For example, they readily identified these factors as important to maintaining tax exempt status:

- Activities meet requirements of constitution;
- Maintain not-for-profit status;
- Registration maintenance;
- Contractual arrangements that support or have evidence of not-for-profit status.

As part of the Risk and Audit phase of the programme (Dec 2008 – March 2009), Pauline carried out a review of the PHO's policies against a checklist of some 100 policies. Pauline said that the exercise forced them to consider the reasons why they did, or didn't, have policies in place. She says "we have changed our attitudes to why we have policies". For example, the charity's Governance Policies showed a mixed result with some areas already covered by the constitution (Board Membership and Board Meetings), one policy that was drafted but not yet approved (Board Performance Evaluation), and other policies that had never been considered but may be in future (Board Induction, Board Remuneration).

Learnings for other Māori charities

When asked what learnings there were from the pilot programme, Pauline was adamant that other charities must "make sure you've got good structures and processes". For Hauora Taranaki PHO, the challenge is to ensure we have a transparent process to stakeholders and Board. "We are a service provider so there's not the same challenge of applications from beneficiaries for distribution of funds. There is no pecuniary gain. Beneficiaries receive a health gain".

Charities Act compliance and relationship with Charities Commission

Pauline found "like everyone, registration with the Charities Commission was a slow one" but the process to submit notice of a change to Directors was "quite straightforward". The challenge will be to ensure that both the Companies office and the Charities Commission annual filing requirements are fulfilled, and not confused.

8 Risk factors relevant to Charities

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Missapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Hauora Taranaki PHO is well aware of the eight risk factors identified in the pilot programme. As a well-established charity with substantial infrastructure and resources, it has implemented a suite of solid risk management strategies. Overall, Pauline says "I don't think we've got a huge risk by virtue of the fact that it's not policy to pay out to any group". In addition she says "we manage risk through good governance, financial accountability, contracted services for Finance, IT and HR via service level agreements with Tui Ora, and by having a Risk Management Framework including an Audit and Risk committee".



When asked what learnings there were from the pilot programme, Pauline was adamant that other charities must "make sure you've got good structures and processes".

9(2)(b)(ii)

Taranaki PHO Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 04/03/2008

Registration number: CC21526

IRD number: Restricted

Annual Return Due Date: 31/12/2009

Charity's street address: 36 Maratahu Street, Westown
New Plymouth 4310

Charity's postal address: P O Box 8119, Westown
New Plymouth 4310

Phone: 06 759 4064

Fax: 06 759 1799

Email: admin@htpho.co.nz

Website: www.htpho.co.nz

CHARITABLE PURPOSE Note: Main sectors, activities
and beneficiaries are in brackets

Sectors: (Health)

Activities: (Acts as an umbrella / resource body)
Provides advice / information / advocacy

Beneficiaries: (People of a certain ethnic / racial origin)
Children / young people
Older people
People with disabilities
Family / whanau

**Areas of
Operation:** Taranaki

Officer Name & Effective Date:

Eleanor Edwards
25/09/2008

Julie Brandt
24/09/2008

Kura Denness
04/03/2008

Diane Jones
04/03/2008

Lindsay MacLeod
04/03/2008

Wayne Mulligan
04/03/2008

Jamie Tuuta
04/03/2008

Marie Dwyer
04/03/2008

Past Officers & Past Since:

William Hurlow
27/06/2008

Patrick Leary
26/09/2008

Exemptions:

This charity has been granted an exemption from filing an annual return by 31 December 2008 under section 43 of the Charities Act 2005. The first annual return is due by 31 December 2009.

Notice of Change: Date: 01/04/2009 Reference: NOC002

Annual Returns: Due Date: 31/12/2008

Received Link to Return: Exemption

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.4 Te Aroha Medicare Ltd

Released under the Official Information Act 1982



Te Aroha Medcare Limited

About Te Aroha Medcare Limited Te Aroha Medcare was set up in 2001-2002 by two registered nurses (Pam Ritai and Christine Nicholas) to meet an identified gap in health care services to Māori. This need was verified by an independent analysis that found there were approximately 4,000 Māori people living in the New Plymouth area who were not registered with a General practitioner. The GP practice, Te Aroha Medcare, was constituted in July 2003 as a limited liability company with a stated charitable status.

In 2005-2006, Tui Ora Ltd and Taranaki PHO Ltd became the sole shareholders of the Company but have retained its original Kaupapa, as expressed in the mission and vision statements below:

- To work cooperatively with our patients in an environment of respect, support and openness;
- To provide and deliver a high quality health service that is accessible, at low cost and works in cooperation with other health service providers to improve our patients' health and wellbeing.

Te Aroha Medcare is an access funded GP Practice. It is one of the seventeen health provider organisations affiliated to Tui Ora, the Māori Development Organisation (MDO) operating as a "Lead Contractor" to meet the specific health needs of Māori in Taranaki. Currently, Te Aroha Medcare provides GP services for 1800 registered clients, 54% of those being Māori, and 72% of those 1800 are classified as "high needs" according to recognised health definition and economic deprivation criteria. In that sense "it is unique in that it is purely a high needs practice with a focus on Māori health, but not exclusively" says Hayden Wano, Chief Executive of Te Aroha Medcare.

Charitable Purpose Statement in Charity's own Constitution

The parties to this constitution wish to establish a charitable entity under the provisions of the Charitable Trust Act 1957 for the objects/aims described in clause 4 of this constitution or to develop, manage and promote health to the best advantage for all. The name of this entity shall be known as TE AROHA MEDCARE LIMITED with CHARITABLE STATUS.

Presentation and Clause 1 of Constitution dated 11 July 2003

Charity's road to registration with the Charities Commission

Te Aroha Medicare had submitted its constitution and application for registration as a charity to the Charities Commission well before the 1 July 2008 closing date. However, the Charities Commission was not completely satisfied with the constitution as submitted, and asked Te Aroha Medicare to strengthen the rules, in particular those relating to payment of dividends and restrictions on private pecuniary profit. Te Aroha Medicare duly sought legal advice and the following written resolution was adopted by the shareholders of the company, satisfying the Commission's registration requirements.

Clause 23A Payment of Distributions (Dividends)

None of the capital or income of Te Aroha Medicare Limited shall be paid or transferred directly or indirectly by way of dividend, distribution or otherwise for the private pecuniary profit of any individual. Provided however that nothing in this clause shall prevent:

- The payment in good faith of reasonable remuneration to any directors, shareholders or employees of Te Aroha Medicare Limited or to any other person for services rendered to Te Aroha Medicare Limited,
- The payment of interest to any person at a rate not exceeding the commercial rate of interest for the time being.

If approved by shareholders, the proposed alteration will affect the rights attaching to the shares held by Tui Ora Limited and Taranaki PHO Limited, being all the shareholders in the Company, in that payment of distributions (dividends) will not be made for the private pecuniary profit of any individual. Payment of distributions (dividends) will therefore be made only to shareholders with charitable status.

Alteration to Constitution by way of written resolution of shareholders of Company dated 26 Sept 2008



Risks facing this Charity and other Māori charities

Hayden was pleased to note that this financial year Te Aroha Medicare "will turn a profit for the first time in its life". It is still vulnerable however and he says the greatest challenge is retention of staff. He also noted that the organisation could suffer from changes in health funding policy that led to a shortening of planning and funding horizons. To manage these risks, Hayden says that they must be clear about what they're trying to achieve, to be able to demonstrate that they're making a difference and getting good results with public funds. And if they had to start paying tax? "We'd have to take a really good look at ourselves. We couldn't continue to do things the way we do them now".

Charity's involvement in Pilot programme

Te Aroha Medicare agreed to participate in the pilot programme in August 2008 as part of the collective with Tui Ora Limited and Hauora Taranaki PHO. According to Chief Executive, Hayden Wano, there was also the incentive to ensure that Te Aroha Medicare achieved registration with the Charities Commission.

Charity's Governance and compliance policies and practices

Responsibility for compliance with charitable purposes and the Charities Act falls with Governance, which is a common Board of Directors shared with Tui Ora and Hauora Taranaki PHO. Although Te Aroha Medicare is run as a separate legal entity with a separate balance sheet, reports are made to the Board and Hayden provides management support. Financial and HR policies are shared with Tui Ora, however Te Aroha Medicare has its own policies, for example, related to clinical safety practices.

Having said that, Te Aroha Medicare is looking at ways to improve its General Practice and is about to go through an independent Cornerstone accreditation process which, Hayden says, "will show areas where further development is required. It's a voluntary process but will identify how this practice stands up against best practice". Ultimately, it is planned to set Te Aroha Medicare on its feet and place it back into the community, within selected hands to ensure the right outcomes. Hayden recognises that it's not core business for an MDO like Tui Ora but it is one of the elements needed for a good Māori health programme.

the Charities Commission was not completely satisfied with the constitution as submitted, and asked Te Aroha Medicare to strengthen the rules, in particular those relating to payment of dividends and restrictions on private pecuniary profit. Te Aroha Medicare duly sought legal advice and a written resolution was adopted by the shareholders of the company, satisfying the Commission's registration requirements.



9(2)(b)(ii)

Te Aroha Medicare Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC32243

IRD number: Restricted

Annual Return Due Date: 31/12/2009

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Charity's postal address: P O Box 8119
New Plymouth 4310

Phone: 06 759 4064

Fax: 06 759 1799

Email:

Website: <http://www.nrait.co.nz>

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Health)

Activities: (Provides advice / information / advocacy)

Beneficiaries: (General public)

Children / young people

Older people

People with disabilities

People of a certain ethnic / racial origin

Family / whanau

Areas of Operation: Taranaki

Officer Name & Effective Date:

Kura Denness
20/06/2005

Marie Dwyer
04/09/2007

William Hurlow
26/05/2006

Diane Jones
26/05/2006

Patrick Leary
23/06/2006

Lindsay Macleod
26/05/2006

Wayne Mulligan
01/03/2007

Jamie Tuuta
24/11/2006

Exemptions:

This charity has been granted an exemption from filing an annual return by the 31 December 2008 under Section 43 of the Charities Act 2005. The first annual return is due by the 31 December 2009.

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.5 Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust Case Study

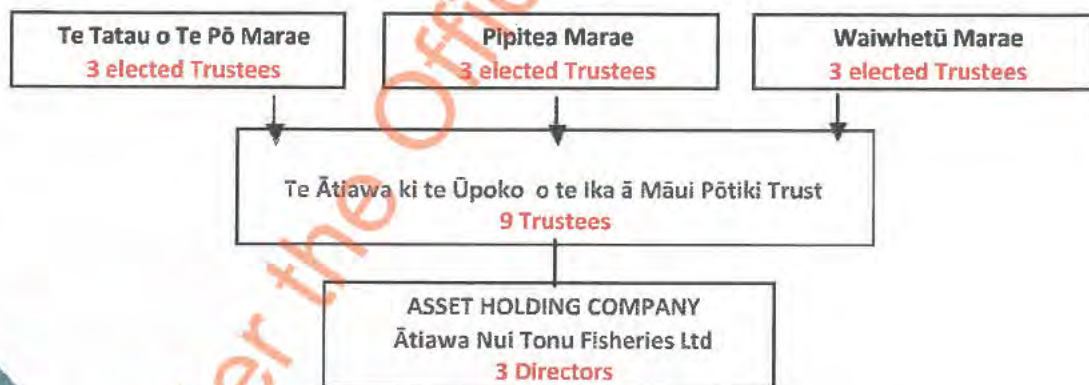
Released under the Official Information Act 1982



Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust

About Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust Te Ātiawa ki te Ūpoko o te Ika Trust was born out of the Māori fisheries claims settlement process and is the legal entity or Mandated Iwi Organisation (MIO) for the purposes of the Māori Fisheries Act 2004. Broadly, it is a charitable trust with an interest in both commercial and customary fisheries including the management of fisheries stock and access to fisheries for the iwi of Te Ātiawa ki te Ūpoko o te Ika (Wellington).

Charity's Organisation Structure and Links to Iwi community In essence, the Trust is structured around three constituent Marae, Pipitea Marae located in Wellington city and Te Tatau o te Pō Marae and Waiwhetū Marae located in Lower Hutt. Three Trustees for each marae are elected on a three year term by registered adult members of the iwi. Currently there are 2000 registered individuals, 1000 adults (18yrs and over) and 1000 children.



Charitable Purpose Statement in Charity's own Constitution

3. Kaupapa/Purposes

3.1 The purposes for which Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust is established are to receive, hold, manage and administer the Trust Fund for every charitable purpose benefiting Te Ātiawa ki te Ūpoko o te Ika ā Māui whether it relates to the relief poverty, the advancement of education, or religion or any other matter beneficial to the community of Te Ātiawa ki te Ūpoko o te Ika ā Māui and all the members of Te Ātiawa ki te Ūpoko o te Ika ā Māui irrespective of where those members reside and for every Charitable Purpose benefiting:

- (a) Māori who are not members of Te Ātiawa ki te Ūpoko o te Ika ā Māui; and
- (b) Members of the community generally.

Clause 3.1 of the Deed of Trust for Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki, dated 2006

Charity's involvement in Pilot programme

Morrie Love, Trustee and Manager for Te Ātiawa ki te Ūpoko o te Ika Trust, said that the Trustees agreed in October 2007 to participate in the pilot programme as they saw that it could assist them in thinking through policies, to identify any gaps, and to check that their accountability processes were sufficient. "We were still in an early development phase and were hopeful that the experience of the other participating charities would be useful".

The initial part of the pilot programme involved a research interview with Morrie Love and fellow Trustee, Peter Reweti. The objective was to identify the level of organisational understanding and practice with regard to the Trust's obligations under the charitable purposes and tax compliance framework (Charities Act 2005). From these interviews, and additional research on the role and authority of the Charities Commission and IRD, a substantial report was produced by FOMANA and distributed for the information of all eight participating pilot charities. Te Ātiawa ki te Ūpoko o te Ika Trust has since completed a policy audit and received a risk profile based around the 8 identified risk factors for Charities:

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Risks to Charity and mitigation strategies

Morrie thinks that the greatest risk facing the Trust is related more to its size and capacity and that "it's inefficient to operate at this level and income generating capacity – it's too small". The way around this he thinks could be to look at other models, for example, working with other iwi and sharing the management of fishing quota. There is also a reasonable degree of commercial risk in the fishing industry and this is managed by both the Trust and its wholly owned Asset Holding Company through wise, strategic decision making. The Trust is also considering a reduction in the number of Trustees to six Trustees. Te Ātiawa ki te Ūpoko o te Ika Trust is not alone in facing these challenges, which apply to other MIOs and smaller Māori charities. If there are learnings from this pilot programme, Morrie suggests that others "look carefully at the implications for charitable purposes and develop a distribution policy".



Communications with Charity's beneficiaries and stakeholders

The Trust issues an occasional news sheet "Te Iti me te Rahi" to keep its stakeholders informed of strategies and events. An Annual Report and audited Financial Reports are produced in accordance with the rules of the Trust Deed and these are presented to the iwi members who attend the Annual General meeting. For transparency and accountability, the amount available annually for distribution is decided upon at the AGM.

Charitable Purpose Policy development

Te Ātiawa ki te Ūpoko o te Ika Trust has taken the initiative to draft a policy designed to keep the Trust compliant with the charitable purpose Kaupapa of its Trust Deed. Morrie says that the policy is 'a work in progress' but will contain rules around distribution of Trust funds with strict requirements for application of funds for charitable purposes only.

One way they intend to manage a potential risk of 'misapplication' is to require that applicants are registered charities, or in the case of individuals, that funds are applied for the advancement of education or other charitable purposes.

Morrie has indicated that the policy will look at different classes of beneficiary,. For example, the three constituent marae, iwi organisations for the enhancement of customary fisheries in the rohe, and individual members for educational advancement. At this stage, Pipitea Marae is the only constituent marae that has confirmed registration with the Charities Commission.



9(2)(b)(ii)

Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC38312

IRD number: Restricted

Annual Return Due Date: 31/03/2010

Charity's street address: 15 Balmoral Terrace
Wellington 6021

Charity's postal address: P O Box 16147
Wellington 6242

Phone: 64 4 9709841

Fax: 64 4 9709841

Email: morrie@rauakura.co.nz

Website:

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Customary Fisheries)
Environment / conservation
Community development
Economic development

Activities: (Makes grants to organisations (including schools or other charities))
Sponsors / undertakes research

Beneficiaries: (Marae)
Children / young people
People of a certain ethnic / racial origin
Family / whanau

Areas of Operation: Wellington - Wairarapa

Officer Name & Effective Date:

John Warren
22/03/2006

Anania Randall
22/03/2006

Wayne Mulligan
22/03/2006

Te Rira Puketapu
22/03/2006

Joanne Korent
19/11/2006

Ihaia Puketapu
19/11/2006

Peter Reweti
10/11/2007

Morris Love
22/03/2006

Exemptions:

This charity has been granted an exemption from filing an annual return by 31 March 2010 under Section 43 of the Charities Act 2005. The first annual return is due by 31 March 2010.

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

know ledge

3.6 Te Kaahui o Rauru Case Study

Released under the Official Information Act 1982



Te Kaahui o Rauru Nga Rauru Kiitahi Iwi

About Te Kaahui o Rauru Te Kaahui o Rauru is the iwi representative organisation for Nga Rauru Kiitahi Iwi located in South Taranaki with its office in Whanganui. Te Kaahui o Rauru was established on 27 November 2003 with the signing of the Deed of Settlement with the Crown, culminating four years hard work by the Iwi Authority, Nga Rauru tupuna, and uki to secure redress for wrongs committed by the Crown. The Constitution document (Te Kawa o Te Kaahui o Rauru) sets out the guiding principles of Te Kaahui o Rauru: *Kia rangatira te tuu a Te Kaahui o Rauru hei roopu whakatiinanai i nga rau wawata o te iwi Maaori, o te motu hoki.*

Charity's Organisation Structure and Links to iwi community Te Kaahui o Rauru is a marae based organisation with 12 constituent marae each electing 2 Marae Delegates (Trustees) to the Governance Board. Currently there are 2,600 registered adults (18yrs and over).



Charitable Purpose Statement in Charity's own Constitution

3. Objects of Te Kaahui o Rauru – specific objects set out in clause 3.1(a) – 3.1(o)

3.1 (p) any such charitable programmes and facilities that the Marae Delegates may at their discretion determine as being necessary for the promotion of any or all of the above objects.

4. Powers of Marae Delegates

4.1. Furtherance of the Objects

The Te Kaahui o Rauru Fund must be applied and used exclusively by the Marae Delegates for the Objects, and any other matters that benefit Uki, as the Marae Delegates from time to time decide upon their absolute discretion, subject to the need to maintain one or more charitable purposes.

Clauses 3 and 4 of Te Kawa o Te Kaahui o Rauru v.4, dated June 2007

Clause 4.1 amended to meet Charitable Tax Status by addition of words underlined (TKoR resolution #05/0240)

Charitable Purpose compliance and generic Distribution Policy

It is clear from the review of their policies and practices during the pilot that Te Kaahui o Rauru has a sound framework for maintaining compliance with charitable purposes and retaining tax exemption. Following advice from their lawyers, the organisation has adopted a comprehensive, coherent, and practical Distribution policy which requires Marae Delegates to take the following steps in relation to decisions on Distributions:

1. Charitable Objectives – satisfy themselves that Distribution furthers TKOR's charitable objectives;
2. Distribution Register – record specific charitable objectives of TKOR;
3. Resolution – approval and authorisation of Marae Delegates of Distribution to intended recipient;
4. Paper Trail and Audit – TKOR letter to intended recipient setting out conditions of Distribution;
5. Indemnity – Deed of undertaking and indemnity from intended recipient that it will apply Distribution for charitable purposes.

For ease of application, the Policy contains appendices with Key Definitions of TKOR Charitable Objectives, definition of Major Transactions, and useful Template forms for the Register, Marae Delegate Resolution, TKOR letter to recipient, and Deed of Indemnity from Recipient.

To date, Hayden says that the policy has only been applied to distributions to marae. Funds available for that distribution are limited to retained earnings from Fisheries income and are applied equally across 12 marae. There has been discussion on education grants and Hayden notes "at the moment we don't have an Education Grants policy but we are working on that in future. We are developing an iwi education profile and looking at education attainment as part of our 12 year Education Strategy (2008 – 2020)... the vision is to excel in education, to revitalize Ngaa Raurutanga through education". Investing in their tribal development and Te Reo is also a key priority and Hayden was justly proud of the recent achievement that saw 45 tauira graduate as fluent reo speakers after a one year full-time programme, designed by Ngaa Rauru and delivered on Ngaa Rauru marae. This fits well with the organisation's vision, its strategic objectives, and its charitable purposes.

Risks to Charity

According to Hayden, the greatest risk facing Te Kaahui o Rauru at present is the recession, which has meant the organisation has had to "put on hold" some of the projects it had planned to deliver this year. "We need to know how our people are faring in terms of jobs and what assistance we might be able to provide, to help them through these times...to see what we can do in our role as Kaitiaki". Te Kaahui o Rauru will hold a summit in August 2009 to discuss those specific issues. This hui is in addition to the annual hui-a-iwi in July and the annual survey where Iwi members are asked "Are we headed in the right direction?"

Charity's involvement in Pilot programme and registration of Marae with Charities Commission

Te Kaahui o Rauru joined the pilot programme in September 2007 at the initiation of former Kaiwhakahaere, Marty Davis. At the time Marty was developing a generic constitution, compliant with the Charities Act, which could be used by the 12 constituent marae for the purposes of becoming registered charities. Two years on, the Chairperson, Hayden Potaka, is pleased to note that most of the 12 marae have now been registered with the Charities Commission, or are in the backlog, awaiting registration. Hayden says that the Commission has been particularly interested in the "winding up" clauses, asking what will happen to the Trust funds or Marae assets if the marae ceases to exist. This caused some concern because "you can't really wind up a marae" Hayden recalls their initial reaction. However, these issues have been sorted to the satisfaction of the Commission and the marae. Te Kaahui o Rauru is keenly aware of "doing things in line with the Charities Commission" says Hayden and in terms of participating in this pilot programme, "if we're able to do things better, more efficient and effective for us, that would be great".

Learnings for other kin-based Maori charities

Hayden was adamant that "following the process in terms of legal compliance is quite crucial". He also advocated practical support for places like marae. For example, Te Kaahui o Rauru offered a generic constitution to its marae to facilitate registration, it provides templates for marae to use to access charitable funds, and it is working on a programme to provide marae with accounting and financial management assistance. Support services like these make it easier for marae to comply and to safeguard all parties.



9(2)(b)(ii)

Te Kaahui o Rauru

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered
Date: 30/06/2008
Registration number: CC34302
IRD number: Restricted
Annual Return Due Date: 30/09/2009

Charity's street address: Suite 17
Wicksteed Terrace
Whanganui 5001
Charity's postal address: P O Box 4322
Whanganui 5015

Phone: 06 3484894
Fax: 06 3484087
Email:
Website: <http://www.ngarauru.org.nz/>

Officer Name & Effective Date:

Kelvin Luke 09/12/2004
Te Pokiatua Ashford 09/02/2004
Perry Soloman 09/12/2004
William Gawler 09/12/2004
Bop Ngataierua 09/12/2004
Karen Mcgregor 09/12/2004
Watene Davis 09/12/2004
Mihipepene Davis 09/12/2004
Ngapari Nui 09/12/2004
Te Ringa Te Awhe 09/12/2004
Gloria Ashford 26/06/2005
Darryn Ratana 30/07/2006
Valencia Soloman 30/07/2006
Te Hula Hamilton 30/07/2006
Carolyn Young 30/07/2006
Jason Hina 30/07/2006
Toko Tutahione 30/07/2006
Desmond Canterbury 24/09/2006
Yvette Mcgregor 24/09/2006
Nan Pirikahu-Smith 17/01/2007
Sharlene Tapa-Mosen 03/02/2007
Tame Rangihaeata 31/03/2007
Hayden Potaka 30/07/2006
Te Aroha Waitai 09/02/2004

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Iwi development)
Education / training / research
Environment / conservation
Social services
Arts / culture / heritage
Economic development
Fund-raising

Activities: (Iwi Development)
Makes grants to organisations
(including schools or other charities)
Provides advice / information / advocacy

Beneficiaries: (Nga Rauru uri)
Children / young people
Other charities
Older people
People with disabilities
People of a certain ethnic / racial origin

Areas of Operation: Family / whanau
Manawatu - Wanganui

Registered status of Marae

As at 30 June 2009, a search of the online Charities Register showed that seven marae of Nga Rauru Kaitahi have been registered. It is understood that the other five marae are in the process of registration

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

knowVedge

3.7 Te Rau Pani Māori Mental Health Trust Case Study

Released under the Official Information Act 1982



About Te Rau Pani Māori Mental Health Trust (Te Rau Pani)

Te Rau Pani traces its origins to a 2001 joint venture between three parties, Te Whare Puawai o te Tangata Trust, Taranaki District Health Board (TDHB), and Raumanō Mental Health Trust, followed in 2002 by a joint agreement with the latter two parties only. By 2004, it was decided to establish a Charitable Trust and the Te Rau Pani Māori Mental Health Trust was constituted by Deed of Trust signed by five Original Trustees on 18 June 2004.

Te Rau Pani provides two distinct services to the Taranaki community:

1. Māori mental health service

A specialist Māori Mental Health Service based upon an integrated delivery model of Kaupapa Māori and Best Practice Principles.

2. Employment Service

A case managed programme designed to get paid employment for Taranaki people with experience of mental illness, that best suits the person's needs.



Charitable Purpose Statement in Charity's own Constitution

4. Objects of Trust (specific to the provision of Maori mental health services within the rohe of Taranaki).

5. General Objects:

(a) Those of a "Charitable Trust" (as those words are understood under the law applicable to New Zealand); in particular to provide financial and other assistance to and for the provision of Maori mental health services for the Taranaki Maori community.

(b) Recreational and similar purposes set forth in Section 61A of the Charitable Trusts Act 1957 or any Act of amendment passed in substitution therefore.

(c) "Charitable purposes" as those words are defined according to the general law of New Zealand.

(d) To perform all such other acts, matters or things as are incidental or conducive to the attainment of the foregoing objects.

Clauses 4 and 5 Deed of Trust Te Rau Pani Maori Mental Health Trust

Charity's involvement in Pilot programme

When Te Rau Pani joined the pilot programme in August 2008, it was Warren Nicholls, as Acting General Manager, who agreed to participation. He had just completed an internal review of the policy compliance position of Te Rau Pani and his initial assessment was that some work was needed in this area. The FOMANA programme was seen as a timely opportunity for external review and support for Te Rau Pani. Warren's completion of the research phase questionnaire and interview was the first step in that external review process.

In early 2009, Hinemoerangi Ngatai Tangirua was appointed to the position of General Manager and consequently took on the management of the pilot programme. One of her immediate tasks was to complete the Policy checklist requiring her to become quickly and intimately acquainted with the extent and status of Te Rau Pani's policies across six areas (Legal Compliance, Governance, Financial Management, Information Management Systems, Operations and Personnel). Following that policy review exercise and driven strongly by the Quality Health NZ accreditation process, Hinemoerangi says that "there's been some changes in the organisation and Te Rau Pani has made a commitment to make improvements". For example:

- Board membership has been changed;
- A lot of policies have been reviewed and updated;
- We have put in good systems in terms of quality improvement;
- We have made changes to our financial management.

Participating in the pilot programme meant that Te Rau Pani didn't have an internalised focus only. Using the Risk and Audit Report and Risk Profile for her organisation, Hinemoerangi was able to highlight for her Board of Trustees the policy areas covered by the Trust Deed, policy areas where improvements had been made in the last 18 months, and areas that required further policy development. As a result, she says that the Board has decided to look at drafting a policy for Investments. There is a growing sense of satisfaction in the lifting of standards and Te Rau Pani can be justly proud of not only retaining the Quality Health accreditation it has held since 2004 but also achieving a "5" rating, the highest being "7".

Learnings for other Māori charities

Understanding the risk and impacts of misapplication of Trust funds was a big learning for individuals in Te Rau Pani and also to know that failure to operate within your charitable purposes could mean, not only loss of tax exemption, but also a hefty tax bill that might go back for years, possibly with penalties being applied. Hinemoerangi was of the opinion that "there's a lot of work to be done" to raise awareness and educate Maori charities about these issues. For Te Rau Pani, she would like to see in 12 months "that we have credibility and a profile of compliance to account for and support delivery of service, not only to adults, but also that we are ready to engage and cater to children and adolescents affected by mental illness and/or addiction".

8 Risk factors relevant to Charities

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Hinemoerangi and her team set aside time to look at each of the 8 risk areas, the potential impacts of those risks on their organisation, and what risk management strategies were appropriate for Te Rau Pani. Where they found gaps or grey areas in their policies or compliance practices, they are working towards addressing these and in her opinion, "we're confident that we are on the journey for mitigating risk". Asked what would happen to the organisation if it had to start paying tax, Hinemoerangi suggested that it would negatively impact on the services that Te Rau Pani could provide and would undoubtedly increase costs, meaning people would miss out as "our consumers wouldn't be able to afford to pay".



Charity's distinctiveness and unique features

Te Rau Pani provides services right across the Taranaki region, has a strong relationship with other Kaupapa Māori providers, and has direct access to the inpatient service of the TDHB. Hinemoerangi notes also that "we have kaumatua who keep us realistically connected to Taranaki iwi". While she says "the service is primarily focussed on Māori, we do not exclude anyone who needs our mental health services". Te Rau Pani's key beneficiaries are the top 9 percent of those with acute mental health needs in Taranaki. With a Maori population of around 15,000 in Taranaki, there are potentially 1350 Tangata Whaiora in that highest threshold of need. Hinemoerangi pointed out that "over the last year we've supported 104 people", so it would seem that there may be many who are missing out on services.

9(2)(b)(ii)

Te Rau Pani Maori Mental Health Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Officer Name & Effective Date:

Date: 30/07/2007

Mihi Kahu
25/07/2007

Registration number: CC10717

Warren John Nicholls
25/07/2007

IRD number: Restricted

Annual Return Due Date: 31/12/2008

Christine Henare
25/07/2007

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Paula Hakesley
25/07/2007

Charity's postal address: PO Box 5131, Westown
New Plymouth 4343

Raukawa Rangihua Mamaeroa Simon
25/07/2007

Phone:

Fax:

Email: terry@teraupani.co.nz

Website:

Sectors: (Maori Mental Health)
Education / training / research
Community development
Health
Social services
Employment

Activities: (Provides services (e.g. care / counselling))
Acts as an umbrella / resource body
Provides advice / information / advocacy

Beneficiaries: (Other charities)
Children / young people
Older people
People with disabilities
People of a certain ethnic / racial origin
General public
Family / whanau
People of Maori origin

Current Officers not yet listed on Charities Register:

Moira Irving (Chairperson) - Appointed
Ngawai Henare - TDHB nominee
Peter Moeahu - Tui Ora nominee
Will Edwards - Appointed
Paula Hakesley - Appointed

Annual Returns: Due Date:31/12/2008

Areas of Operation: Taranaki

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.8 Tui Ora Ltd Case Study

Released under the Official Information Act 1982



About Tui Ora Limited Tui Ora Ltd was officially launched 1 July 1998 following extensive consultation involving Iwi health representatives from Te Whare Punanga Korero and provider organisations. The Company was set up as a **not-for-profit** business and its ownership has been a hotly contested debate for many years. It is currently owned by the Tui Ora Trust, which is made up of 4 Māori Provider representatives and 4 Iwi representatives, each individually bound by the Trust constitution to act in the interests of Tui Ora.



Tui Ora Ltd is a Māori Development Organisation (MDO) operating as a "Lead Contractor" with a 'for Māori by Māori' focus, on the specific needs of Māori in Taranaki. There are a total of seventeen health provider organisations currently affiliated to Tui Ora. Tui Ora has also developed working relationships with non-affiliated Māori health provider organisations as well as non-Māori health care providers. It is an umbrella organisation for:

- Māori Health and Social Service Providers, providing support in contract negotiations with funders
- Māori workforce development.

Hayden is clear that the programme offers a really good business opportunity for other charities. He says that "one can see that it's providing a good discipline in the organisation by promoting best practice and the use of a policy checklist to identify areas for improvement".



Charity's involvement in Pilot programme

Hayden Wano, Chief Executive, says that Tui Ora was compelled to join the pilot programme as early as September 2007, partly due to Board support and encouragement, and mostly because it was critical that we had certainty about our charitable status and secured our registration. "We had some policy learnings during the registration process but it was pretty smooth".

We are distinctive from other participants in that, while we have a focus on health, in broader terms we work across agencies and have an interest in providing infrastructure support to iwi. As evidence of the depth and quality of its infrastructure resources, Tui Ora Ltd has provided contracted services to the programme in the form of tax and charities research, policy audits, risk profile development, and Information Technology applications.

Risks to Charity and risk management strategies

The greatest risk to Tui Ora is the ongoing uncertainty and debate over ownership because it's so volatile. That risk has been managed by a number of strategies, one being having a robust protocol for appointment of Directors (not representation based). As Hayden observes "we've managed to take tension out of the AGMs based on protocols of communication and strong planning processes".

There are also the regular reporting processes that provide accountability and transparency to stakeholders. Tui Ora produces quarterly and annual reports and Hayden also attends hui with Te Whare Punanga Korero, the iwi health forum with representatives from each of the eight Taranaki iwi.

Tui Ora Ltd works hard to maintain alignment with the constitution which is often pulled out and referred to especially during annual and strategic planning sessions and when questions are raised, often as a result of changes in the shareholding structure.



Learnings for other Māori Charities Hayden is clear that the programme offers a really good business opportunity for other charities. He says that "one can see that it's providing a good discipline in the organisation by promoting best practice and the use of a policy checklist to identify areas for improvement".

The major learning for Tui Ora Ltd and other Māori charities is in "realising that there's a real incentive, the monetary one, to retain tax exemption". He acknowledges this FOMANA led initiative as a positive one, it's an area that could easily be overlooked and left to drift.

Looking forward 12 months, Hayden has two goals, one being better performance and to reduce the variability in staffing. "When one person goes it can stop business in its tracks". The other is to drive different models of care, principally "to develop a continuity model of care rather than one-offs".

Charitable Purpose Statement in Charity's own Constitution

4. Objects of Company (related to improvement of health status of Maori and others in the Taranaki community.

4.1 (b) To act at all times in the interests of its shareholder for so long as the shareholders are entities which have been approved as having charitable status in terms of Revenue Acts administered by the Inland Revenue Department.

6. General Objectives (in addition to prime objects in clause 4)

(a) Those of a "Charitable Trust" (as those words are understood under the law applicable to New Zealand); in particular to provide financial and other assistance to and for the provision of Maori Health services in the Taranaki Maori community.

(b) Provision of facilities for public recreation and similar purposes set forth in Section 61A of the Charitable Trusts Act 1957 or any Act or Amendment passed in substitution therefore.

(c) "Charitable purposes" as those words are defined in both section 2 and section 38 of the of the Charitable Trusts Act 1957 or any Act or Amendment passed in substitution therefore so far as those terms are not inconsistent with what is charitable according to the general law of New Zealand and so far as those purposes are also acceptable to the Inland Revenue Department for the purposes of exemption from the Revenue Acts.

(d) To perform all such other acts, matters or things as are incidental or conducive to the attainment of the foregoing objects PROVIDED HOWEVER that if by reason of any alteration in the law relating to income tax it is at any time necessary to amend such purposes in order to preserve the right to exemption from income tax of the kind referred to in Sections CB4(1)9c) and CB4(1) (e) of the Income Tax Act 1994 such purposes shall thereupon be deemed to be amended to the extent necessary.

Clauses 4 and 6 Constitution of Tui Ora Limited

9(2)(b)(ii)

Tui Ora Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Officer Name & Effective Date:

Date: 30/07/2007

Mihi Kahu
25/07/2007

Registration number: CC10717

Warren John Nicholls
25/07/2007

IRD number: Restricted

Annual Return Due Date: 31/12/2008

Christine Henare
25/07/2007

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Paula Hakesley
25/07/2007

Charity's postal address: PO Box 5131, Westown
New Plymouth 4343

Raukawa Rangihua Mamaeroa Simon
25/07/2007

Phone:

Fax:

Email: terry@teraupani.co.nz

Website:

Sectors: (Maori Mental Health)
Education / training / research
Community development
Health
Social services
Employment

Activities: (Provides services (e.g. care / counselling))
Acts as an umbrella / resource body
Provides advice / information / advocacy

Beneficiaries: (Other charities)
Children / young people
Older people
People with disabilities
People of a certain ethnic / racial origin
General public
Family / whanau
People of Maori origin

Current Officers not yet listed on Charities Register:

Moira Irving (Chairperson) - Appointed
Ngawai Henare - TDHB nominee
Peter Moeahu - Tui Ora nominee
Will Edwards - Appointed
Paula Hakesley - Appointed

Exemptions:

This charity has been granted an exemption from filing an annual return by 30 December 2008 under Section 43 of the Charities Act 2005. The first annual return is due by 30 December 2009.

Areas of Operation: Taranaki

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

knowVedge

Appendices

Appendix 1: Case Study Overview and Questionnaire Form

Charitable Purposes and
Tax Compliance Systems Programme

CASE STUDY Objectives & Interview Outline

Insert Logo

1. Hauora Taranaki PHO
2. Tui Ora Limited
3. Te Aroha Medicare Ltd
4. Te Kaahui o Rauru
5. Te Rau Pani Maori Mental Health Trust
6. Taranaki Iwi Trust
7. Ngati Rarua Atiawa Iwi Trust
8. Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust

Objective of Case Study Report

This case study report is intended as a brief 1-2 page, easy to read report with personal insights, learnings and comments from a key member of the organisation (Governance or management or both).

May be used for following purposes:

- As part of the annual report to stakeholders showing how the organisation is maintaining compliance with the Charities Act and its tax exemption status;
- As an educational training tool for internal organisational use;
- As a training tool for other Maori charitable entities as part of the pilot programme;
- As a general communications sheet for beneficiaries and other stakeholders that may be updated and republished from time to time.

Key Parts of the Case Study Report and sample of interview questions

1. About us

- Name of organisation?
- Brief background to establishment (Date? Why?, Who, How?)
- Size of organisation and any subsidiaries (Charitable status of subsidiaries?)

2. Who are we?

- Members and/or Beneficiaries (Who? How many?)
- Governance Members (Who? Elected/appointed?)
- Management and Staff (Who? How many? paid/unpaid?)

Ref: Charities Register info

3. How do we maintain compliance with the Charities Act 2005 and ensure that we retain our tax exemption status

- What is role of Governance members re charitable compliance?
- What is role of Management and Staff re charitable compliance?
- What systems or policies do we use to maintain charitable compliance?
- How do we communicate these systems and policies to our members and stakeholders?

4. Participation in FOMANA Charities & Tax compliance Pilot Programme

- Why did we agree to participate in this 2 year programme?
- What benefits did we expect for our organisation?
- What new information have we learnt so far as a participant?
- Have we changed any of our policies or practices as a result of programme?
- What information would most assist us going forward?
- What makes us distinctive from other pilot programme participants?

5. Risk Factors

The first report in the pilot program identified 8 generic risk factors.

1. Operating outside “charitable purposes”
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

What is the greatest risk to our organisation at this point in time? Why?

6. Risk Mitigations

The third report in the pilot program identified a range of ways to mitigate risk of non-compliance with charitable purposes

Have the reports been widely read within our organisation?
Have we adopted any of the identified mitigations in the report?

What measures do we currently take to reduce or manage our risk of non-compliance with charitable purposes?

In 12months time, what improvements do we want to have in place?

7. Relationship with compliance Agencies (Charities Commission & IRD)

How easy or difficult has it been to:

- a) get registered by Charities Commission?
- b) meet compliance obligations?
- c) get information when we needed it?

What advantages or costs are there to being a “registered” charity?
What information or assistance should be provided by Charities Commission/IRD/Office of Community & Voluntary sector? Best way to communicate with our organisation?

8. Learnings for other Maori Charitable Organisations

What are the particular challenges for Maori charities? eg. Dynamics of kin-based group
What have we learnt in this pilot that could be useful for other Maori charitable entities?

9. Acknowledgements

Te Puni Kokiri and any others we would like to mention

10. Our listing on the Charities Register

See attached for example – information has been taken directly from Commission website

DRAFT back page for Case Study
 Provides transparency and accountability to stakeholders and beneficiaries

Legal name of the charity:	
REGISTRATION DETAILS: as listed on Charities Register as at 30 June 2009 www.register.charities.govt.nz/CharitiesRegister	
Status:	
Date:	
Registration number:	
IRD Number:	
Annual Return Due Date:	
Charity's street address	
Charity's postal address:	
CHARITY'S OTHER DETAILS	
Phone (day):	
Fax:	
Email:	
Website:	
CHARITABLE PURPOSE	
Note: Main sectors, activities and beneficiaries are in brackets	
Sectors:	
Activities:	
Beneficiaries:	
Areas of Operation:	
OFFICERS:	
Officer Name Effective Date	
Exemptions:	

Released under the Official Information Act 1982

Appendix 2: Charities Commission Registration Update as at 20 July 2009

<http://www.charities.govt.nz/>

How many charities have we registered?

As at 20 July 2009 we have registered 22,755 charities.

As well as providing searchable information about individual charities, the Charities Register can give a “snapshot” of the charitable sector in New Zealand.

[Take a look](#), to see where charities are operating, their main activities, who they are helping, and the sectors they are operating in.

Annual Returns

Registered charities must file an Annual Return with the Commission, within six months of their balance date.

Annual Return information helps the Commission monitor registered charities to ensure they continue to qualify for registration and provides information to the public about how charities carry out their charitable purpose.

Annual Returns and accompanying financial information are published on the [Charities Register](#). View the [Annual Return info sheet](#) for more information about filing a return.



Released under the Official Information Act 1982

He Pānui

Te Puni Kōkiri Memorandum

Whakapānga kōnae

Te Rā 10 Here-turi-kōkā 2009

Ki a: Leith Comer – Chief Executive

Nā: Dave Samuels – Investment Manager

Tauira Pārua:

Kaupapa: **Tekau Plus Contract – Payment Authorisation**

Purpose

The purpose of this memo is to request your authorisation to pay instalment eight of the Tekau Plus Agribusiness Project. Instalment eight is for \$275,000.00 (exclusive of GST).

Comment


This instalment covers the period to 30 June 2009. Tekau Plus has provided the six-monthly report to 30 June 2009 and the deliverables for this period have been met. There are now six clusters in place involving a total of 17 business entities. Five more potential clusters are in development, involving 10 additional businesses. The Tekau Plus project is progressing ahead of schedule and is on track to achieving all deliverables by the contract end, 30 June 2010.

Recommendation


It is recommended that you:

1. **authorise** payment of the invoice for instalment eight of the Tekau Plus Agribusiness Project, for \$275,000.00 (GST exclusive).

agree / disagree



Leith Comer
Chief Executive



Dave Samuels
Investment Manager

REPORT 5
28 Aug 2009

Charitable Purposes and Tax Compliance Systems Programme

FOMANA Charities Compliance Model©

A Training Toolkit for Māori Charities

Authors:

Kim Skelton BA/LLB
Wayne Mulligan MMgt

Peer Review

Paul Morgan ExDipBus
Rangimahora Reddy MBS (Accountancy)



Purpose of Report

The purpose of this Case Study report is to fulfil the requirements of Output 9 of the Investment Agreement ("Agreement") dated 1 May 2008 between Te Puni Kokiri and FOMANA Capital Ltd. Schedule C of that Agreement sets out the reporting requirements for this Report:

Short Term Outcome	Output 9	Due Date
Increased knowledge by Māori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime.	Training developed and provided to Māori entity team on application of compliance/audit model.	28 August 2009

Form of Report

This Report takes the form of "A Training Toolkit for Māori Charities" which will be piloted in the training workshops with the eight pilot Māori charities to be held in September – October 2009. Based on the feedback from participants and evaluation of the training, the toolkit will be refined and adapted as required to enable delivery to other Māori entities on a regional or national basis.

The purpose of the training is to provide participants from those eight organisations with training in the application of the FOMANA Charities Compliance Model. The Model itself comprises seven interlinked elements and has been developed to assist Māori charities:

- increase their capability and understanding of the new charities and tax compliance regime;
- protect their tax exemption status; and
- provide quality assurance systems to their organisation, beneficiaries and stakeholders.

FOMANA anticipates that each workshop will comprise 10-12 participants with a mix of Governance, Management, affiliated Marae beneficiaries (for iwi groups), GPs and Health practitioners (for health charities), and members of the Māori Entity team¹.

¹ See section 1.2 Profile of Maori entities for members of the Maori Entity team.

Disclaimer

This report presents the Training Toolkit for use in the training workshops for each of the eight Māori Charitable entities participating in this pilot programme. It is prepared for Te Puni Kokiri only. It does not purport to provide specific legal advice for any entity on their legal obligations under or relating to the Charities Act 2005, the Income Tax Act 2007 and or any other relevant legislation and or case law. It should not be relied upon by any entity accordingly.

Limitation

This report is limited to providing Te Puni Kokiri with a report on the training material to be used for training the participating pilot Māori charitable entities in the application of the FOMANA Charities Compliance Model. This report should be seen as one of a series of reports that are being developed over the two year term of the Agreement and should be read in conjunction with those prepared to date.

Acknowledgements

FOMANA acknowledges the ongoing support provided by Te Puni Kokiri for the Charitable Purposes and Tax Compliance Systems Pilot Programme.

We would particularly like to thank the members of the Maori Entity team and leadership of the eight Māori Charitable entities for their continued commitment to the pilot programme and for their practical assistance in bringing together members and beneficiaries of their organisation to take advantage of this training.

Table of Contents

Section 1	Introduction 1.1 Background and overview of FOMANA Pilot Programme for Māori charities 1.2 Pilot Programme participants (8 Māori charitable entities) 1.3 Training Objectives
Section 2	FOMANA Charities Compliance Model© 2.1 Overview of FOMANA Charities Compliance Model 2.2 Diagram of Model 2.3 Application of Model in Training 2.4 Definition of terms
Section 3:	Constitution and NZ law 3.1 Know your Rules 3.2 Duties and legal obligations of Trustees and Directors 3.3. Rules and Charitable Purposes requirement 3.4 Breaches of Trust or failure to act lawfully
Section 4:	Charitable purposes 4.1 What are charitable purposes and the “four heads of charity”? 4.2 Public benefit test 4.3 Funds must be applied to advance charitable purposes 4.4 Charitable purposes (Marae and Trusts under Te Ture Whenua Māori Act)
Section 5	Stakeholders 5.1 Who are your stakeholders? 5.2 Accountability to stakeholders
Section 6	Charities Commission and Registration 6.1 Charities Act and functions of the Charities Commission 6.2 Registration as a charity and certification of Officers 6.3 Compliance after registration 6.4 Deregistration and loss of tax-exemption

Table of Contents

Section 7	Inland Revenue Department (IRD) and Tax Exemption 7.1 Role of IRD and registered charities 7.2 Tax related obligations for registered charities 7.3 Tax exemptions and benefits for registered charities 7.4 Tax liabilities
Section 8	Policies – Processes - People 8.1 FOMANA 3Peez Method© 8.2 Policy Framework 8.3 Policy Checklist 8.4 Processes 8.5 People with purpose
Section 9	Risks 9.1 Mitigating the risk of “operating outside of charitable purposes” 9.2 Danger Zone 9.3 Risk and Consequence – real stories 9.4 Decision tool for managing risk around distributions

Table of Contents

Section 10: References

10.1 FOMANA Pilot Programme Reports

FOMANA Report One – Preliminary Research, 31 May 2009

FOMANA Report Two – Research Report, 30 September 2008

FOMANA Report Three – Risk & Audit Report, 31 March 2009

FOMANA Report Four – Case Studies Report, 31 July 2009

10.2 Case Studies of eight Māori charitable entities, 30 June 2009

Ngāti Rārua Atiawa Iwi Trust Case Study

Taranaki Iwi Trust Case Study

Taranaki PHO Ltd Case Study

Te Aroha Medicare Ltd Case Study

Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust Case Study

Te Kaahui o Rauru Case Study

Te Rau Pani Māori Mental Health Trust Case Study

Tui Ora Ltd Case Study

10.3 Charities Commission Information Sheets

A Guide to the *Charities Act 2005*, updated February 2009

Charitable Purpose, updated February 2008

Iwi / Māori Organisations and the Charities Act, updated December 2007

Tax- How the Charities Act affects charitable tax status, March 2009

Annual Return Checklist, April 2009

Form 4 Annual Return for a charitable entity, F4 April 09

Form 2 Officer Certification form, F2 June 08

Hot Topic - The Charities Act, fundraising costs, and charitable purposes, August 2009

10.4 Inland Revenue Guides

IR 255 Charitable organisations – A tax guide for charities, donee organisations and other groups

IR 256 Tax information for charities registered under the Charities Act 2005

Section 1	<p>Introduction</p> <p>1.1 Background and overview of FOMANA Pilot Programme for Māori charities</p> <p>1.2 Pilot Programme participants (8 Māori charitable entities)</p> <p>1.3 Training Objectives</p>
------------------	--

1.1 Background and overview of the FOMANA Pilot Programme for Māori charities

In August 2007, FOMANA Capital Limited recognised that an estimated 2,500² Māori charitable organisations would be affected by the Charities Act 2005, with a potential loss of tax exemption if those charities did not apply for registration with the Charities Commission by 1 July 2008.

FOMANA put together a proposal for a pilot programme with up to eight committed Māori charitable entities. The aim of the Charitable Purposes and Tax Compliance Systems programme is to assist the eight participating Māori charitable entities to:

- (a) increase their capability and understanding of the new charities and tax compliance regime;
- (b) protect their tax exemption status; and
- (c) provide quality assurance systems to their organisation, beneficiaries and stakeholders.

FOMANA approached key charitable sector agencies including IRD, Charities Commission, Office for the Voluntary and Community Sector and Te Puni Kōkiri to seek support for conducting the programme. The proposed programme was received positively by all the agencies, in particular by the Relationships and Information Directorate at Te Puni Kōkiri, who agreed to fund the programme over two years across three phases:

- Phase 1: Research on Charities & Tax Compliance
- Phase 2: Risk Profiling and Systems Applications Models
- Phase 3: Training & Systems Adoption (for the eight Māori charitable entities)

The Training Toolkit will be piloted in the training workshops in Phase 3 and refined and adapted as required to enable delivery to other Māori charities on a regional or national basis.

² See table showing potential scale of Māori charities in FOMANA Report One, 31 May 2008, page 22

FOMANA has produced four comprehensive reports to date and these are appended in Section 10 of this Toolkit for Māori charities.

Report One:	Preliminary Research	31 May 2008
Report Two:	Research Report	30 September 2008
Report Three:	Risk & Audit Report	31 March 2009
Report Four:	Case Studies Report	31 July 2009

FOMANA strongly encourages all participants who are planning to attend the Training workshops to read and familiarise themselves with the content of all four reports, ideally as pre-reading materials before the training. As a minimum, the eight Case Studies are recommended and will provide a snapshot of the key issues to be covered in the training.

1.2 Pilot Programme participants (8 Māori charitable entities)

FOMANA acknowledges and thanks the leadership of the eight Māori charitable entities for agreeing to participate in this pilot programme and for sharing their own knowledge and information for the benefit of others. This is particularly evident in the Case Studies, which are intended to convey a broad range of experiences and challenges faced by Māori charities and also to highlight policies and practices that may assist other charities to benchmark their own practices and to maintain compliance with their charitable purpose.

Profile of the eight Māori charitable entities³

<i>Legal Name of Entity</i>	<i>Māori Entity Team Key contacts for pilot</i>	<i>Charities Commission Register No. Registration date</i>	<i>Type of entity - Nature of activities</i>	<i>Size based on Income levels⁴</i>
4 Iwi entities				
Ngati Rarua Atiawa Iwi Trust Board (NRAIT)	John Charleton	CC 20248 13 Dec 2007	Statutory entity - Tribal lands management	Medium
Taranaki Iwi Trust	Tokatumoana Walden, Kerry Walsh	CC 39750 30 June 2008	Mandated Iwi Organisation (MIO) - Fisheries management	Medium
Te Atiawa Ki Te Upoko o Te Ika A Maui Potiki Trust	Morrie Love, Peter Reweti	CC 38312 30 June 2008	Mandated Iwi Organisation (MIO) - Fisheries management	Small
Te Kaahui o Rauru	Darryn Ratana, Hayden Potaka, Pania Winterburn	CC 34302 30 June 2008	Representative entity for Ngaa Rauru Kiiitahi Iwi - Iwi development and tribal asset management	Large
4 Health entities				
Taranaki PHO Ltd (Hauora Taranaki PHO)	Pauline Cruikshank	CC 21526 4 March 2008	Primary Healthcare Organisation (PHO)	Large
Te Aroha Medicare Ltd	Hayden Wano	CC 32243 30 June 2008	General Practitioner Service	Medium
Te Rau Pani Māori Mental Health Trust	Hinemoerangi Ngatai Tangirua	CC 10717 30 July 2007	Specialist Māori Mental Health Service Provider	Medium
Tui Ora Ltd	Hayden Wano	CC20369 7 January 2008	Māori Development Organisation - Health	Large

³ Table updated August 2009 – see FOMANA Report 2 Research Report, 30 September 2008, page for earlier version.

⁴ Small (Income under \$100,000); Medium (Income between \$100k - \$2.5m), Large (Income over \$2.5m) as per the descriptions outlined in The Review of the Financial Reporting Act Discussion Document Part II

1.3 Training Objectives

Purpose of Training:

To provide participants from eight Māori charitable entities with training in the application of the FOMANA Capital Charities Compliance Model©. The Model comprises seven interlinked elements and has been especially designed to assist Māori charitable organisations:

- to understand their charitable purpose and general legal obligations;
- to assess their organisational risks in relation to these obligations; and
- to put in place management systems to ensure compliance with their Constitution and legal obligations.

Training Outcomes:

Participants will increase their knowledge and understanding of the seven elements of the Model, in particular:

1. **Constitution and NZ Law:** the core charitable purposes in their own Constitution and their general legal obligations;
2. **Charitable Purposes:** “charitable purposes” and the four heads of charity;
3. **Stakeholders:** their accountability duties to their stakeholders;
4. **Charities Commission and Registration:** their legal obligations under Charities Act to maintain registration;
5. **IRD and Tax Exemption:** their taxation obligations to maintain income tax exemption;
6. **Policies-Processes-People:** the policies, procedures and people needed to maintain charitable purposes compliance;
7. **Risks:** the key risks and consequences and risk mitigation strategies.

Training Methodology:

FOMANA will deliver the Training by way of an interactive workshop and each participant will be given a copy of this Training Toolkit for their personal reference and use in the workshop. Trainers will use various presentation methods and tailor the workshop to meet the needs of the participants with emphasis on the particular needs of their Māori charitable entity.

Who should attend the Training workshops?

To maximise participation, FOMANA anticipates a group of 10 – 12 at each workshop comprising a mix of:

- at least 3 members of the Governance team;
- 1 - 3 Managers or staff with charitable purpose compliance responsibilities;
- at least 3 members of the affiliated Marae (for the iwi organisations);
- individuals from the organisation's beneficiaries and/or stakeholder group;
- members of the Māori Entity team (see Training Schedule below).

Trainers:

The training will be delivered by Kim Skelton and either Rangimahora Reddy or Wayne Mulligan. The trainers are Māori professionals with business, governance, management, legal and accounting qualifications. All three trainers have many years experience working in, and for, Māori businesses and Māori charitable entities. In addition, the trainers have personal involvement in the pilot programme as researchers, report writers and as developers of the FOMANA Capital Charities Compliance Model.

Trainers' Profiles

Insert Photo

Wayne Mulligan

Insert Photo

Kim Skelton

Insert Photo

Rangimahora Reddy



Monitoring Report

for Installment Installment Six report due on 28/08/2009

APPLICATION/ORGANISATION DETAILS

SmartFund Ref: NDOE/HO.374.20209.16081
 Project Name: FOMANA Charitable Purposes Project
 Organisation Name: FOMANA Capital Ltd
 Address: 108 The Terrace,
 Wellington,

MONITORED DETAILS

Short Outcome	Increased knowledge by Maori pilot entities and their beneficiaries of the policy, processes and requirements of the Charity Act and tax regime.
Output	Training developed and provided to Maori entity team on application of compliance/audit model.
Success Indicators	Training delivered within budget and deadline.
Status	Achieved

Risk Monitoring	
Risk	The demand for the new standards and audit models for Maori is not met.
Risk Comments	The project is tracking well to its planned conclusion which indicates the new standards and audit models will be available for Māori.
Status	Not Applicable

ASSESSOR COMMENTS

The training tool kit has been developed and is currently being designed and formatted into a Ring Binder format for use in the proposed training workshops. A copy will be delivered to Te Puni Kōkiri in due course. The training courses will take place during Sept - Oct and each workshop will comprise 10-12 participants. The trainers are Wayne Mulligan, Kim Skelton and Rangimahora Reddy.

QUALITY ASSESSOR COMMENTS

I have reviewed the FoMana report and agree with the comments made by the assessor. The report confirms achievement of the contracted outputs and the quality of which will be confirmed when the toolkit is received. The outputs have been achieved in the agreed timeframes and the whole project seems to be progressing well.

INVESTMENT MANAGER COMMENTS

approve release of instalment

Assessor: _____

Date: _____

Quality Assessor: _____

Date: _____

Investment Manager: _____

Date: _____

Released under the Official Information Act 1982

He Pānui

Te Puni Kōkiri Memorandum

Whakapānga kōnae

Te Rā 24 Mahuru 2009

Ki a: Leith Comer – Chief Executive

Nā: Dave Samuels – Investment Manager

Tauira Pārua: Kim Ngarimu – Deputy Secretary, Policy

Kaupapa: **Tekau Plus – Legal Advice on Investment Agreement**

Purpose

The purpose of this memo is to provide you with a copy of the legal advice received by Te Puni Kōkiri regarding the Tekau Plus Investment Agreement. This is attached for your consideration.

A meeting will be arranged to brief you on the contents of this paper and to discuss the next steps required.

Dave Samuels
Investment Manager

REPORT 6

15 Dec
2009

Charitable Purposes and Tax Compliance Systems Programme

TRAINING DELIVERY REPORT 15 DECEMBER 2009

Author:
Kim Skelton BA/LLB

Reviewer:
Wayne Mulligan MMgt

Prepared by FOMANA CAPITAL LIMITED for Te Puni Kokiri



Contents

Section One: Introduction.....	4
1.1 Purpose of Report.....	4
1.2 Format.....	4
1.3 Disclaimer.....	5
1.4 Limitation.....	5
1.5 Context and Previous Reports.....	5
1.6 Forward Programme and Outputs.....	7
1.7 Definitions.....	7
1.8 Acknowledgements.....	9
1.9 Eight pilot Māori charities and key contacts for training workshops.....	9
Section Two Preparation for delivery of Training Workshops.....	11
2.1 Methodology and steps taken to schedule and prepare for workshops.....	11
2.1.1 Step 1: Inform eight Māori charities of Training Objectives.....	11
2.1.2 Step 2: Confirm dates for workshops for the eight Māori charities.....	14
2.1.3 Step 3: Co-ordinate trainers' travel and accommodation logistics.....	15
2.1.4 Step 4: Confirm catering, venue equipment and training materials.....	15
2.1.5 Step 5: Order printing of sufficient copies of Training toolkit folders.....	15
2.1.6 Step 6: Draft Panui and distribute invitation for each workshop.....	16
2.1.7 Step 7: Prepare Workshop Programme and Trainers' Profiles.....	16
2.1.8 Step 8: Prepare Training Evaluation Form.....	16
2.1.9 Step 9: Prepare Powerpoint presentation slides.....	17
2.1.10 Step 10: Source and print Constitution documents.....	18
Section Three: Delivery of Training to Māori pilot entities on Charities compliance model.....	20
3.1 Workshop 1: Te Rau Pani Māori Mental Health Trust.....	20
3.2 Workshop 2: Tui Ora, Te Aroha Medcare, Hauora Taranaki PHO.....	22
3.3 Workshop 3: Taranaki Iwi Trust.....	23
3.4 Workshop 4: Te Kaahui o Rauru.....	24
3.5 Workshop 5: Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust.....	26
Appendices.....	29
4.1 Training Workshop Panui and Invitation.....	30
4.2 Workshop Programme & Trainers' Profiles.....	31
4.3 Training Evaluation Form.....	33
4.4 Training Workshop Powerpoint Presentation.....	34
4.5 Charities Commission online register – Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust.....	55
4.6 Charities Commission Registration Update at 14 Dec 2009.....	56

Released under the Official Information Act 1982

Report 6
Section One
Introduction

Charitable Purposes and Tax Compliance Systems Programme

Section One: Introduction



Released under the Official Information Act 1982

Section One: Introduction

1.1 Purpose of Report

The purpose of this Training Delivery report is to fulfil the requirements of Output 10 of the Investment Agreement (“Agreement”) dated 1 May 2008 between Te Puni Kōkiri and FOMANA Capital Ltd. Schedule C of that Agreement sets out the reporting requirements for this Report:

Short Term Outcomes	Output 10	Due Date
<ul style="list-style-type: none"> Increased knowledge by Māori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime. Delivery of an effective training package to Māori charitable entities on the policy, processes, requirements and compliance systems of the charities/tax regime. 	Training delivered to beneficiaries of each pilot entity on compliance and audit model.	15 December 2009

1.2 Format

The report is presented in the following format:

Section One: Introduction	Including purpose, format, definitions, acknowledgments
Section Two	Preparation for delivery of Training Workshops
Section Three	Delivery of Training to Māori pilot entities on Charities compliance model
Section Four: Appendices	Training Workshop Resources Charities Commission Update

1.3 Disclaimer

This report presents the delivery process for the training workshops provided to seven of the eight Māori Charitable entities participating in this pilot programme. It is prepared for Te Puni Kōkiri only. It does not purport to provide specific legal advice for any entity on their legal obligations under or relating to the Charities Act 2005, the Income Tax Act 2007 and or any other relevant legislation and or case law. It should not be relied upon by any entity accordingly.

1.4 Limitation

This report is limited to providing Te Puni Kōkiri with a report on the training workshops delivered to the participating pilot Māori charitable entities in the application of the FOMANA Charities Compliance Model. It does not provide further detail on the training toolkit and generic compliance and audit model, which was covered in the previous Report 5 dated August 2009. This report should be seen as one of a series of reports that are being developed over the two year term of the Agreement and should be read in conjunction with those prepared to date.

1.5 Context and Previous Reports

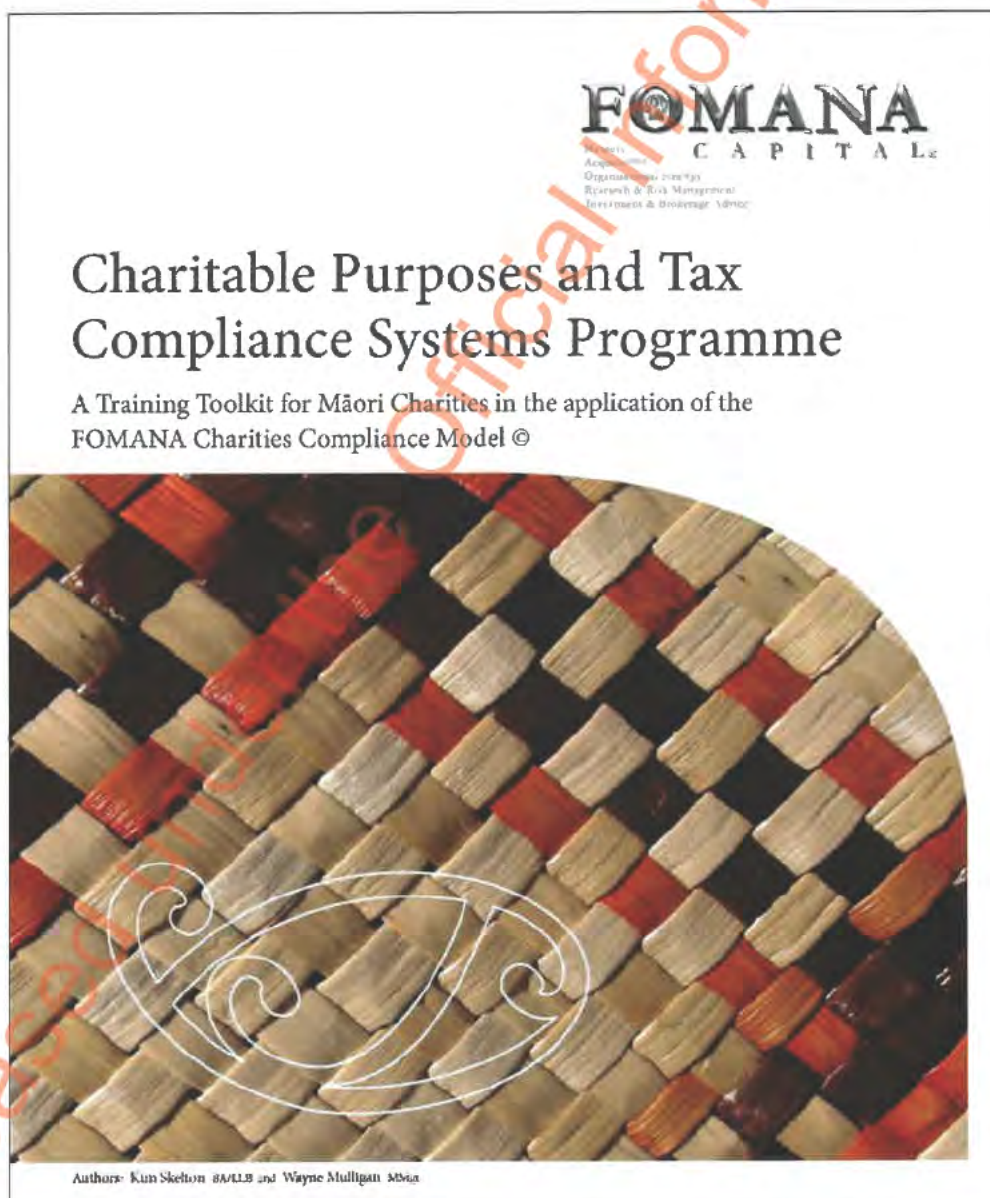
This report is the sixth in a series of reports for the Charitable Purposes and Tax Compliance Systems Pilot Programme. The previous reports are:

Report 1 31 May 2008	Preliminary research on the legal framework affecting Māori Charitable Entities under the Charities Act 2005 and the Income Tax Acts.
Report 2 30 September 2008	Research Report, Charitable Purposes and Tax Compliance Systems Programme.
Report 3 31 March 2009	Risk and Audit Report
Report 4 31 July 2009	Case Studies Report
Report 5 28 August 2009	Training Toolkit for Māori Charities in the application of the FOMANA Charities Compliance Model©

Whereas Report 5 provided the content of the Charities Compliance training, this report provides detail on the preparation and delivery of the training to the Māori pilot entities at five workshops held in October 2009.

To fully appreciate the context of this report, readers are encouraged to obtain a copy of the Training toolkit folder. This is an A4 ring binder folder format containing the training material (Report 5) used at the workshops with Māori pilot entities and section tab 10 containing copies of Reports 1, 2, 3 and full colour copies of the Case Studies (Report 4).

Further copies of the training toolkit are available on request from FOMANA Capital.



1.6 Forward Programme and Outputs

The following table outlines the outputs for the next two and final reports of the pilot programme:

Short Term Outcome	Outputs 11 and 12	Due Date
Delivery of an effective training package to Māori charitable entities on the policy, processes, requirements and compliance systems of the charities/tax regime.	Final training package on charities/tax compliance completed, published and distributed to enable delivery to Māori entities as agreed between the parties.	26 February 2010
	Results of training package delivery formalised into a final report	30 March 2010

1.7 Definitions

The following definitions are used in this Training Delivery Report:

Term	Definition
Board	Includes boards of directors, trustees, or other governance entity
Charities Act	Charities Act 2005
Commission	Charities Commission
Charitable Purpose	as defined in section 5(1) of the Charities Act 2005 includes: “...every charitable purpose, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community.”
Constitution	Governing document setting out the organisation’s purpose and objects and the rules for how it will operate, including matters such as the powers and duties of its officers.
Governance	Governance is about the direction and control of an organisation. Governance is about leadership and making decisions in the interests of the shareholders or beneficiaries. Governance requires strategic thinking skills to give shape to the future of the organisation. ¹

¹ Te Puni Kokiri Good Governance Guide, Chapter 2

Term	Definition
Governors	Includes company directors, trustees, members of the charity's governing body who are referred to as "Officers" on Charities Register. Governors focus on the big picture, not the fine detail or day-to-day matters. They give direction to management.
IRD	Inland Revenue Department
Māori charitable entities	Legal entities that are registered or eligible for registration with the Charities Commission and which are majority owned by Māori or whose members or beneficiaries, the majority of which are of Māori descent.
Policy	A deliberate plan of action to guide decisions and achieve a rational outcome(s).
Procedure	A series of prescribed steps followed in a definite regular order which ensure adherence to the guidelines set forth in the Policy to which the Procedure applies.
Risk	The chance of something occurring that will, should the event occur, have an impact on the achievement of organisational objectives. It is measured in terms of the likelihood of something happening and the consequences if it happens.
Reputation Risk	The risk of damage to the organisation's credibility and reputation.
Compliance Risk	The risk of failing to meet government laws, regulations and standards.
Risk Management	A systematic and logical process of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise opportunities.
Stakeholders	Those individuals, groups, institutions etc (either internal or external to the organisation) who are or perceive themselves to be affected by a decision or activity.

1.8 Acknowledgements

FOMANA would like to acknowledge the ongoing support provided by Te Puni Kōkiri for the Charitable Purposes and Tax Compliance Systems Pilot Programme. In particular, we thank Alison Thom and Jeanette Harris for their professionalism in managing the contract and for the opportunity to present an overview of the pilot programme and copies of the Training Toolkit to the Te Puni Kōkiri Regional Directors on 18 November 2009.

We extend our warm thanks to members of the Māori Entity team and key contacts in each of the eight Māori Charitable entities. Your dedication and commitment to organising the workshop venues, the kai, and for taking responsibility to bring together a wide range of participants for the training workshops is sincerely appreciated.

Finally, we acknowledge all those individuals who took time out from their busy lives to attend the training workshops and to participate with open minds and a willingness to share their own experiences. We were gratified to have a wide cross section of governors, staff, and beneficiaries/members in attendance at most of the workshops. This mix enabled rich conversation, the sharing of knowledge around compliance issues in a Māori context, and deeper learnings for all, including for the trainers.

No reira, tenei te mihi nui ki a koutou katoa.

1.9 Eight pilot Māori charities and key contacts for training workshops

Māori charitable entity	Māori Entity Team members and Key contacts
1. Ngati Rarua Atiawa Trust	John Charleton, Selina Tait
2. Taranaki Iwi Trust	Tokatumoana Walden, Kerry Walsh
3. Taranaki PHO Ltd	Pauline Cruickshank, Sharyn Tamarapa
4. Te Aroha Medcare Ltd	Hayden Wano, Sharyn Tamarapa
5. Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust	Morrie Love, Peter Reweti, Myra Hunter
6. Te Kaahui o Rauru	Darryn Ratana, Pania Winterburn
7. Te Rau Pani Māori Mental Health Trust	Hinemoerangi Ngatai Tangirua, Terry Huntley
8. Tui Ora Ltd	Hayden Wano, Sharyn Tamarapa

Section Two
Training
Preparation

Charitable Purposes and Tax Compliance Systems Programme

Section Two:

Preparation for delivery of
training workshops



Released under the Official Information Act 1982

Section Two Preparation for delivery of Training Workshops

2.1 Methodology and steps taken to schedule and prepare for workshops

Preparation for the workshops took many hours, phone calls and email communications over a period of some 4 – 6 weeks from September to mid October 2009. The preparation process is summarised in ten steps and, where relevant, comments are made on variance in planning to actual delivery.

1. Inform eight Māori charities of Training Objectives
2. Confirm dates and venues for workshops for the eight Māori charities
3. Co-ordinate trainers and travel logistics
4. Confirm catering, venue equipment and training materials
5. Order printing of sufficient copies of Training toolkit folders
6. Draft Panui and distribute invitation
7. Prepare Workshop Programme and Trainers' Profiles
8. Prepare Training Evaluation Form
9. Prepare Powerpoint presentation slides
10. Source and print Constitution documents

2.1.1 Step 1: Inform eight Māori charities of Training Objectives

Key contacts in each organisation were sent the following information about the training:

a) Purpose of training

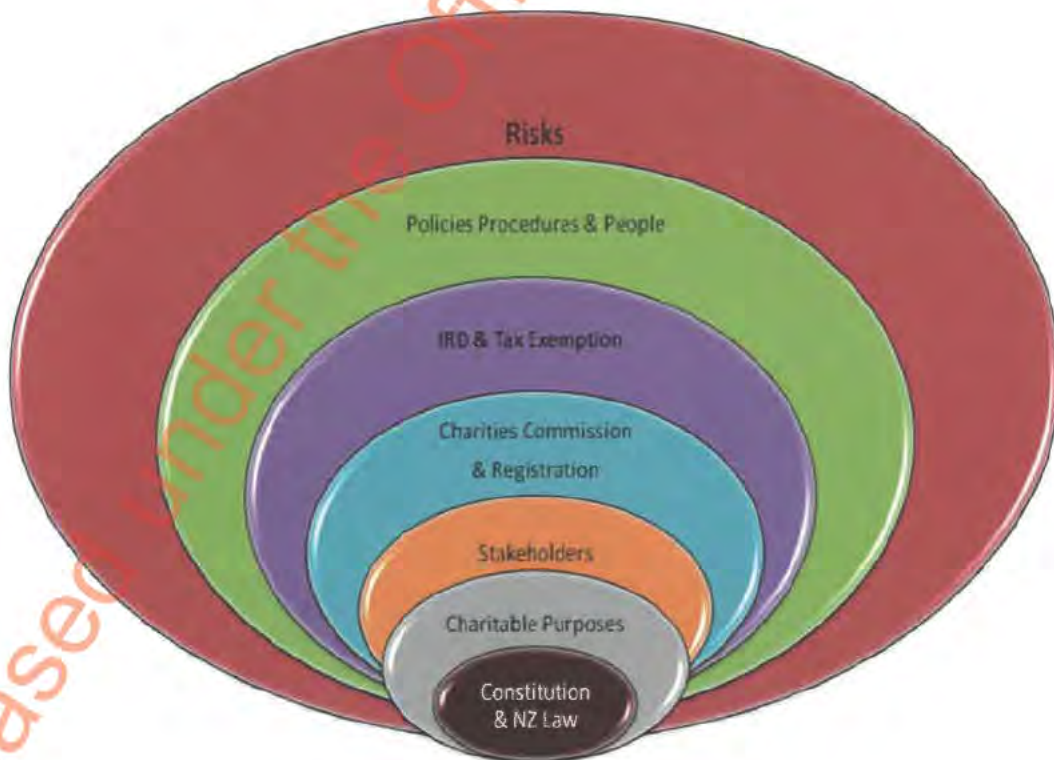
To provide participants from the eight Māori charitable entities with training in the application of the FOMANA Capital Charities Compliance Model©. The Model comprises seven interlinked elements and has been especially designed to assist Māori charitable organisations:

- to understand their charitable purpose and general legal obligations;
- to assess their organisational risks in relation to these obligations; and
- to put in place management systems to ensure compliance with their Constitution and legal obligations.

b) Training Outcomes

Participants will increase their knowledge and understanding of the seven elements of the Model, in particular:

- | | |
|--|---|
| 1. Constitution and NZ Law: | core charitable purposes in their own Constitution and their general legal obligations; |
| 2. Charitable Purposes: | “charitable purposes” and the four heads of charity; |
| 3. Stakeholders: | accountability duties to their stakeholders; |
| 4. Charities Commission and Registration: | legal obligations under Charities Act to maintain registration; |
| 5. IRD and Tax Exemption: | taxation obligations to maintain income tax exemption; |
| 6. Policies-Processes-People: | policies, procedures and people needed to maintain charitable purposes compliance; |
| 7. Risks: | key risks and consequences and risk mitigation strategies. |



c) Training Methodology;

FOMANA will deliver the Training by way of an interactive workshop and each participant will be given a copy of this Training Toolkit for their personal reference and use in the workshop. Trainers will use various presentation methods and tailor the workshop to meet the needs of the participants with emphasis on the particular needs of their Māori charitable entity.

d) Who should attend the Training Workshops

To maximise participation, FOMANA anticipates a group of 10 – 12 at each workshop comprising a mix of:

- at least 3 members of the Governance team;
- 1 - 3 Managers or staff with charitable purpose compliance responsibilities;
- at least 3 members of the affiliated Marae (for the iwi organisations);
- individuals from the organisation's beneficiaries and/or stakeholder group;
- members of the Māori Entity team

e) Trainers' information

The training will be delivered by Kim Skelton and either Rangimahora Reddy or Wayne Mulligan. The trainers are Māori professionals with business, governance, management, legal and accounting qualifications. All three trainers have many years experience working in, and for, Māori businesses and Māori charitable entities. In addition, the trainers have personal involvement in the pilot programme as researchers, report writers and as developers of the FOMANA Capital Charities Compliance Model.

f) Delivery of training

Training will be delivered at the organisation's office or venue of choice as a half day interactive workshop (morning 9am – 1pm or afternoon 1pm – 5pm) followed by shared kai if desired.

The actual timings for each workshop varied from group to group and are detailed in Step 2 below.

2.1.2 Step 2: Confirm dates for workshops for the eight Māori charities

Six workshops were confirmed to take place during the month of October. In the case of Tui Ora/Te Aroha Medcare/Hauora Taranaki PHO, it was agreed that a combined workshop would be expedient given the shared governance members and a need to set a date to suit the majority.

The final schedule was confirmed early October and circulated to all eight pilot entities as follows:

Māori charitable entity	Workshop Date, Time, Venue	Workshop Trainers
Te Kaahui o Rauru	Tuesday, 20 October 2009 12 – 5pm Te Kaahui o Rauru office 108 Victoria Ave, Whanganui	Kim Skelton Wayne Mulligan
Te Rau Pani Māori Mental Health Trust	Thursday, 15 October 2009 8:30am – 12.30pm Te Rau Pani office, 36 Maratahu St, New Plymouth	Kim Skelton Wayne Mulligan
Tui Ora Ltd	Combined Workshop for 3 entities: Thursday, 15 October 2009 tbc 3.00 – 6.30pm Tui Ora Boardroom 36 Maratahu St, New Plymouth	Kim Skelton Rangimahora Reddy
Hauora Taranaki PHO		
Te Aroha Medcare Ltd		
Taranaki Iwi Trust	Saturday, 17 October 2009 11am – 3pm Taranaki Iwi Marae or venue tbc	Kim Skelton Rangimahora Reddy
Ngati Rarua Atiawa Iwi Trust Board	Tuesday, 28 October 2009 Rescheduled (27 Nov) & (14 Dec) 9am – 1.00pm Wakatu House Montgomery Square, Nelson	Kim Skelton Wayne Mulligan
Te Atiawa Ki Te Upoko o Te Ika A Maui Potiki Trust	Friday, 30 October 2009 9am – 1.00pm Te Tatau o Te Po Marae 467 Hutt Road, Petone	Kim Skelton Rangimahora Reddy

2.1.3 Step 3: Co-ordinate trainers' travel and accommodation logistics

Once the schedule was confirmed it was possible to book flights, rental car transport and accommodation. Cost savings were made by scheduling three workshops in Taranaki over a 3-day period and by co-ordinating trainers' travel so that no accommodation was needed for the Whanganui (Te Kaahui o Rauru), Nelson (NRAIT) or Wellington (Te Atiawa) workshops. The Nelson workshop date and travel arrangements were changed twice (from 20 October to 27 November and then to 14 December) due to Manager and Trustee unavailability. This workshop has now been postponed until early February 2010 subject to their availability.

2.1.4 Step 4: Confirm catering, venue equipment and training materials

The venue, catering and equipment logistics for each workshop were agreed with the key contacts. Arrangements included:

Venue:	Book Marae or office of the Māori entity;
Kai:	Lunch or kai held before or after workshop and supplied at venue
Equipment:	Data projector, screen, tables and chairs supplied at venue;
Training Toolkits:	Toolkit Folders couriered or delivered to venue by FOMANA;
Training Material:	Stationery, Workshop programme, Evaluation forms, Case studies, copies of Constitution documents and other resources supplied by FOMANA;

A few days prior to the workshop, follow up calls were made to confirm these arrangements, to clarify any issues, and to ensure a seamless operation on the day of the workshop. Apart from two workshops where there was no data projector equipment available, the logistics for the venue, catering and equipment proceeded according to plan.

2.1.5 Step 5: Order printing of sufficient copies of Training toolkit folders

FOMANA ordered 150 training toolkit folders to be printed by Taitoko Design and Print allowing at least 15 toolkits for each of the eight Māori entities (120), 15 toolkits for Te Puni Kōkiri (Investment Manager copies and Regional Director copies) and the remainder for FOMANA.

2.1.6 Step 6: Draft Panui and distribute invitation for each workshop

A template invitation was provided to each of the eight Māori charities for distribution to key participants within their organisation. In general, the key contact for each entity took responsibility for issuing invitations and for ensuring a broad mix of participants from across the organisation. For the Te Atiawa workshop in Wellington, FOMANA agreed to circulate the panui for the Trust Manager who was overseas at the time. See **Appendix 1** for sample panui/invitation.

2.1.7 Step 7: Prepare Workshop Programme and Trainers' Profiles

A tailored Workshop Programme was prepared and printed for each workshop giving details of the Agenda, the topics for discussion and on page 2, the profiles of each of the three Trainers. See **Appendix 2** for sample.

The agenda and timing varied significantly to what was planned in the programme, mainly due to the type and number of questions and discussion points raised by participants and the flexible approach taken by the trainers. Different groups spent more time on different subjects so some flexibility in programming is necessary. Overall, it became obvious that all groups required a longer workshop to adequately cover the seven elements of the charities compliance model and how it relates to their specific circumstances. A full one-day workshop is therefore recommended for any future delivery of this training programme.

2.1.8 Step 8: Prepare Training Evaluation Form

A concise two page evaluation form was drafted and printed for distribution at the end of each workshop. Participants were asked:

- (1) to evaluate the organisation and facilitation of the workshop;
- (2) to evaluate the content of the workshop against the training objectives; and
- (3) whether they recommend the training to other charities and if yes, how to promote it.



See **Appendix 3** for sample of Training Evaluation form.

2.1.9 Step 9: Prepare Powerpoint presentation slides

The powerpoint presentation comprises 42 slides and includes key parts and essential messages taken directly from the Training Toolkit and covered under the following main headings:

- Mihi and Acknowledgements
- Background to Pilot programme
- Training Objectives
- FOMANA Charities Compliance Model© (7 elements)
- Training Toolkit (Design and Contents)
- Section 3: Constitution and NZ Law (Knowledge & Workshop Session)
- Section 4: Charitable Purposes (Knowledge & Workshop Session)
- Section 5: Stakeholders (Knowledge & Workshop Session)
- Section 6: Charities Commission and Registration (Knowledge & Workshop Session)
- Section 7: IRD and Tax Exemption (Knowledge & Workshop Session)
- Section 8: Policies - Processes – People Risks (Knowledge & Workshop Session)
- Section 9: Risks (Knowledge & Workshop Session)
- Feedback and Evaluation
- Conclusion and Mihi

For example:

 <p>Charitable Purposes and Tax Compliance Systems Programme Training in the application of the FOMANA Charities Compliance Model ©</p> <p>FOMANA CAPITAL</p> <p>Charities Compliance Training Workshop for Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust and affiliated Marae</p> <p>Te Tatau o te Po Marae, Petone, 30 October 2009</p> <p>Presenters: Kim Skelton and Rangimahora Reddy</p> <p>knowledge</p>	 <p>Background to Pilot programme</p> <p>Phase 1: Research in Charities & Tax Compliance</p> <p>Phase 2: Risk Profiling & Systems Applications</p> <p>Phase 3: Tooling & Systems Application for a Main charitable institution</p> <p>FOMANA Reports</p> <p>Phase 1: 1. Preliminary Research, 31 May 2008 2. Research Report, 30 Sept 2008</p> <p>Phase 2: 3. Risk & Audit Report, 31 March 2009 4. Case Studies Report, 31 July 2009</p> <p>Phase 3: 5. Training Toolkit, September 2009</p> <p>Training in the application of the FOMANA Charities Compliance Model © Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009</p> <p>FOMANA CAPITAL</p>
---	--

See **Appendix 4** for complete Training Workshop powerpoint presentation.

The presentation slides were used successfully in three of the five workshops. In the other two workshops there was no data technology available at the venue so the training was delivered using the toolkit exclusively. Both methods are proven for delivery of the content and either method could be used in future according to the preference of the trainers and participants.

2.1.10 Step10: Source and print Constitution documents

The rules (e.g. Constitution, Trust Deed, Marae charter) for each Māori charity and affiliated marae were copied and provided for participant use during the workshop. These were invaluable as a training tool and were referred to many times during the workshop sessions, in particular, for the topic of Constitution and NZ law.

Workshop participants appreciated the opportunity to discuss their own rules and the particular parts relating to charitable purposes and to compare their constitution with the rules of other charities. It was observed that many participants were not fully familiar with the detail of their own rules, highlighting the need for training in this area.

Participants were informed that the rules for every registered charity are available to the public via the Charities Commission website – www.charities.govt.nz . See **Appendix 5** for the Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust listing for on the Charities Commission online register.

This knowledge was particularly welcomed by some marae trustees who were considering an application for registration with the Charities Commission and enabled them to take a look at what other marae had included in their constitution and rules, particularly with regard to tikanga Māori.

Section
Three
Delivery of
Training

Charitable Purposes and Tax Compliance Systems Programme

Section Three:

Delivery of Training
to Maori pilot entities
on Charities compliance model



Section Three: Delivery of Training to Māori pilot entities on Charities compliance model

This section reports on each of the five workshops under the following headings:

1. Practical aspects of location, venue, catering and equipment;
2. Timing and structure of training programme;
3. Attendance numbers and participant mix
4. Key questions or issues raised by participants at the training workshops; and
5. Summary of the participant evaluation forms in terms of content & Training objectives.

3.1 Workshop 1: Te Rau Pani Māori Mental Health Trust

Te Rau Pani Māori Mental Health Trust Workshop held 15 October 2009



Photograph of workshop participants:

Sitting left to right:

Pue Whakaruru, Kaumatua
Carlo Hamahona, Clinical Co-ordinator
Moira Irving, Chairperson of Board of Trustees
Terry Huntley, Office Manager and Board Secretary
Will Edwards, Board Member

Standing left to right:

Peter Moeahu, Trustee
Hinemoerangi Ngatai Tangirua, General Manager
Wayne Mulligan, Trainer
Kim Skelton, Trainer

Workshop Date, Time,	Venue	Workshop Trainers
Thursday, 15 October 2009 8:30am – 12.30pm	Te Rau Pani office, 36 Maratahu St, New Plymouth	Kim Skelton Wayne Mulligan
1. Practical aspects of location, venue, catering and equipment	The meeting room was just large enough to accommodate the 7 participants, the 2 trainers and all the training materials. Te Rau Pani staff organised the morning tea and lunch and data projector was borrowed from the adjacent health organisation.	
2. Timing and structure of training programme	Timing did not go strictly to the planned agenda with a lot of time spent on sections 1 – 3 but all sections covered if a bit hurried at the end. Being onsite meant that some participants were caught up with ongoing work issues and missed parts of the workshop and one participant was late due to air travel delays. Participant comment for improvement: <i>Perhaps too much material to process in the timeframe but I accept this may be refined during the pilot project</i>	
3. Attendance numbers and participant mix	7 participants attended the workshop <ul style="list-style-type: none"> • 3 Governance Trustees including Chairperson • 3 Managers inc General Manager & Clinical co-ordinator • 1 Kaumatua 	
4. Key questions or issues raised by participants at the training workshops	Participant comment for improvement <i>Training experience of trainers and manual has equipped TRP for the work ahead – exciting times!</i> Trainer observation Participants at this workshop readily adopted the Action booklet to record actions for their organisation and were particularly interested in the Keeping it Legal workshop exercise for Section 3: Constitution. Further information has been provided to the organisation as a follow up.	
5. Summary of participant evaluation forms in terms of Training objectives (6 forms completed)	All rated training objectives and content as “Exceeded expectations” All increased their knowledge of charities compliance All would recommend the training to other charities Participant comment for changes to programme <i>Just keep on. I like the two way flow, humour, knowledge – Excellent!</i>	

3.2 Workshop 2: Tui Ora, Te Aroha Medcare, Hauora Taranaki PHO

Workshop Date, Time,	Venue	Workshop Trainers
Thursday, 15 October 2009 3.00 – 6.30pm	Tui Ora Boardroom 36 Maratahu St, New Plymouth	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The Tui Ora boardroom is an excellent venue and located centrally with lots of parking for visitors. The large room is also fully equipped with data projector, screen and wide tables that made for a comfortable workshop. Tui Ora staff members were extremely helpful in organising the data equipment, catering and expended a lot of effort to ensure a good turnout from both internal and external stakeholders. Although governance members were few, many of those who did attend are also marae trustees and officers for other Māori charitable entities.	
2. Timing and structure of training programme	The powerpoint presentation was used to good effect in this workshop with the help of the large wall screen. The programme agenda was often sidetracked by this highly engaged group of participants who asked many questions. Again, more time for workshop would give participants greater chance to delve deeper into material and increase knowledge.	
3. Attendance numbers and participant mix	9 participants attended the workshop <ul style="list-style-type: none"> • 5 Managers inc Tui Ora CEO and Hauora Gen Manager • 2 Staff members • 2 Stakeholders (also Trustees in other Māori charities) 	
4. Key questions or issues raised by participants at the training workshops	Considerable time spent on the Duties of Trustees & Directors Private pecuniary profit was discussed in terms of what payments / bonuses are reasonable Question on FBT (fringe benefit tax) referred to IRD	
5. Summary of the participant evaluation forms in terms of Training objectives (8 forms completed)	All ratings at “Exceeded” or “Met most expectations” More time needed on sections for Charities Commission & IRD All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <ul style="list-style-type: none"> • <i>Presentation relaxed & professional, able to participate</i> • <i>Great to receive the valuable pack</i> • <i>I believe this resource and the presentation of it would be invaluable to Māori entity and community NGOs from Runanga to hapu/whanau level. Best promotion – ki waha, kumara vine, get other participants to share its value with other networks</i> • <i>Word of mouth, forward profiles to Trustee members, present to hui, hapu, iwi Trusts.</i> 	

3.3 Workshop 3: Taranaki Iwi Trust



Orimupiko Marae, Opunake, South Taranaki

Workshop Date, Time,	Venue	Workshop Trainers
Saturday, 17 October 2009 11.00am – 3.00pm	Orimupiko Marae Eltham Road, Opunake	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The venue is quite isolated and was notified at a late stage which may have contributed to relatively low turnout. However, the dining room was spacious and catering superb.	
2. Timing and structure of training programme	Workshop timing was very fluid and delivery of programme content was tailored to respond immediately to the questions asked and to meet the participants' needs. More time needed overall and definitely if future workshops held on a marae to ensure proper observance of kawa and tikanga.	
3. Attendance numbers and participant mix	6 participants <ul style="list-style-type: none"> • 2 Trustees of Taranaki Iwi Trust • 1 Marae rep for Orimupiko marae • 1 Taranaki Iwi Trust Manager • 2 members/beneficiaries of Taranaki Iwi 	
4. Key questions or issues raised by participants at the training workshops	A lot of time spent on rules for marae and type of activities that are within "charitable purposes" under Charities Act. Many questions on process and rules for registering a marae. Filing of financial accounts raised issue for training in this area.	
5. Summary of the participant evaluation forms in terms of Training objectives (5 forms completed)	All ratings at "Exceeded" or "Met most expectations" All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <i>Very informative – great facilitators – wish more came</i> <i>Computer – radio – newspaper – Māori TV to name just a few</i>	

3.4 Workshop 4: Te Kaahui o Rauru

Workshop Date, Time,	Venue	Workshop Trainers
Tuesday, 20 October 2009 1.00 – 5.00pm	Te Kaahui o Rauru office 108 Victoria Ave, Whanganui	Kim Skelton Wayne Mulligan
1. Practical aspects of location, venue, catering and equipment	The iwi office meeting room was used for this workshop which was adequate for the small numbers in attendance. The trainers were very appreciative of the mini whakatau extended by Ngaa Rauru and for arranging lunch before the workshop. The powerpoint presentation was used for delivery of training and staff had kindly copied the latest version of the Constitution for all participants.	
2. Timing and structure of training programme	This workshop kept fairly well to time and the content delivered according to the programme with some pauses for questions.	
3. Attendance numbers and participant mix	<p>4 participants</p> <ul style="list-style-type: none"> • 2 Marae representatives on Te Kaahui o Rauru • 1 Manager/Staff member • 1 member of Ngaa Rauru Kiitahi Iwi <p>Small numbers were disappointing but did enable high levels of participation in a more relaxed and conversational setting.</p>	
4. Key questions or issues raised by participants at the training workshops	<p>Many questions related to marae governance and maintaining compliance with marae charter /constitution (duties of trustees) General discussion on how constitution could be amended Marae trustees identified need for ongoing assistance with compliance obligations, annual finance statements, CC returns Questions on payroll giving and donee status – referred to IRD</p>	
5. Summary of the participant evaluation forms in terms of Training objectives (4 forms completed)	<p>All ratings at “Exceeded expectations” All increased their knowledge of charities compliance All would recommend the training to other charities</p> <p>Participant comments on programme & how to promote</p> <ul style="list-style-type: none"> • <i>Happy with presentation, made me aware that maybe we’re not fully aware of implications required for various objectives</i> • <i>Kia ora korua i tou Akonga i puaki kia matou te whanau o Rauru Kii Tahī</i> • <i>Word of mouth usually works within our groups! Great training would be beneficial to all of our paepae reps and marae. Thanks!</i> 	

Te Kaahui o Rauru Workshop held 20 October 2009



Released under the Official Information Act 1982

3.5 Workshop 5: Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust

Workshop Date, Time,	Venue	Workshop Trainers
Friday, 30 October 2009 9.00am – 1.00pm	Te Tatau o Te Po Marae 467 Hutt Road, Petone	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The marae venue was ideally located and provided plenty of space and table room for the number of attendees. The Marae secretary did a great job organising the venue and catering the morning tea and lunch. Due to unavailability of the marae data projector, the training was delivered using the toolkit and other training materials including constitutions for 3 affiliated marae.	
2. Timing and structure of training programme	The agenda was not strictly followed for this workshop and the programme was often sidetracked by questions and lengthy discussions from the very talkative and highly participative group. While the trainers take responsibility for poor timekeeping and lack of coverage of some sections, the discussions contributed positively to the knowledge sharing and cross fertilisation of ideas around governance and compliance for Māori charities. Need to allocate a whole day for workshop.	
3. Attendance numbers and participant mix	10 participants <ul style="list-style-type: none"> • 3 Trustees of Te Atiawa ki te Upoko Trust • 3 Trustees of affiliated marae • 3 iwi members of Taranaki Whanui ki te Upoko o te Ika • 1 stakeholder & Director of FOMANA Capital Ltd 	
4. Key questions or issues raised by participants at the training workshops	CC registration process required Te Atiawa Trust to provide policy on distribution – was this unique or applicable to others? Long discussion on ideal legal structure for Māori organisations and whether charitable status is ideal for all groups Is there an upper limit to the income level to be a reg'd charity? Discussion on liability for trustees and governors of charities	
5. Summary of the participant evaluation forms in terms of Training objectives (5 forms completed)	Range of ratings from “Exceeded” to “Met some expectations” All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <ul style="list-style-type: none"> • <i>Having a little more time to deal with issues from floor</i> • <i>Limited time on some sections</i> • <i>Maybe make it a whole day as the information along with the general korero is all important and it is a shame to have to cut things short</i> • <i>Promote via Runanga who have access to most Māori organisations in Hutt Valley and Wainui</i> 	



Te Tatau o Te Po Marae, Petone, Wellington

Released under the Official Information Act 1982

Section Four
Appendices

Charitable Purposes and Tax Compliance Systems Programme

Section Four: Appendices



Released under the Official Information Act 1982

Appendices

- 4.1 Training Workshop Panui and Invitation
- 4.2 Workshop Programme & Trainers' Profiles
- 4.3 Training Evaluation Form
- 4.4 Training Workshop Powerpoint Presentation
- 4.5 Charities Commission online register – listing for Taranaki Iwi Trust as at 14 Dec 2009
- 4.6 Charities Commission Registration Update as at 14 December 2009

Released under the Official Information Act 1982

4.1 Training Workshop Panui and Invitation

Charitable Purposes and
Tax Compliance Systems Pilot Programme
Training Phase for Pilot Māori Charities

Training Workshop

for
Taranaki Iwi Trust and affiliated Marae

Training in the application of the
FOMANA Charities Compliance Model©

“Retain your tax exemption”



TIME: 9am - 1pm followed by shared kai

DATE: Saturday, 17 October 2009

VENUE: Orimupiko Marae, Eltham Rd, Opunake

WORKSHOP FACILITATORS: Kim Skelton and Rangimahora Reddy

PROGRAMME:

- ❖ Mihi Whakatau
- ❖ Pilot Programme Overview and Training Objectives
- ❖ Introduction to FOMANA Charities Compliance Model
- ❖ Workshop on 7 elements of Model (knowledge, discussion, actions)
- ❖ Feedback and Evaluation
- ❖ Closing followed by kai and refreshments

RSVP: Kerry Walsh, admin@taranakiiwi.org.nz 06-763-8550

Please advise your attendance for catering purposes, Kia ora.

COST: There is no cost to attend this workshop but numbers limited.

4.2 Workshop Programme & Trainers' Profiles

Te Rau Pani Māori Mental Health Trust

Workshop Programme

8:30am – 12.30pm Thursday, 15 October 2009

Trainers: Kim Skelton and Wayne Mulligan

Training in the application of the
FOMANA Charities Compliance Model©

"Retain your tax exemption"



TIME:	Programme
8:30	Mihi Whakatau and personal introductions
8:45	Pilot programme overview Training Objectives and Participant Expectations
9:00	Introduction to FOMANA Charities Compliance Model© Your Training Toolkit – maximising its value
9:15	Section 3: Constitution and NZ Law <i>(Knowledge – Korero – Ka mahi)</i>
9:45	Section 4: Charitable Purposes <i>(Knowledge – Korero – Ka mahi)</i>
10:00	Section 5: Stakeholders <i>(Knowledge – Korero – Ka mahi)</i>
10:15	Section 6: Charities Commission <i>(Knowledge – Korero – Ka mahi)</i>
10:30	Section 7: IRD and Tax Exemption <i>(Knowledge – Korero – Ka mahi)</i>
10:45 – 11:00	Break
11:00	Section 8: Policies – Processes – People <i>(Knowledge – Korero – Ka mahi)</i>
11:30	Section 9: Risks <i>(Knowledge – Korero – Ka mahi)</i>
12:00	Feedback and Evaluation
12:30	Karakia Whakamutunga, Kai and refreshments

Trainers' Profiles

The trainers are Māori professionals with business, governance, management, legal and accounting qualifications. All three trainers have many years experience working in, and for, Māori businesses and Māori charitable entities.



Kim Skelton

BA/LLB Auckland University

Kim affiliates to Te Atiawa, Taranaki Whanui ki te Upoko o te Ika and Ngati Raukawa ki te Tonga (Tukorehe).

Kim is Project Manager at FOMANA Capital and applies her policy, management and organisational development skills to lifting organisation standards by harnessing Māori talent to benefit Māori businesses and communities. Kim has been leading the Charities pilot programme and is keen to see widespread knowledge transfer and adoption of the compliance model by Māori and other charities. Kim practices governance accountability in her role as a Trustee for Te Atiawa (Taranaki) Settlements Trust and for Te Kura o Otari in Wellington.



Rangimahora Reddy

MBS, Postgraduate Dip Acc (Taxation), BBS (Major in Accounting Studies), Massey University.

Manager, Tui Ora Limited.

Rangi affiliates to Ngati Raukawa, Ngati Maniapoto and Ngati Rangiwewehi iwi. She has managed the finance section of Tui Ora Ltd since March 2002 and prior to that has worked for the International Pacific College, Massey University and the Ministry of Education.



Wayne Mulligan

CEO of FOMANA Capital Limited. Wayne holds a number of directorships and trusteeships and has over twenty years experience in executive planning, senior management, public relations and business negotiation.

Wayne holds a Master of Management (University of Auckland) and has trained in strategy, finance, systems thinking, analysis, policy, governance and communication. In 2007 Wayne received the University of Auckland Business School's Dame Mira Szazy Alumni Award (Business services to Māori). In 2008, FOMANA Capital received the University of Auckland Business School's Dame Mira Szazy Strategic Business Award.

Released under the Official Information Act 1982

4.3 Training Evaluation Form

Training Evaluation Form

Tenei te mihi atu ki a koe. Thank you for participating in this training workshop for Māori charities. Please take the time to complete this form as your feedback will help us to improve future training.

Name: _____ **Role in Organisation:** _____

Governance Manager/Staff Client/Beneficiary Marae Rep Stakeholder Other _____

Organisation and Facilitation of Workshop

Please tick box to indicate rating:

The training material I received at the workshop:

The location and venue chosen for the workshop:

The structure and timing of the workshop:

The trainers' ability to deliver training objectives:

Exceeded Expectations	Met most Expectations	Met some Expectations	Did not meet Expectations

Comments: *Please indicate where improvements could be made:*

--

Training Objectives and Content of Workshop

Please tick box to indicate rating:

8. Constitution and NZ Law:

Knowledge & Information received on this topic:

9. Charitable Purposes:

Knowledge & Information received on this topic:

10. Stakeholders:

Knowledge & Information received on this topic:

11. Charities Commission and Registration:

Knowledge & Information received on this topic:

12. IRD and Tax Exemption:

Knowledge & Information received on this topic:

13. Policies-Processes-People:

Knowledge & Information received on this topic:

14. Risks:

Knowledge & Information received at workshop

Exceeded Expectations	Met most Expectations	Met some Expectations	Did not meet Expectations

I have increased my knowledge and understanding of our compliance obligations: **Yes** **No**
 I would recommend this training to other charities? **Yes** **No**
 If yes, what changes (if any) would you like to see in the programme?

General Comments:

How could this workshop be promoted to communities and charitable organisations?

--

4.4 Training Workshop Powerpoint Presentation

Charitable Purposes and Tax Compliance
Systems Programme
Training in the application of the FOMANA Charities
Compliance Model ©

FOMANA
CAPITAL
Members:
Accountants
Organisational Strategy
Revenue & Risk Management
Investment & Brokerage Advice

Charities Compliance Training Workshop for Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust and affiliated Marae

Te Tatau o te Po Marae, Petone, 30 October 2009

Presenters: Kim Skelton and Rangimahora Reddy



Mihi

*Ki nga Kaumatua, nga Kuia
nga Kaitiaki, nga Rangatira,
Ki nga hapu, nga marae o Te Atiawa – Taranaki Whanui
Tena ra koutou katoa.*

We hope your organisation will benefit from today's training and
that the knowledge gained will be applied to sustain your charity in future.

Acknowledgement: Te Puni Kokiri, IRD, Charities Commission,
and to the other seven Maori entities in the pilot programme.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL
Members:
Accountants
Organisational Strategy
Revenue & Risk Management
Investment & Brokerage Advice

Workshop Programme

Karakia

Kai

Mihi Whakatau

1. Pilot programme overview and Training Objectives
2. FOMANA Charities Compliance Model©
3. Constitution and NZ Law
4. Charitable Purposes

Break

5. Stakeholders
6. Charities Commission
7. IRD and Tax Exemption
8. Policies – Processes – People
9. Risks

Feedback and Evaluation

Karakia whakamutunga

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Background to Pilot programme

Phase 1:

Research on Charities
& Tax Compliance

Phase 2:

Risk Profiling
& Systems Applications

Phase 3:

Training & Systems Adoption
(for 8 Māori charitable entities)

FOMANA Reports

Phase 1:

1. Preliminary Research, 31 May 2008
2. Research Report, 30 Sept 2008

Phase 2:

3. Risk & Audit Report, 31 March 2009
4. Case Studies Report, 31 July 2009

Phase 3:

5. Training Toolkit, September 2009

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Training Objectives

Participants will increase their knowledge and understanding of:

1. core charitable purposes in their own Constitution and their general legal obligations;
2. What are “charitable purposes” and the four heads of charity;
3. accountability duties to their stakeholders;
4. legal obligations under Charities Act to maintain registration;
5. taxation obligations to maintain income tax exemption;
6. policies, procedures and people needed to maintain charitable purposes compliance;
7. key risks and consequences and risk mitigation strategies.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Expectations of Participants

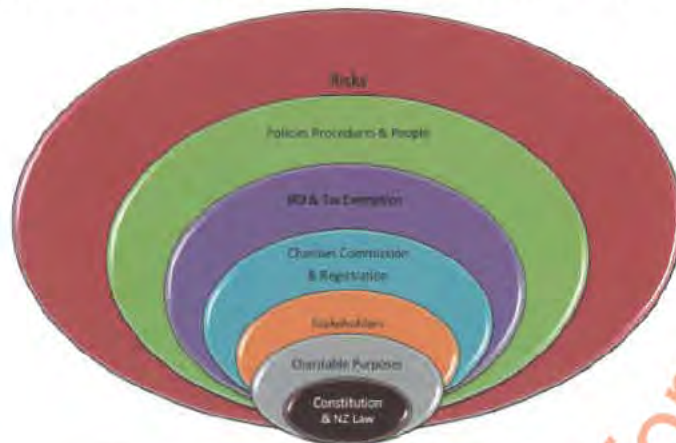
We will endeavour to tailor the workshop to meet the needs of your charity.

- What are your expectations?
- What did you think you would gain from attending?
- Do you have any questions at the outset?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



FOMANA Charities Compliance Model©



Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



7 elements - total compliance program

1. Constitution and NZ Law
2. Charitable Purposes
3. Stakeholders
4. Charities Commission and Registration
5. IRD and Tax Exemption
6. Policies – Processes - People
7. Risks

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Training Toolkit – Design

Piri Hira Tukapua of Taitoko Design & Print Ltd

Her original koru design is inspired by the whakatauki:
E hara taku toa i te toa takitahi, engari he toa takitini.
My strength derives from many, not just one.



Korero whakamarama:

“the oval part is the group/organisation, nurturing and growing together.
The koru that reaches out represents charity/open-handed.”

The kete is a taonga given to Kim Skelton by her Nana Lulu.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Training Toolkit – Contents

- Section 1 and 2: Introduction and Overview of Model
- Section 3 – 9: 7 Elements of the Compliance Model
 - Part One: Knowledge & Information
 - Part Two: Workshop Session & Questions
 - Part Three: Action Plan for your organisation
- Section 10: FOMANA Reports 1 – 4 and CC references
- Action Plan Booklet: Personal plan of action for 7 elements

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 3: Constitution and NZ Law

KNOW YOUR RULES

Rule 2 (NZ Trustees Association Code of Conduct)

An appointed Trustee must uphold the lawfulness and integrity of the appointment.

- Before accepting appointment a member shall review the Trust Deed together with all other legislation & documents setting out the terms and conditions, powers and responsibilities of the appointment.
- The Trustee should not accept an appointment without being able to provide the appropriate skills and time to execute the required functions in a prompt, efficient businesslike manner.
- The Trustee must be familiar with and comply with all legislative requirements affecting their appointment.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 3: Constitution and NZ Law

KNOW YOUR RULES

4th Commandment of Good Governance (Te Puni Kokiri Gov Guide)

- Board members must be familiar with the Trust deed and board Charter.
- Trust deed and board charter set the rules on how the board will conduct its affairs.
- Actions of the board must be consistent with standards in the Trust deed and board charter.
- Board cannot act as though these documents do not exist.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 3: Constitution and NZ Law

Duties of Trustees

Fiduciary Duties

- Duty to act in the interests of the Trust, consistent with trust rules and powers;
- Duty of loyalty - to achieve the charitable purposes is paramount.

Duties of Care, Skill and Diligence

- Duty to act with reasonable care and skill, that is, to exercise the care and skill that a "prudent" businessperson would exercise in managing other people's affairs.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 3: Constitution and NZ Law

Duties of Directors

Statutory Duties

- Duty to act in good faith and in the company's best interests;
- Duty to exercise their powers for a proper purpose;

Duties of Care, Skill and Diligence

- Duty to exercise the care, diligence and skill that a reasonable director would exercise in the circumstances

The solvency test - Directors must abide by two-step test at all times:

1. The company must own more assets than liabilities AND
2. The company must be able to pay all its accounts as they fall due.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 3: Constitution and NZ Law

Breach of Duties

Breaches of Trust or Failure to act lawfully

- Trustees are generally liable (jointly and severally) for the trust property and assets of the Trust.
- Beneficiaries can sue any trustee(s) for any loss incurred by improper or negligent acts of the trustee(s).

Liability Insurance for Trustees

- Trustees may be able to insure against potential liability where the trustees / board have acted responsibly with genuine attempts to comply with the law.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 3: Constitution and NZ Law

WORKSHOP SESSION

Workshop Exercises

- Checklist - How well do you know your organisation & laws that apply?
- Benchmark your organisation's performance/compliance against benchmarks in Hallmark 2: A strong board?

General Questions:

- What does it say in your Constitution about charitable purposes?
- Are there specific charitable objectives or broad charitable purposes?

For Management

Have Governors delegated authority to you according to the Constitution?

For Beneficiaries/Members

Have Governors reported to you according to the Constitution?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 4: Charitable Purposes

3 Tests

Charities Commission will check Rules to see that your organisation:

1. Has a charitable purpose that falls within one of the four purposes set out in section 5(1) of the Charities Act

2. Provides a public benefit

3. Is not carried on for the private pecuniary (financial) benefit or profit of an individual

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 4: Charitable Purposes

Common law and “four heads of charity”

Statute of Elizabeth (UK Charitable Purposes Act 1601)

Preamble lists purposes that were considered charitable 400 yrs ago.

Still referred to by NZ Courts today.

Pemsel’s case (House of Lords, UK)

embedded into law the four categories of charitable purposes:

1. Relief of Poverty;
2. Advancement of Education;
3. Advancement of Religion;
4. Other matters beneficial to the community.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 4: Charitable Purposes

Political Advocacy & Sport NOT always charitable

Political Advocacy

NOT charitable if main purpose of your organisation (e.g. lobbying)

YES charitable if ancillary to main purpose or representational advocacy (e.g. helping people to access benefits)

Sport

NOT charitable if gift for sports or promotion of sport for entertainment or amusement

YES charitable if linked to 4 heads of charity (e.g. to relieve poverty or promote health through sport).

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 4: Charitable Purposes

WORKSHOP SESSION

Mini Quiz

Name the four heads of charity and give two purpose examples;

Workshop Exercise

Using your Constitution, create two lists:

a) charitable purpose compliant activities; b) non-compliant activities.

Questions

What is meant by No private pecuniary profit? Check Constitution.

How confident are you that all money and benefits flowing from your organisation is directed towards advancing your charitable purposes?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 5: Stakeholders

Who are your stakeholders?

Those people or groups who have a stake (or interest) in how your organisation operates.

Apply the Model, check your Constitution

Which stakeholders are specifically named in your Constitution?

- Internal stakeholders? (shareholders, subsidiaries)
- External stakeholders? (funders, advisors, media)

Good stakeholder communication essential to compliance.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 5: Stakeholders

Accountability

Stakeholder Communications Plan

Stakeholder:	Who will receive communication?
Communication needs:	What do they want to know? What do we want to communicate? Formal / informal reporting required?
Communication process:	How will we communicate? How often?
Person responsible:	Who will prepare communication? Who will deliver it?

Charities Commission online Public Register provides transparency.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 5: Stakeholders

WORKSHOP SESSION

Workshop Exercise

1. Identify three stakeholders from your Constitution and create a Stakeholder Communications Management Plan.

Benchmark Exercise

2. Rate your organisation's performance or compliance against the benchmarks in Hallmark 6: Accountable and Transparent.

Questions:

3. Do you know the potential and actual size of your client base or membership numbers?
4. Does your organisation have a communications policy that covers all of its stakeholders?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 6: Charities Commission

Functions of Commission (Charities Act 2005)

1. to establish and maintain a registration and monitoring system for charitable organisations, and
2. to provide support and education to the charitable sector on good governance and management.

Enforcement Powers if registered charity does not comply with Act:

- impose administrative penalties
- issue warning notices
- publicise any non-compliance
- undertake further investigations & deregister charities

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 6: Charities Commission

Compliance after registration

Annual Return

Your organisation must file an annual return on due date:

- a completed *Annual Return Form (Form 4)*;
- a copy of your accounts (audited or un-audited);
- notification of any changes to your organisation's details.

Notice of Changes

You have a duty to inform the Commission about changes in 6 areas:

- | | |
|---------------------------------|-----------------------------|
| 1. the name of your charity | 2. the address for service |
| 3. the balance date | 4. the rules |
| 5. the purposes of your charity | 6. a change in the officers |



Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

Section 6: Charities Commission

Deregistration and loss of tax exemption

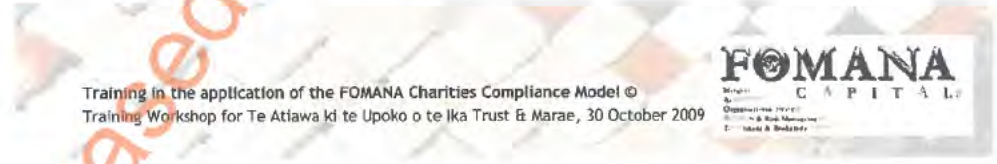
Charities Commission can remove an organisation if:

- it asks to be removed or it no longer qualifies;
- there is a significant or persistent failure by the organisation or one of its officers (or collectors) to meet its obligations under Act
- the organisation engages in serious wrongdoing, or any connected person engages in serious wrongdoing

IRD Tax rates for non-exempt charities are:

(30% tax rate) for Incorporated societies or Companies;

(33% tax rate) for a trust including trusts incorporated under the Charitable Trust Act 1957



Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

Released Under the Official Information Act 1982

Section 6: Charities Commission

WORKSHOP SESSION

Workshop Exercise

- Develop 3-step process and assign responsibility for compliance for each these four specific obligations under the Charities Act 2005

Questions:

- What would happen to your organisation if it lost its tax exemption?
- What would be the financial implications?
- Who has primary responsibility for filing the Annual Return and Notice of Changes to Commission?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 7: IRD and Tax Exemption

Functions of IRD

- Inland Revenue remains responsible for administering the Revenue Acts and retains the right to audit charities to ensure they continue to be eligible for tax exemptions.

IMPORTANT NOTE ON INVESTIGATIONS BY IRD

- You must be able to show that you've complied with the relevant tax requirements.
- You must keep certain business records including financial records for seven years, a record of the sources of any donations, a record of how funds have been used in NZ or overseas.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 7: IRD and Tax Exemption

Tax – related obligations for charities

- If your charity employs staff, it must register as an employer, deduct and pay PAYE.
- It must register for GST if carrying out taxable activity with \$60,000 plus annual turnover.
- It must file various return forms each year.
- It must calculate the profit from any (non-charitable) business to work out how much tax is due.
- It must provide, when requested, a tax return showing all funds earned in any year with sufficient details of the source and application of those funds.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 7: IRD and Tax Exemption

Tax exemptions and benefits

Non-business (investment income) tax exemption

- Charities are exempt from income tax on non-business income such as interest and dividends and rents. They may use this income for charitable purposes in and outside NZ. (IR 255, page 26)

Business income tax exemption

- The portion of a charity's business income which is used for charitable purposes in NZ is exempt from income tax. If organisation uses income for charitable purposes outside NZ, only NZ part exempt (IR 255, page 26)

Donee Status and IRD approved Donee organisation

- Donee status means that individuals who make a cash donation to your charity can claim a tax credit (IR255, pages 28-30)

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 7: IRD and Tax Exemption WORKSHOP SESSION

Benchmark Exercise

- Rate your organisation's performance or compliance against the benchmarks in Hallmark 5: Financially sound and prudent

Questions:

- Does your charity keep its financial records for seven years? Who has responsibility?
- Does your charity have approved Donee status? If so, do you have a record of the donees?
- If requested, could your charity produce a tax return showing all funds earned in any year with sufficient details of the source and application of those funds?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 8: Policies – Processes - People FOMANA 3Peez Method©

3 for three components to the method

First P **for Policy**
(guidelines for decision-making)

Second P **for Processes**
(step by step procedures and paperwork)

Third P **for People** with purpose
(ingredient to successful compliance)

Eez **for eezy** to remember and easy to apply.



Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 8: Policies – Processes - People

Policies

Remember the Model – align policies to Constitution

- Policies are usually developed out of the need to provide further clarity, or guidelines on standards of performance, than what is prescribed in the Constitution or in law.
- Policies need to be consistent with the organisation’s rules and charitable purposes



FOMANA Policy Checklist

Legal Personnel Financial Management
Governance Operations Information Mgt

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 8: Policies – Processes - People

Processes

Consider:

1. What are the key process steps to implement the policy?
2. Who will be responsible for each step of process?
3. What paperwork (forms, checklists) are required at each step in the process?



See Sample Charitable Purposes Funding Policy

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009



Section 8: Policies – Processes - People

People with Purpose

From a people perspective, what is your role and duty?

Constitution and NZ Law:	Know your rules, know your legal duties and follow them.
Charitable Purposes:	Apply funds and benefits only for charitable purposes.
Stakeholders:	Be a responsible Governor & member - Accountability works both ways.
Charities Commission:	Registering is easy, maintaining it is not.
IRD and Tax Exemption:	0% tax or 33% tax – it's your choice.
Policies-Processes-People	Approve sound policies and Appoint skilled people to manage them.
Risks	Be constantly vigilant of risk and mitigate.

Rules, laws and policies do not make the difference - People do.

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 8: Policies – Processes - People

WORKSHOP SESSION

Workshop Exercise

- Use 3Peez Method to develop a Policy & process to address a risk issue in your organisation.

Questions:

- Do you have a policy on how groups can access funding from your organisation?
- How do you make sure that distributed funds are used only for charitable purposes?
- What financial systems do you have in place to ensure proper record-keeping and to monitor accountability for payments?

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 9: Risks

Operating outside of charitable purposes

Purpose Risk – operating outside of charitable purposes

- A key risk for charities, and one with serious negative financial and reputational consequences:

Impact or Consequences

- Financial challenge (loss of cashflow)
- Loss of contracts (as a result of funders excluding on the basis no longer "not for profit")
- Loss of tax exemption
- Pay back taxes, possibly penalties, interest and then subject to payment of tax thereafter
- Reputation damaged on several levels, personal, professional etc
- Adverse media attention

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 9: Risks

Danger Zone

Legal Risk – breach of legal duties and compliance obligations

- R-Rating for risk with serious penalties and grave consequences.

Income Tax Act 2007 - Criminal penalties:

- Obstruction (\$25,000)
- Evasion offences (up to \$50,000)
- Term of imprisonment up to 5 yrs for certain offences.

Charities Act 2005 - Offences

- Fine up to \$10,000 for failure to supply or supplying false or misleading information

Companies Act 1993 - Penalties for failure to comply with Act, section 373

- (1) Offences with fines to \$5,000
- (2) Offences with fines to \$10,000
- (3) Offences with fines to \$50,000 or prison term of up to 2 years
- (4) Offences with prison terms up to 5 years and fines up to \$200,000

Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Section 9: Risks

WORKSHOP SESSION

General Discussion:

- What is your reaction to the “Danger Zone” Penalties table?
- What lessons are there for your organisation in relation to the media articles about investment losses by charities?

Questions:

1. Do you conduct regular risk assessments? How often?
2. What risk management tools do you use in your organisation?
3. How do you mitigate risks of non-compliance with Charities Act?
4. How do you mitigate risks of misappropriation of funds?



Feedback & Evaluation

- Were the training objectives achieved?
- Did we meet your expectations?
- What improvements could be made?



Please complete the Evaluation form.

- Your feedback is valued and will be used to enhance the training for delivery to other charitable organisations.



Conclusion

FOMANA Capital Limited
thanks you for attending this training workshop.
We hope it was worthwhile for you personally and
beneficial for your organisation.

Ka nui te mihi ki a koutou.


Training in the application of the FOMANA Charities Compliance Model ©
Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009

FOMANA
CAPITAL

Charities Compliance
Model © FOMANA Capital
2009

Released under the Official Information Act 1982

4.5 Charities Commission online register – Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust



[Home](#) | [About Us](#) | [Guidance for Charities](#) | [Charities Register](#) | [News & Publications](#) | [Contact Us](#)

Charities Register

[Search the Register](#)

[Register Online](#)

[Officer Certification](#)

[Login](#)

Charity Summary

These are the current details for: **Te Atiawa ki te Upoko o Te Ika a Maui Potiki Trust**

Charity details

Legal name of the charity **Te Atiawa ki te Upoko o Te Ika a Maui Potiki Trust**

Registration details

Status Registered
 Date 30/06/2008
 Registration number CC38312
 IRD Number Restricted
 Annual Return Due Date 31/03/2010

Address for service

Charity's street address 15 Balmoral Terrace
Wellington 6021
 Charity's postal address P O Box 16147
Wellington 6242

Charity's other details

Phone (day) 64 4 9709841
 Fax 64 4 9709841
 Email morrie@msukura.co.nz
 Website

Areas of Operation

Wellington - Wairarapa

Officers

Officer Name	Effective Date
John Warren	22/03/2006
Anania Randall	22/03/2006
Wayne Mulligan	22/03/2006
Te Rira Puketapu	22/03/2006
Joanne Korent	19/11/2006
Ihuia Puketapu	19/11/2006
Peter Reweti	10/11/2007
Morris Love	22/03/2006

Exemptions

This charity has been granted an exemption from filing an annual return by 31 March 2010 under Section 43 of the Charities Act 2005. The first annual return is due by 31 March 2010.

Charitable purpose

Note: Main sectors, activities and beneficiaries are in brackets

Sectors (Customary Fisheries)
 Environment / conservation
 Community development
 Economic development

Activities (Makes grants to organisations (including schools or other charities))
 Sponsors / undertakes research

Beneficiaries (Marae)
 Children / young people
 People of a certain ethnic / racial origin
 Family / whanau

Supporting Documents

Date Created	Type	Document
25/02/2008	Rules	Charity Rules.PDF

[Back](#)

[www.govt.nz](#) | [Privacy](#) | [Legal](#) | [Sitemap](#) | [Accessibility](#)

Version 1.8.0 © Crown copyright

4.6 Charities Commission Registration Update at 14 Dec 2009

<http://www.charities.govt.nz/>

NEW

[New information sheet - Deregistration – removing charities from the Charities Register](#)

[New information sheet - Charitable purpose and community and economic development](#)

[New information sheet - Guidance on the 'public benefit' test](#)

[Information sheet for donors, supporters and volunteers](#)

[Updated information sheet - Charitable purpose and sport and recreation organisations](#)

How many charities have we registered?

As at **7 September** 2009 we have registered **23,255** charities.

As well as providing searchable information about individual charities, the Charities Register can give a “snapshot” of the charitable sector in New Zealand.

[Take a look](#), to see where charities are operating, their main activities, who they are helping, and the sectors they are operating in.

Annual Returns

Registered charities must file an Annual Return with the Commission, within six months of their balance date.

Annual Return information helps the Commission monitor registered charities to ensure they continue to qualify for registration and provides information to the public about how charities carry out their charitable purpose.

Annual Returns and accompanying financial information are published on the [Charities Register](#). View the [Annual Return info sheet](#) for more information about filing a return.



Monitoring Report

for Installment Installment Seven report due on 15/12/2009

APPLICATION/ORGANISATION DETAILS

SmartFund Ref: NDOE/HO.374.20209.16081
 Project Name: FOMANA Charitable Purposes Project
 Organisation Name: FOMANA Capital Ltd
 Address: 108 The Terrace,
 Wellington,

MONITORED DETAILS

Short Outcome	Increased knowledge by Maori pilot entities and their beneficiaries of the policy, processes and requirements of the Charity Act and tax regime.
Output	Training delivered to beneficiaries of each pilot entity on compliance and audit model.
Success Indicators	Training successfully delivered to Maori beneficiaries within budget and timeline.
Status	Achieved

Risk Monitoring	
Risk	The demand for the new standards and audit models for Maori is not met.
Risk Comments	The project is progressing as planned and training is being successfully delivered.
Status	Low

ASSESSOR COMMENTS

We have received a comprehensive Training Delivery report from Fomana Capital for the Charitable Purposes and Tax Compliance Systems Programme. The report provides details of five training workshops on the "Total Compliance Model" including the contents and participants of each session. The workshops combined with the training toolkit show the training has been delivered successfully.

QUALITY ASSESSOR COMMENTS

I concur with the Assessor's comments. The report dated 15 December 2009 confirms the outputs have been satisfactorily completed. The project is making steady progress on time and within budget.

Risks considered properly mitigated.

INVESTMENT MANAGER COMMENTS

concur with comments, Report satisfies requirements

Assessor: _____

Date: _____

Quality Assessor: _____

Date: _____

Investment Manager: _____

Date: _____

Released under the Official Information Act 1982

PricewaterhouseCoopers
113-119 The Terrace
PO Box 243
Wellington
New Zealand
Telephone +64 4 462 7000
Facsimile +64 4 462 7001
Direct Phone +64 4 462 7450
Direct Fax +64 4 495 0245

Private & Confidential

Leith Comer
Chief Executive
Te Puni Kokiri
PO Box 3943
Wellington 6145

18 January 2010

Dear Sir,

Interim Report on Tekau Plus – Financial Analysis

The terms of business and scope of this assignment are recorded in the Agreement dated 3 December 2009 and this letter is subject to the limitations set out in Appendix Eight to this letter and in that Agreement.

Background

The Maori Trustee, the Federation of Maori Authorities ("FOMA") and the Poutama Trust ("PT") entered into a Memorandum of Understanding dated 8 October 2007 to jointly complete the "Maori Global Agribusiness Development Project".

The aim of the project was to develop Maori, globally competitive, icon businesses in the agribusiness sector. The project has been branded 'Tekau Plus' and has been managed by FOMANA Capital Limited ("FOMANA") on behalf of FOMA, PT and the Maori Trustee.

A contract dated 14 September 2007 ("the Contract") which details the outputs and outcomes of the project was signed by the Maori Trustee on behalf of himself, FOMA and PT. The Contract established funding arrangements from Te Puni Kokiri ("TPK") for the project. A sum of \$3,020,000 exclusive of GST (the "Funds") was allocated to the project to achieve the outcomes and outputs as detailed by the Contract, payable in 12 instalments over a three-year term.

As at 30 November 2009, eight instalments have been paid by TPK to Tekau Plus totalling \$1,820,000 exclusive of GST (\$2,047,500 inclusive of GST). Tekau Plus has raised an invoice to TPK for instalment nine for \$275,000 exclusive of GST (\$309,375 inclusive of GST) which as at the date of this letter has not been paid by TPK. As at 30 November 2009 Tekau Plus has received

cash Funds of \$2,047,500 (instalments one to eight GST inclusive) and recognised income of \$2,095,000 (instalments one to nine GST exclusive).

We understand that clauses contained in the Contract establish the right of TPK to request financial information from Tekau Plus to facilitate an assessment of the outcomes and outputs of the project.

We have been engaged to provide TPK with assistance in performing analysis on the financial information that has been provided by Tekau Plus in response to requests detailed in letters to John Paki (the Maori Trustee) from TPK dated 7 October 2009, 13 November 2009 and 1 December 2009.

Scope

The scope of our engagement is set out in our agreement dated 3 December 2009 and has been to consider and analyse the financial information available from Tekau Plus to assist TPK assess the financial performance and position of Tekau Plus in relation to the outputs that have been generated from the project.

The work performed by us to date has consisted of the following:

- 1) Summarise the financial position and performance of Tekau Plus;
- 2) Understand and comment on the structure of the Tekau Plus bank accounts and validate the cash position of the project;

Funding

- 3) Reconcile the Funds that have been paid by TPK to the accounting records of Tekau Plus and validate transactions to bank statements;

Payments and Expenses

- 4)
 - a) Summarise the process for authorisation of the services provided to Tekau Plus and payment for those services;
 - b) Reconcile the accounting records of Tekau Plus to supplier statements, invoices, and bank transactions;
 - c) Ensure that all invoice payments have been approved by the Board of Tekau Plus;
 - d) Analyse the expenses incurred by Tekau Plus against the Contract outputs that have formed the basis for approval of invoice by the Board; and

- 5) Comment on any other observations as relevant to the exercise.

This analysis does not include any assessment of the quality of output or the extent to which the tasks completed contribute to achieving the overall objectives of the project.

Results of the work performed

1) Summary of the financial position and performance of Tekau Plus

Table 1 below is derived from the general ledger of Tekau Plus and summarises the financial performance for the term of the Contract up to and including 30 November 2009. It also summarises the financial position of Tekau Plus as at 30 November 2009.

Table 1 – Summary Financial Performance and Position

Tekau Plus	General Ledger 30 Nov 2009	Adjustment	Total
Income Statement	\$	\$	\$
Interest Income	(16,519)		(16,519)
Contract Income	(2,095,000)		(2,095,000)
	<u>(2,111,519)</u>		<u>(2,111,519)</u>
Contract Payments	30,000		30,000
Strategy & Operational - Agribusiness	175,250	10,000	185,250
Governance & Systems - Agribusiness	231,656	37,150	268,806
Stakeholders Meetings & Comms - Agribus	218,019	49,875	267,894
Analysis & Research - Agribusiness	279,560	35,000	314,560
Cluster - Agribusiness	349,880	85,000	434,880
	<u>1,284,365</u>		<u>1,501,390</u>
Net surplus	(827,154)	217,025	(610,129)
Balance Sheet			
Westpac Trust Current Account	7,010		7,010
ASB Bank Call Deposits	576,863		576,863
Debtors Control Account	309,375		309,375
	<u>893,248</u>		<u>893,248</u>
Creditors Control Account	0	(217,025)	(217,025)
GST Payable/Receivable Account	(66,094)		(66,094)
	<u>(66,094)</u>		<u>(283,119)</u>
Net Assets	827,154	(217,025)	610,129

Source: Tekau Plus General Ledger and Creditors Schedule

The adjustment is made to reflect the invoices that have been issued to Tekau Plus that as at the time of commencing our work had not been entered into the general ledger. They relate to services provided in the July to September 2009 quarter and have been approved by the Tekau Plus Board (see Creditors and Commitments section of this letter).

2) Bank function and cash position

The Tekau Plus bank accounts are administered by the finance staff of the Maori Trustee. Tekau Plus operates two bank accounts, a Westpac account and an ASB deposit account. The function of these accounts was discussed with Andrea Williams (Manager Asset Management and Asset Development for the Maori Trustee).

- Westpac Bank Account

Andrea confirmed that this is the global account for the Maori Trustee and is not a specific account established for Tekau Plus. The account contains a large number of transactions relating to a wide range of activities, including Tekau Plus transactions. The general ledger of Tekau Plus records the transactions in this bank account that relate to Tekau Plus and individual transactions can be identified on the physical bank account statements.

- ASB Bank Deposit Account

Andrea confirmed that this account was established specifically for Tekau Plus and is used to deposit those funds that are not immediately required by Tekau Plus. The funds in the deposit account earn monthly interest and, as required, these funds are transferred to the Westpac account to enable Tekau Plus to make payments.

The above explanations are consistent with the nature of the transactions we have observed in both the general ledger of Tekau Plus and on the physical bank statements for the accounts. As at 30 November 2009 the cash balances per the accounting records of Tekau Plus were as follows;

- \$ 7,009.86 - Westpac account
- \$576,862.77 - ASB deposit account

No transactions have occurred in the Westpac account relating to Tekau Plus since 4 September 2009 when funds of \$309,375 were transferred to the ASB deposit account. Similarly, no transactions other than the application of monthly interest earnings have occurred in the ASB account since this date.

We have sighted, and noted no areas of concern relating to, the bank reconciliation for the Westpac account for the months of September, October and November 2009. These reconciliations had been performed and reviewed by staff of the Maori Trustee.

The ASB deposit balance has been agreed to a statement of account as at 30 November 2009 of \$576,862.77.

3) Funding

A schedule of the Funds paid to Tekau Plus up to 30 November 2009 is included as Table 5 in Appendix One to this letter. This schedule details the invoices raised by Tekau Plus in relation to the Funds, a schedule of Funds payments obtained from TPK and the subsequent cash receipts in the Westpac bank account for Tekau Plus.

Instalments one to eight totalling \$2,047,500 (including GST) have been invoiced to TPK and subsequently paid. These payments have been agreed in all instances to the Westpac bank account and the general ledger accounting records of Tekau Plus (a/c 120010: Contract income and a/c 801000: Westpac Trust Current Account).

We conclude that all Funding payments made to Tekau Plus from TPK have been accurately accounted for and that the accounting records in relation to payments of Funds are consistent between TPK and Tekau Plus.

An invoice has been raised by Tekau Plus in relation to instalment nine for \$275,000 exclusive of GST (\$309,375 including GST). This invoice has not been paid by TPK and is therefore included as a debtor in the general ledger of Tekau Plus which as at 30 November 2009 has a balance of \$309,375 (i.e. representing this instalment nine invoice as due to Tekau Plus).

4) Payments and Expenses

a) The invoice approval and payment process

A summary of the Tekau Plus process for invoice approval and payment is provided below;

- Invoices are addressed to the Maori Trustee on behalf of Tekau Plus.
- These invoices are entered into the general ledger of Tekau Plus. The gross invoice is entered into the creditors control clearing account while a corresponding entry to recognise the expense is coded to the relevant expense category based on the outputs per the Contract;
 - GL account 220010 - Contract Payments
 - GL account 222011 - Strategy and Operational
 - GL account 222012 - Governance and Systems

- GL account 222013 - Stakeholder Meetings & Communications
- GL account 222014 - Analysis & Research
- GL account 222015 - Clusters

- FOMA, FOMANA, PT and the Maori Trustee submit quarterly "Statements of Service" ("Statements") which classify the services and associated costs by category (as listed above) and summarise the outputs relevant to the costs that have been incurred.

- The Tekau Board approves all Statements and subsequently invoices are submitted to Tekau Plus for payment. The Statements and associated invoices of the Maori Trustee, FOMA, FOMANA and PT are therefore approved on a quarterly basis.

- Approval is required by two members of the Tekau Board. The Board members consist of Rino Tirikatene of FOMA and/or its delegate (Rino has recently been appointed, prior to him Paul Morgan represented FOMA), PT representative Richard Jones and the Maori Trustee, John Paki in whose absence Ben Gordon would substitute.

- Following approval by the Board, invoice payments are usually processed by Andrea Williams, who receives the invoices from the respective parties. Andrea compiles the paper work which is then passed to members of the Maori Trustee's finance team, normally Sue Stewart and Les Appleton, to make payment.

- Payments to suppliers are only made from the Westpac bank account when sufficient funds are held; no payments to suppliers are made directly from the ASB deposit account.

b) and c) Testing of payments made by Tekau Plus

A schedule of payments by Tekau Plus up to and including 30 November 2009 is included as Table 6 in Appendix Two to this letter. This schedule details all payments (and receipts) that have occurred during the term of the Contract through the Tekau Plus bank accounts.

This schedule shows that no supplier payments are made from the ASB Deposit account as all outflows relate to transfers to the Tekau Plus Westpac account. As would be expected under this scenario, the respective inflows and outflows match for each of the accounts, i.e. transfers from the Westpac account to the ASB deposit total \$1,900,000.00, which matches the related inflows to the ASB deposit account. Likewise, transfers from the ASB deposit account to the Westpac account total \$1,339,655.83 match the related inflows to the Westpac account.

Excluding the transfers to the ASB account, the outflows from the Westpac account total \$1,507,789.62 and are classified in Table 6 of Appendix Two. The majority of these payments are made to the key suppliers as listed in Table 6 and total \$1,444,502.55. Table 7 of Appendix Two

schedules these payments in date order. All these payments have been verified to the relevant approval of the Tekau Board and the Westpac bank account statements.

Based on this work, we conclude that all payments to FOMANA, FOMA, PT and the Maori Trustee as scheduled in Table 7 of Appendix Two have been approved by the Board of Tekau Plus, have occurred and have been accounted for accurately by Tekau Plus.

d) Analysis of Tekau Plus expenses

The aforementioned payments and the related expenses have been analysed by supplier and category of expenditure up to and including 30 November 2009. A summary of these expenses by output and supplier is provided below.

Table 2 – Tekau Plus expenses by outcome and supplier

Tekau Plus General Ledger		Maori	FOMA &	Poutama	Total
Code	Description	Trustee	FOMANA	Trust	
220010	Contract Payments	\$0.00	\$30,000.00	\$0.00	\$30,000.00
220011	Strategy & Operational -Agribusiness	\$0.00	\$173,750.00	\$1,500.00	\$175,250.00
220012	Governance & Systems - Agribusiness	\$69,517.55	\$150,188.00	\$11,950.00	\$231,655.55
220013	Stakeholders Meetings & Comms -Agribus	\$250.00	\$213,168.67	\$4,600.00	\$218,018.67
220014	Analysis & Research - Agribusiness	\$0.00	\$276,300.00	\$3,260.30	\$279,560.30
220015	Cluster - Agribusiness	\$0.00	\$347,380.00	\$2,500.00	\$349,880.00
Total amounts excluding any GST		\$69,767.55	\$1,190,786.67	\$23,810.30	\$1,284,364.52

Source: Tekau Plus General Ledger

We note from the Board meeting dated 18 February 2008 that the Tekau Plus Board approved the following fee structure for PT, the Maori Trustee, FOMA and FOMANA;

- \$800 per meeting for 'governance' work
- \$250 per hour for other consultancy work in the other output areas.

Further, and in relation to Table 2 above we note that;

- The total expense of \$1,284,364.52 is GST exclusive. The GST inclusive total is \$1,444,502.55 as per Table 7 of Appendix Two.
- Expenses relating to Spotless NZ (catering) as per Tables 6 and 7 of Appendix Two have been included in the FOMA & FOMANA column and are in total less than \$200.
- The GL account 220010 "Contract Payments" relates to expenses incurred in the Symposium project.
- The total expense of \$1,284,364.52 has been analysed by supplier, date, category and output in the following pages.

The Maori Trustee

Table 3 below schedules the quarterly fees (excluding GST) that have been approved by the Tekau Plus Board in relation to services provided by the Maori Trustee.

Table 3 – Maori Trustee Expenses

Quarter	Year	Governance & Systems				Meetings & Communications		Expenses	Totals
		Service Fees Hrs	\$	Governance Mtg	\$	Hrs	\$		
Oct, Nov, Dec	2007	n/a	\$7,500.00	3	\$2,400.00	1	\$250.00	\$102.65	\$10,252.65
Jan, Feb, Mar	2008	n/a	\$7,500.00	3	\$2,400.00	0	\$0.00	\$0.00	\$9,900.00
Apr, May, Jun	2008	n/a	\$7,500.00	5	\$4,000.00	0	\$0.00	\$0.00	\$11,500.00
Jul, Aug, Sep	2008	n/a	\$7,500.00	3	\$2,400.00	0	\$0.00	\$114.90	\$10,014.90
Oct, Nov, Dec	2008	n/a	\$7,500.00	2	\$1,600.00	0	\$0.00	\$0.00	\$9,100.00
Jan, Feb, Mar	2009	n/a	\$7,500.00	2	\$1,600.00	0	\$0.00	\$0.00	\$9,100.00
Apr, May, Jun	2009	n/a	\$7,500.00	3	\$2,400.00	0	\$0.00	\$0.00	\$9,900.00
Sub Total			\$52,500.00	21	\$16,800.00	1	\$250.00	\$217.55	\$69,767.55
Jul, Aug, Sep	2009	n/a	\$7,500.00	2	\$1,600.00	0	\$0.00	\$0.00	\$9,100.00
Total			\$60,000.00	23	\$18,400.00	1	\$250.00	\$217.55	\$78,667.55

Source: Tekau Plus general ledger as at 30 November 2009

The sub total of \$69,767.55 represents expenses incurred up to and including the quarter ended June 2009. The service fees represent a standard monthly fee of \$2,500 plus GST for administration services provided by the Maori Trustee (e.g. invoice processing, payments, GST returns etc) and the governance fees relate to the attendance of John Paki (the Maori Trustee) at Tekau Plus board meetings and related activities. All the above expenses have been agreed to Tekau Plus Board approved Statements.

The costs for the July, August and September quarter of \$9,100 have been approved by the Board and the subsequent invoice raised and submitted to Tekau Plus by the Maori Trustee. This invoice had, however, not been entered into the general ledger at the time our work commenced and therefore is not shown as a creditor (a/c 811100: Creditors control account). It has not been paid at the date of this letter.

The Poutama Trust

A table of quarterly fees (excluding GST) that have been approved by the Tekau Plus Board in relation to services provided by PT is shown on the following page.

Table 4 – The Poutama Trust expenses

Quarter	Year	Strategy and Operations		Governance & Systems		Meetings & Communications		Research & Analysis		Clusters		Totals
		Hrs	\$	Mtg	\$	Hrs	\$	Hrs	\$	Hrs	\$	\$
Oct, Nov, Dec	2007	0	\$0.00	0	\$0.00	1	\$250.00	0	\$0.00	0	\$0.00	\$250.00
Jan, Feb, Mar	2008	0	\$0.00	3	\$750.00	3	\$1,600.00	0	\$0.00	0	\$0.00	\$2,350.00
Apr, May, Jun	2008	4	\$1,000.00	5	\$4,000.00	0	\$0.00	0	\$0.00	0	\$0.00	\$5,000.00
Jul, Aug, Sep	2008	2	\$500.00	3	\$2,400.00	6	\$1,500.00	0	\$0.00	2	\$500.00	\$4,900.00
Oct, Nov, Dec	2008	0	\$0.00	1	\$800.00	0	\$0.00	0	\$0.00	2	\$500.00	\$1,300.00
Jan, Feb, Mar	2009	0	\$0.00	2	\$1,600.00	1	\$250.00	0	\$0.00	4	\$1,000.00	\$2,850.00
Apr, May, Jun	2009	0	\$0.00	3	\$2,400.00	4	\$1,000.00	0	\$0.00	2	\$500.00	\$3,900.00
Gianluigi Zenti			\$0.00		\$0.00		\$0.00		\$3,260.30		\$0.00	\$3,260.30
Sub total		6	\$1,500.00	17	\$11,550.00	15	\$4,100.00	0	\$0.00	8	\$3,500.00	\$23,810.30
Jul, Aug, Sep	2009	0	\$0.00	3	\$2,400.00	10	\$2,500.00	0	\$0.00	6	\$1,500.00	\$6,400.00
Total		6	\$1,500.00	20	\$13,950.00	25	\$7,100.00	0	\$0.00	14	\$3,000.00	\$28,210.30

Source: Tekau Plus general ledger as at 30 November 2009

The sub total of \$23,810.30 represents expenses incurred up to and including the quarter ended June 2009. This includes costs of \$3,260.30 in relation to the visit of Gianluigi Zenti in June 2009.

The costs for the July, August and September quarter of \$6,400 have been approved by the Board and the subsequent invoice raised by PT, however, as with the Maori Trustee invoice for this quarter, this had not been entered into the general ledger at the time our work commenced.

Appendix Four to this letter provides an overview of the services and outcomes supporting these fees and is based on the "Schedule of Services" submitted on a quarterly basis to the Board. The fees generally represent an hourly charge for the services provided by Richard Jones in attending stakeholder, Board and other such meetings.

FOMANA and FOMA

Tables of quarterly fees (excluding GST) that have been approved by the Tekau Plus Board in relation to services provided by FOMA and FOMANA are included as Appendix Three to this letter.

Appendix Five and Six to this letter schedules, by quarter, the services and outputs that have been provided by FOMA and FOMANA respectively. These schedules are based on the "Schedule of Services" submitted on a quarterly basis to the Board and have resulted in the approval for payment of the related invoices.

5) Other matters

Creditors and Commitments

Creditors

As noted in section 1) and 4) d), invoices relating to services provided to Tekau Plus for the period July, August and September 2009 have not been processed in the general ledger.

We note that the Tekau Plus Board has approved Statements for the period July, August and September 2009 as follows:

• The Maori Trustee	\$ 9,100 plus GST	(See Table 3)
• The Poutama Trust	\$ 6,400 plus GST	(See Table 4)
• FOMA & FOMANA	<u>\$201,525 plus GST</u>	(See Appendix Three)
	\$217,025 plus GST	

The Statements in relation to the final quarter of 2009 (months October, November and December 2009) will be submitted in January 2010. As at the date of this letter these services are yet to be submitted to the Board and invoices, however, we note that further costs will have been incurred by the project during this time that are not reflected in the summary financial position in Section 1.

Commitments

A schedule of commitments is attached as Appendix Seven to this letter. This has been obtained from Andrea Williams and schedules the allocation by cluster of the forecasted expenses in the category for the project. Andrea has confirmed these are not irrevocable commitments but rather a forecast/budget of expenses to be incurred by Tekau Plus. These amounts have however been agreed in principle by the Tekau Plus Board and minuted accordingly.

GST

We note from discussions with Andrea Williams that Tekau Plus is shortly required to file a GST return, and settle the associated GST liability, in January 2010. Currently, as instructed by TPK, no cash payments are being made by Tekau Plus. In this case however, the GST return, and subsequent payment, represents a statutory requirement and we understand the return period relates to transactions prior to the payment freeze. We recommend that Tekau Plus management advise TPK in writing of the required payment and in such a letter seek approval for this payment to be made.

Qualitative assessment of outcomes

We recommend that once this letter has been considered TPK meets with the Tekau Plus Board to discuss any concerns they have relating to the financial management of the project and the associated outcomes to date. We would be happy to assist in this or any other related matter.

Should you require any further information regarding this letter, please do not hesitate to contact us directly.

Yours faithfully
PricewaterhouseCoopers



Murray Coppersmith
Partner



Hamiora Bowkett
Director



Neil Phipps
Associate Director

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Appendix One

Tekau Plus Funding

- Tekau Plus invoices have been agreed to copies of instalment invoices issued to TPK.
- The schedule of TPK payments has been provided by Eruera Reedy of TPK.
- Tekau Plus Bank Account details have been agreed to the accounting entries in the general ledger of Tekau and to original Westpac bank account statements.

Table 5 – Funding

Instalment	Notes	Tekau Plus - Invoices					TPK Payments		Tekau Plus - Bank Account		
		Invoice Ref #	Date	Net NZ \$	GST NZ \$	Total NZ \$	Date	Value NZ \$	Date	\$ Amount	Agreed to Bank
One		2007/11-11	11 November 2007	\$100,000	\$12,500	\$112,500	14 November 2007	\$112,500	15 November 2007	\$112,500	Yes
Two		2007/11-26	26 November 2007	\$260,000	\$32,500	\$292,500	12 December 2007	\$292,500	13 December 2007	\$292,500	Yes
Three		2008/03-31	31 March 2008	\$180,000	\$22,500	\$202,500	22 April 2008	\$202,500	24 April 2008	\$202,500	Yes
Four		9001249	24 June 2008	\$180,000	\$22,500	\$202,500	2 July 2008	\$202,500	3 July 2008	\$202,500	Yes
Five	a	9001269	1 November 2008	\$175,000	\$21,875	\$196,875	18 December 2008	\$196,875	11 December 2008	\$196,875	Yes
Five	b	9001275	27 February 2009	\$100,000	\$12,500	\$112,500	11 June 2009	\$112,500			
Six		9001276	27 February 2009	\$275,000	\$34,375	\$309,375	11 June 2009	\$309,375	11 June 2009	\$731,250	Yes
Seven		9001278	25 May 2009	\$275,000	\$34,375	\$309,375	11 June 2009	\$309,375			
Eight		9001280	30 June 2009	\$275,000	\$34,375	\$309,375	3 September 2009	\$309,375	3 September 2009	\$309,375	Yes
Nine	c	9001282	30 September 2009	\$275,000	\$34,375	\$309,375					
Totals				\$2,095,000	\$261,875	\$2,356,875		\$2,047,500		\$2,047,500	

a Instalment Five was invoiced without the cluster instalment of \$112,500 (including GST)
 b Instalment Five element relating to clusters
 c Instalment Nine has been issued by Tekau Plus but not paid by TPK

Source: Tekau Plus General Ledger, TPK schedules provided by Eruera Reedy and Westpac bank statements

Appendix Two

Schedule of Cash Flows

Below is a schedule of General Ledger accounting entries in relation to the Westpac call and ASB deposit bank accounts. The General Ledger account for the Westpac account contains certain non-cash items (such as system corrections) which, when noted from performing a scan of the transaction listings, have been adjusted in the table. The values below represent gross cash flows and are therefore GST inclusive.

Table 6 – Schedule of Tekau Plus Cash flows

801000 Westpac Trust Current Account				
Ref	Cashflow Description	Inflows	Outflows	Net
(a)	Transfer in/(out) from/to ASB Deposit	\$1,339,655.83	(\$1,900,000.00)	(\$560,344.17)
(b)	GST and related corrections	\$19,356.68	(\$55,000.00)	(\$35,643.42)
(c)	Interest contra	\$8,287.07	(\$8,287.07)	\$0.00
	Sub Total	\$1,367,299.45	(\$1,963,287.07)	(\$595,987.59)
(d)	Ministry of Maori Development	\$2,047,500.00	\$0.00	\$2,047,500.00
(e)	Maori Trustee	\$0.00	(\$78,488.49)	(\$78,488.49)
(f)	FOMA/FOMANA Capital Limited	\$0.00	(\$1,339,430.63)	(\$1,339,430.63)
(g)	Poutama Trust	\$0.00	(\$26,379.05)	(\$26,379.05)
(h)	Spotless	\$0.00	(\$204.38)	(\$204.38)
	Sub Total	\$2,047,500.00	(\$1,444,502.55)	\$602,997.45
	Total for Westpac Account	\$3,414,799.48	(\$3,407,789.62)	\$7,009.86
804020 ASB Bank Call Deposit Account				
	Cashflow Description	Inflows	Outflows	
(i)	Interest	\$16,518.60	\$0.00	\$16,518.60
(j)	Transfer in/(out) from Westpac account	\$1,900,000.00	(\$1,339,655.83)	\$560,344.17
	Total for ASB Deposit Account	\$1,916,518.60	(\$1,339,655.83)	\$576,862.77

Source: Tekau Plus general ledger as at 30 November 2009

Notes

- (a) Transfers made between Westpac account and the ASB deposit account, see also (j) below.
- (b) GST payments, refunds and corrections – net payment by Tekau Plus of \$35,643.42
- (c) Interest entries that cancel out – none cash entries – interest is earned on the ASB account deposits – see (i)
- (d) Funding payments received from Te Puni Kokiri in relation to the Contract (Instalments one to eight)
- (e) Funds paid to the Maori Trustee for services provided to Tekau Plus
- (f) Funds paid to FOMA and FOMANA for services provided to Tekau Plus
- (g) Funds paid to PT for services provided to Tekau Plus
- (h) Funds paid to Spotless NZ for catering services provided to Tekau Plus

(i) Interest earnings on cash balance in ASB deposit account

(j) Transfers made between the Westpac account and ASB deposit account, equal and opposite to (a)

Appendix Two (continued)

Schedule of Tekau Plus Payments

The schedule below details the supplier payments from the Westpac bank accounts per the general ledger accounting entries. These payments have been validated to authorisations from the Tekau Board and to the physical Westpac bank statements as noted.

Table 7 – Schedule of Payments

Ref#	General Ledger - Westpac Bank Account			Westpac Bank Statements			Board Paper Approval
	T Date	Payee	GL Credit	Date	Payment	Vouched	
1	19/12/2007	FOMANA CAPITAL LTD	(12,500.00)	19/12/2007	(12,500.00)	Yes	Yes
2	06/03/2008	FOMANA CAPITAL LTD	(6,075.00)	06/03/2008	(6,075.00)	Yes	Yes
3	06/03/2008	FOMANA CAPITAL LTD	(157,500.00)	06/03/2008	(157,500.00)	Yes	Yes
4	13/03/2008	Poutama Trust	(2,081.25)	13/03/2008	(2,081.25)	Yes	Yes
5	20/03/2008	MAORI TRUST OFFICE GP FUND	(8,437.50)	20/03/2008	(8,437.50)	Yes	Yes
6	20/03/2008	MAORI TRUST OFFICE GP FUND	(115.48)	20/03/2008	(115.48)	Yes	Yes
7	17/04/2008	MAORI TRUST OFFICE GP FUND	(2,981.25)	17/04/2008	(2,981.25)	Yes	Yes
8	23/04/2008	FOMANA CAPITAL LTD	(10,012.50)	23/04/2008	(10,012.50)	Yes	Yes
9	23/04/2008	MAORI TRUST OFFICE GP FUND	(11,137.50)	23/04/2008	(11,137.50)	Yes	Yes
10	23/04/2008	Poutama Trust	(843.75)	23/04/2008	(843.75)	Yes	Yes
11	23/04/2008	FOMANA CAPITAL LTD	(3,150.00)	23/04/2008	(3,150.00)	Yes	Yes
12	28/04/2008	FOMANA CAPITAL LTD	(135,000.00)	28/04/2008	(135,000.00)	Yes	Yes
13	01/05/2008	Joari Natbu (Spotless)	(12.00)	01/05/2008	(12.00)	Yes	Yes
14	31/07/2008	FOMANA CAPITAL LTD	(199,406.25)				Yes
15	31/07/2008	MAORI TRUST OFFICE GP FUND	(12,937.50)	31/07/2008	(217,968.75)	Yes	Yes
16	31/07/2008	Poutama Trust	(5,625.00)				Yes
17	31/07/2008	Spotless Services (NZ) Ltd	(37.13)	31/07/2008	(37.13)	Yes	Yes
18	04/09/2008	FOMANA CAPITAL LTD	(33,750.00)	04/09/2009	(33,750.00)	Yes	Yes
19	15/12/2008	FOMANA CAPITAL LTD	(129,375.00)	15/12/2008	(129,375.00)	Yes	Yes
20	15/12/2008	MAORI TRUST OFFICE GP FUND	(2,700.00)				Yes
21	15/12/2008	MAORI TRUST OFFICE GP FUND	(8,437.50)	15/12/2008	(11,266.76)	Yes	Yes
22	15/12/2008	MAORI TRUST OFFICE GP FUND	(129.26)				Yes
23	15/12/2008	Poutama Trust	(5,512.50)	15/12/2008	(5,512.50)	Yes	Yes
24	15/12/2008	FOMANA CAPITAL LTD	(12,543.75)	15/12/2008	(12,543.75)	Yes	Yes
25	16/12/2008	FOMANA CAPITAL LTD	(4,500.00)	16/12/2008	(4,500.00)	Yes	Yes
26	15/01/2009	Spotless Services (NZ) Ltd	(33.75)	15/01/2009	(33.75)	Yes	Yes
27	15/01/2009	Spotless Services (NZ) Ltd	(45.00)	15/01/2009	(45.00)	Yes	Yes
28	15/01/2009	Spotless Services (NZ) Ltd	(47.25)	15/01/2009	(47.25)	Yes	Yes
29	15/01/2009	Spotless Services (NZ) Ltd	(29.25)	15/01/2009	(29.25)	Yes	Yes
30	31/03/2009	FOMANA CAPITAL LTD	(29,137.50)	31/03/2009	(29,137.50)	Yes	Yes
31	31/03/2009	FOMANA CAPITAL LTD	(27,112.50)	31/03/2009	(27,112.50)	Yes	Yes
32	18/06/2009	FOMANA CAPITAL LTD	(314,662.50)				Yes
33	18/06/2009	MAORI TRUST OFFICE GP FUND	(20,475.00)	18/06/2009	(339,806.25)	Yes	Yes
34	18/06/2009	Poutama Trust	(4,668.75)				Yes
35	13/08/2009	MAORI TRUST OFFICE GP FUND	(11,137.50)	13/08/2009	(11,137.50)	Yes	Yes
36	13/08/2009	FOMANA CAPITAL LTD	(2,700.00)	13/08/2009	(2,700.00)	Yes	Yes
37	20/08/2009	FOMANA CAPITAL LTD	(162,005.63)	20/08/2009	(162,005.63)	Yes	Yes
38	20/08/2009	Poutama Trust	(4,387.50)	20/08/2009	(4,387.50)	Yes	Yes
39	03/09/2009	Poutama Trust	(3,260.30)	03/09/2009	(3,260.30)	Yes	Yes
		Totals	(1,444,502.55)		(1,444,502.55)		

Source: Tekau Plus general ledger as at 30 November 2009, Westpac bank statements and Board Papers

Appendix Three

FOMA and FOMANA Expenses

Quarterly fees (excluding GST) as approved by the Tekau Plus Board in relation to services provided by FOMA & FOMANA are shown below.

FOMA

We have performed a calculation of representative hours for all outputs with the exception of Governance. This calculation has been performed on the basis of the invoiced total divided by \$250 per hour. We note that governance fees for FOMA represent \$800 per meeting and so a representative number of meetings has been calculated based on this rate.

Table 8 – FOMA expenses

Quarter	Year	Strategy and Operations		Governance & Systems		Meetings & Communications		Analysis & Research		Clusters		Contract Payments		Totals
		Hrs	\$	Mtg	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	\$
FOMA														
Oct, Nov, Dec	2007	0	\$0.00	0	\$0.00	12	\$3,000.00	0	\$0.00	0	\$0.00	0	\$0.00	\$3,000.00
Jan, Feb, Mar	2008	4	\$1,000.00	3	\$2,400.00	20	\$5,000.00	0	\$0.00	2	\$500.00	0	\$0.00	\$8,900.00
Apr, May, Jun	2008	20	\$5,000.00	5	\$4,000.00	10	\$2,500.00	18	\$4,500.00	25	\$6,250.00	0	\$0.00	\$22,250.00
Jul, Aug, Sep	2008	10	\$2,500.00	3	\$2,400.00	15	\$3,750.00	0	\$0.00	10	\$2,500.00	0	\$0.00	\$11,150.00
Oct, Nov, Dec	2008	0	\$0.00	2	\$1,600.00	10	\$2,500.00	0	\$0.00	80	\$20,000.00	0	\$0.00	\$24,100.00
Jan, Feb, Mar	2009	0	\$0.00	2	\$1,600.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$1,600.00
Apr, May, Jun	2009	0	\$0.00	3	\$2,400.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$2,400.00
Sub Total		34	\$8,500.00	18	\$14,000.00	67	\$16,750.00	18	\$4,500.00	117	\$29,250.00	0	\$0.00	\$73,000.00
Jul, Aug, Sep	2009	0	\$0.00	3	\$2,400	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$2,400.00
Total		34	\$8,500.00	21	\$16,800.00	67	\$16,750.00	18	\$4,500.00	117	\$29,250.00	0	\$0.00	\$73,000.00

Source: Tekau Plus general ledger as at 30 November 2009

Appendix Three (continued)

FOMANA

We have performed a calculation of representative hours for all outputs with the exception of Governance. This calculation has been performed on the basis of the invoiced total divided by \$250 per hour. We note that governance fees for FOMANA represent meetings and time charged at both \$800 plus GST on a per meeting basis and at \$250 plus GST per hour for other tasks. We do not have information relating to the split of these charges and so have not included a representative hour's calculation for the governance outcome.

Table 9 – FOMANA expenses

Quarter	Year	Strategy and Operations		Governance & Systems		Meetings & Communications		Analysis & Research		Clusters		Contract Payments		Totals
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	\$
FOMANA														
Oct, Nov, Dec	2007	200	\$50,000.00		\$22,538.00	240	\$60,043.67	300	\$75,000.00	140	\$35,000.00	0	\$0.00	\$242,581.67
Jan, Feb, Mar	2008	160	\$40,000.00		\$25,000.00	100	\$25,000.00	40	\$10,000.00	80	\$20,000.00	0	\$0.00	\$120,000.00
Apr, May, Jun	2008	140	\$35,000.00		\$15,000.00	100	\$25,000.00	171	\$42,800.00	160	\$40,000.00	0	\$0.00	\$157,800.00
Jul, Aug, Sep	2008	108	\$27,000.00		\$20,000.00	68	\$17,000.00	80	\$20,000.00	140	\$35,000.00	120	\$30,000.00	\$149,000.00
Oct, Nov, Dec	2008	10	\$2,500.00		\$10,000.00	60	\$15,000.00	240	\$60,000.00	320	\$80,000.00	0	\$0.00	\$167,500.00
Jan, Feb, Mar	2009	24	\$6,000.00		\$15,000.00	120	\$30,000.00	122	\$30,500.00	220	\$55,000.00	0	\$0.00	\$136,500.00
Apr, May, Jun	2009	19	\$4,750.00		\$28,250.00	98	\$24,375.00	134	\$33,500.00	213	\$53,130.00	0	\$0.00	\$144,005.00
Sub Total		691	\$168,250.00		\$138,788.00	785	\$196,418.67	1,007	\$277,800.00	1,273	\$318,130.00	120	\$30,000.00	\$1,117,386.67
Jul, Aug, Sep	2009	40	\$10,000.00		\$23,250.00	190	\$47,375.00	140	\$35,000.00	334	\$83,500.00	0	\$0.00	\$199,125.00
Total		701	\$178,250.00		\$162,038.00	875	\$243,793.67	1,227	\$302,800.00	1,607	\$401,630.00	120	\$30,000.00	\$1,913,516.67

Source: Tekau Plus general ledger as at 30 November 2009

Appendix Four

Summary of Schedule of Services in relation to the Poutama Trust

1) Period: October, November, December 2007 (Schedule of services from memorandum meeting # 5, 25 February 2008)

Communications Hours: 1, Invoiced: \$250 <ul style="list-style-type: none"> Meeting with CE and manager - NZTE 	Governance
---	-------------------

2) Period: January, February, March 2008 (Schedule of services from memorandum meeting # 7, 15 April 2008)

Communications Hours: 3 Invoiced: \$750 <ul style="list-style-type: none"> Meetings with various stakeholders and potential speakers for 10+ symposium. Provided feedback on drafts of the following documents: E 10+ overview paper, 3 year overview milestone plan, Te Puna strategy, 10+ Offer & Request for Statement of Interest, 10+ Generic – Sponsorship paper 	Governance Meetings: 2 Invoiced: \$1,600 <ul style="list-style-type: none"> Read papers and Chair Board Meetings x2
---	--

We note that the Tekau Plus general ledger, as summarised in Table 4 of this letter, has categorised \$1,600 as "Meetings and Communications" and \$750 as "Governance & Systems".

3) Period: April, May, June 2008 (Schedule of services from memorandum meeting # 12, 25 June 2008)

Strategy Hours: 4 Invoiced: \$1,000 <ul style="list-style-type: none"> Review and editing of reports Sourcing of speakers and review of reports for export symposium 	Governance Meetings: 5 Invoiced: \$4,000 <ul style="list-style-type: none"> Read papers and Chair Board Meetings x5
--	--

4) Period: July, August, September 2008 (Schedule of services memorandum meeting # 15, 22 October 2008)

Communications Hours: 6 Invoiced: \$1,500 <ul style="list-style-type: none"> Te Arawa FoMA hui Uni Akld Business School Hui 	Governance Meetings: 3 Invoiced: \$2,400 <ul style="list-style-type: none"> Read papers and Chair Board Meetings x3
Clusters Hours: 2 Invoiced: \$500 <ul style="list-style-type: none"> Development of sheep/beef/dairy cluster 	Strategy Hours: 2 Invoiced: \$500 <ul style="list-style-type: none"> Assistance at Tekau plus symposium

Appendix Four (continued)

Summary of Schedule of Services in relation to the Poutama Trust (continued)

5) Period: October, November, December 2008 (Schedule of services memorandum meeting # 17, 29 January 2009)

<p>Clusters</p> <p>Hours: 2 Invoiced: \$500</p> <ul style="list-style-type: none"> • Meeting with interested sheep and beef farmers at FOMA conference • Follow up arrangements for sheep and beef cluster hui 	<p>Governance</p> <p>Meetings: 1 Invoiced: \$800</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x1
--	--

6) Period: January, February, March 2009 (Schedule of services memorandum meeting # 19, 28 April 2009)

<p>Communications</p> <p>Hours: 1 Invoiced: \$250</p> <ul style="list-style-type: none"> • Interview and story for KOHA magazine 	<p>Governance</p> <p>Meetings: 2 Invoiced: \$1,600</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x2
<p>Clusters</p> <p>Hours: 5 Invoiced: \$1,000</p> <ul style="list-style-type: none"> • Meetings with potential cluster businesses 	<p>Governance</p> <p>Meetings: 2 Invoiced: \$1,600</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x2

7) Period: April, May, June 2009 (Schedule of services memorandum meeting # 22, 28 July 2009)

<p>Communications</p> <p>Hours: 4 Invoiced: \$1,000</p> <ul style="list-style-type: none"> • Organisation of Mr Zenti visit 	<p>Governance</p> <p>Meetings: 3 Invoiced: \$2,400</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x3
<p>Clusters</p> <p>Hours: 2 Invoiced: \$500</p> <ul style="list-style-type: none"> • Meetings with potential cluster businesses: Awhina group 	<p>Governance</p> <p>Meetings: 3 Invoiced: \$2,400</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x3

Period: July, August, September 2009 (Schedule of services, memorandum meeting # 25, 27 October 2009)

<p>Communications</p> <p>Hours: 10 Invoiced: \$2,500</p> <ul style="list-style-type: none"> • Organisation and principal host to Mr Zenti during his visit to NZ 	<p>Governance</p> <p>Meetings: 3 Invoiced: \$2,400</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x3
<p>Clusters</p> <p>Hours: 6 Invoiced: \$1,500</p> <ul style="list-style-type: none"> • Meetings with potential cluster businesses: Big Picture wine, Big Picture and Ian Taylor 	<p>Governance</p> <p>Meetings: 3 Invoiced: \$2,400</p> <ul style="list-style-type: none"> • Read papers and Chair Board Meetings x3

Appendix Five

Summary of Schedule of Services in relation to FOMA

Period: October, November, December 2007 (Schedule of services, memorandum meeting # 5, 25 Feb 2008)

<p>Communications Representative Hours: 12 Invoiced: \$3,000 Meetings:</p> <ul style="list-style-type: none">• NZTE , PPG management , DPM&C , 20/20 Primary industry conference, Agresearch, FoMA Dairy Cluster• Mark Ahn, Lincoln Agribusiness• General Sector engagement
--

Period: January, February, March 2008 (Schedule of services, memorandum meeting # 7, 15 April 2008)

<p>Communications Representative Hours: 20 Invoiced: \$5,000</p> <ul style="list-style-type: none">• Stakeholder meetings with: MFAT, Minister of Trade, Minister of Building and Construction, MoMA, Te Ohu Kaimoana & Aotearoa Fisheries Ltd, NZ Maori Tourism Council, Maori Party, Scion, NZ Fast Forward Science-food-farms, FoMa Executive, Workshop with Tom Reardon, Agresearch, Agmardt.
<p>Strategy Representative Hours: 4 Invoiced: \$1,000</p> <ul style="list-style-type: none">• E 10+ overview paper, 3 year overview milestone plan, Te Puna Strategy, 10+ Offer & Request for statement of Interest, 10+ Generic – Sponsorship paper
<p>Governance Meetings: 3 Invoiced: \$2,400</p> <ul style="list-style-type: none">• 3 x BAG Board meetings
<p>Clusters Representative Hours: 2 Invoiced: \$500</p> <ul style="list-style-type: none">• Draft ToR for consultant• Feedback on 10+ Offer and Request for Statement of Interest document

Appendix Five (continued)

Summary of Schedule of Services in relation to FOMA (continued)

Period: April, May, June 2008 (Schedule of services, memorandum meeting # 12, 25 June 2008)

Communications Representative Hours: 10 Invoiced: \$2,500 <ul style="list-style-type: none"> Briefings MPs, CEO, TPK, Officials; B English, S Jones, J Fitzsimmons, T Grosser, L Comber, P Lund, D Carter, D Wallerton, T Turia, P Lewin, S Rimene, W Peters. 	
Analysis & Research Representative Hours: 18 Invoiced: \$4,500 <ul style="list-style-type: none"> Review of Documents; SCION, MFAT China, MFAT India, FTA, Mark Ahn 	Governance Meetings: 5 Invoiced: \$4,000 <ul style="list-style-type: none"> 5x Board Meetings
Clusters Representative Hours: 25 Invoiced: \$6,250 <ul style="list-style-type: none"> Cluster meetings: Nutraceutical, Sheep, Beef, Seafood, Dairy, Kiwifruit, Sealords/ AFL 	Strategy Representative Hours: 20 Invoiced: \$5,000 <ul style="list-style-type: none"> Tekau plus strategy TVNZ, FTA, Radio NZ, Symposium, Meetings, Sponsors and speakers, FOMA members

Period: July, August, September 2008 (Schedule of services memorandum meeting # 15, 22 October 2008)

Communications Representative Hours: 15 Invoiced: \$3,750 <ul style="list-style-type: none"> Stakeholder meetings with: Sealords, Aotearoa Fisheries, Maori export Council, Ngai Tahu, Parekura Horomia, Phil Goff, Tau Henare, Pete Hodgson, Tim Grosser, Georgina Te Heuheu, Phil Heatley, Tariana Turia, Te Ururoa Flavell, MFAT Officials, NZTE, TPK CEO. 	
Analysis & Research Representative Hours: 0 Invoiced: \$0	Governance Meetings: 3 Invoiced: \$2,400 <ul style="list-style-type: none"> Preparation and attendance at board meetings x3
Clusters Representative Hours: 10 Invoiced: \$2,500 <ul style="list-style-type: none"> Cluster meetings with: AFL, Ngai Tahu, Sealords, Nutraceutical, Wairarapa Moana, Mangatu 	Strategy Representative Hours: 10 Invoiced: \$2,500 <ul style="list-style-type: none"> Feedback and work on sponsors and symposium; and reviewing documentation

Appendix Five (continued)

Summary of Schedule of Services in relation to FOMA (continued)

Period: October, November, December 2008 (Schedule of services, memorandum meeting # 17, 29 January 2009)

Communications Representative Hours: 10 Invoiced: \$2,500 <ul style="list-style-type: none">Meetings held with: PGG Wrightson CEO and Senior managers, Nick Smith, Pita Sharples, Georgia Te Heuheu, CEO TEC, NZTE, Tariana Turia, Leith Comer, MAF Officials, Dr Meto Leach, Kiwiwbank CE and Officials, Chris Finlayson	
Clusters Representative Hours: 80 Invoiced: \$20,000 <ul style="list-style-type: none">Cluster promotion meetings and road shows held in regions.Specific Cluster meetings with: Nutraceutical, Aquaculture, Crayfish, Kiwifruit, Agri TrainingDiscussion with Chinese Company Manager around indigenous marketing and branding	Governance Meetings: 2 Invoiced: \$1,600 <ul style="list-style-type: none">Read papers and attend board meetings x2

Period: January, February, March 2009 (Schedule of services, memorandum meeting # 19, 28 April 2009)

Governance Meetings: 2 Invoiced: \$1,600 <ul style="list-style-type: none">Read papers and attend Board Meetings x2
--

Period: April, May, June 2009 (Schedule of services, memorandum meeting # 22, 28 July 2009)

Governance Meetings: 3 Invoiced: \$2,400 <ul style="list-style-type: none">Read papers and attend Board Meetings x3
--

Period: July, August, September 2009 (Schedule of services, memorandum meeting # 25, 27 October 2009)

Governance Meetings: 3 Invoiced: \$2,400 <ul style="list-style-type: none">Read papers and attend Board Meetings x3
--

Appendix Six

Summary of Schedule of Services in relation to FOMANA

We have performed a calculation of representative hours for all outputs with the exception of Governance. This calculation has been performed on the basis of the invoiced total divided by \$250 per hour. We note that governance fees for FOMANA represent meetings and time charged at both \$800 plus GST on a per meeting basis and at \$250 plus GST per hour for other tasks. We do not have information relating to the split of these charges and so have not included a representative hour's calculation for the governance outcome.

Period: October, November, December 2007 (Schedule of services, memorandum meeting # 8, 25 Feb 2008)

Fees have been included for this period in Appendix 4 relating to pre October 2007 costs. These costs were incurred by FOMANA and approved for payment by the Board in October 2007. These costs totalled \$142,581.67 and have been allocated as \$60,000 to Strategy and Operations with the remaining balance to the categories in the analysis below as consistent with the General Ledger and noted as "Pre establishment fees".

<p>Communications Pre establishment fees: \$20,043.67 Representative Hours: 160 Invoiced: \$40,000</p> <ul style="list-style-type: none"> Plan developed Stakeholder meetings with; PGG Wrightson, NZTE, Victoria Uni, Ag Research, DPMC, FOMA Dairy Cluster, FORST, MoRST, University of Auckland, Lincoln University, Massey University, Maori dairy cluster, Fonterra Manager, TPK, DPM&C, FOMA members AGM, FOMANA Launch attendees, CRAG Board, Endeavour Capital, Lewin Strategies Risk management program developed Symposium outline arranged Attended 20/20 PI Conference 	<p>Analysis & Research Pre establishment fees: \$45,000 Representative Hours: 120 Invoiced: \$30,000</p> <p>Reviewed and Analysed:</p> <ul style="list-style-type: none"> Paper- Structure and roles of the Peak Group and Working Groups A model for commercialisation within research institutes - building common language procedures and partners Maori Global Agribusiness Development- Tekau Plus Assessment Criteria (TPK Sponsored) Maori Global Agribusiness Development Review paper (TPK Sponsored) Strategic Foresight: Challenges and Opportunities - Draft report (Aug 2007) Application of Technologies to Maori Agribusinesses (Aug 2006) Maori Business Future Export Earnings (FOMA) Cluster Guide: White Book Economic Benefit Appraisal Tool NZTE MoRST NZ Research Agenda Draft Oct 07 MAF Future Focus (2007) <p>Research and briefing papers:</p> <ul style="list-style-type: none"> NZTE- CEO NZTE appointed Tekau plus manager
<p>Governance Invoiced: \$22,538.00</p> <ul style="list-style-type: none"> Plan drafted and approved of 6 month implementation plan Operating charter prepared and approved Fortnightly project management meetings Additional BAG membership report prepared 	<p>Clusters Pre establishment fees: \$5,000 Representative Hours: 140 Invoiced: \$30,000</p> <ul style="list-style-type: none"> Terms of reference agreed and consultant engaged

<p>Communications</p> <p>Representative Hours: 100 Invoiced: \$25,000</p> <p>Communications plan implemented and stakeholder meetings held with:</p> <ul style="list-style-type: none"> • PGG Wrightson: 3x Including sponsorship for first workshop, PGG research findings and strategy to approach potential speakers. • NZTE: Wayne attended Beachheads Conference 28 Feb; Programme and update on Overview, panel: Liz Gibson meeting 8 Feb, BAG 27 Feb. • Victoria Uni: Meeting with Admin staff to arrange 2nd Workshop. • Ag Research: First workshop meetings. • Agmart: First Workshop meeting; Steve Mcauley. • Te Puni Kokiri: Communication Meeting. • FRST: Overview of 10+ meeting. • MRST: overview of 10+ meeting. • University of Auckland: 10+ overview. • FOMA Executive: Strategy 10+ overview report. • Capitalising on Research & Dev Action Group: 10+ strategies. • Endeavour Capital. Lewin Strategies: Export strategies meeting. • Ministry of Foreign Affairs. Minister of Trade. Minister of Building and Construction. Minister of Maori Affairs. • NZ Maori Tourism Council. Te Ohu Kaimoana and Aotearoa Fisheries Ltd. Maori Export Fund. Crop and Food Research. FoMA Network of Maori Authorities. Fomana website. Kiwibank. Hui Tumata Board. Finster Capital. Maori Party. Wairarapa Moana Incorporation. Kia Kaha Ltd. Scion. <p>FOMANA also canvassed many speakers for the symposium planned in May.</p>	
<p>Analysis & Research</p> <p>Representative Hours: 40 Invoiced: \$10,000</p> <p>Read and analysed the following documents:</p> <ul style="list-style-type: none"> • Prof Thomas Reardon "The Supermarket revolution in emerging markets: Implications for the produce industry." • Tom Reardon CV. Rod Oram "The value of Maori Assets" Sunday Star Times. • Rod Oram State of the Nation speech at Te Tii Marae "We're all in this together: The Treaty, the economy and NZ's future in the world." • Rod Oram Opinion "The Value Chain." "Reality Bites." • Sunday Start Times, 2 & 16 March. Bob Edlin Opinion "What is the Maori economy and how do we measure it?" • Corolis Research Report prepared for FAME "Tesco, A case Study in Supermarket excellence." • New Zealand Fast Forward Strategy in Dom Post 11 March "Ideas are capital, distance is nothing." • Taraa Potaka, "Time for Maori to fly in formation." • Peter Hunter Internationally competitive Science in NZ." • Obtained a list of exporters that are registered by NZ Food safety Authority Register. • Research commissioned by PGG Wrightson supports 10+ strategy. • Reviewed Case studies by Vic Uni concerning NZ Businesses that have created value added products through RST, entrepreneurship and issues faced. • Circulate email notice of events of relevance. 	<p>Governance</p> <p>Invoiced: \$25,000</p> <ul style="list-style-type: none"> • 6 documents reviewed by FOMANA for consideration and approval by BAG. Documents are consistent with the parent documents (MoU, TPK contract, Project Plan, Operating charter) and will provide a transparent and accountable system for contract administration and financial reporting and payments. • FOMANA prepared information to assist BAG discussion on appropriate level of remuneration to fairly reflect the "Governance" work of individual BAG Members for Tekau plus project and keep within the original budget levels. • Advice on skills and Minimum attributes for additional BAG members. • Discussed membership with Mark Ahn, Victoria University. • Updated register of interests of BAG Members and Management. • Prepared Proposed Forward meeting schedule for BAG • Drafted contract accountability documents and input into Quarterly report for TPK • Prepared board and meeting papers for BAG meetings 18 Feb, 27 Feb, 26 March.

<p>Clusters</p> <p>Representative Hours: 80 Invoiced: \$20,000</p> <ul style="list-style-type: none"> • Develop 8 success factors for business case criteria and due diligence process to incorporate into ToR for consultant • Refine ToR and LoE for consultant • Analyse draft report and provide feedback to Consultant • Review and analyse final report and give to BAG • Adapt criteria and selection process for inclusion into 10+ offer and request for statement of Interest document. • Seek peer review and circulate drafts to BAG. 	<p>Strategy</p> <p>Representative Hours: 160 Invoiced: \$40,000</p> <p>Developed:</p> <ul style="list-style-type: none"> • 10+ overview paper • 3 year overview milestone • Te Puna strategy • 10+ offer and request for Statement of interest • 10+ generic – Sponsorship paper
---	---

Period: April, May, June 2008 (Schedule of services, memorandum meeting # 12, 25 June 2008)

<p>Communications</p> <p>Representative Hours: 100 Invoiced: \$25,000</p> <ul style="list-style-type: none"> • Updated communications plan • Lewin Strategies • Meetings and engagement with; • EDNZ – CEO. MED Officials. Wellington Chamber of Commerce. MAF Officials. MFAT Officials. Tourism NZ CEO. Ministerial Officials. NZTE CEO. Ministerial Officials. NZTE CEO. NZTE Officials. WGC Officials. Incubator Officials. News Articles. Crop & Food. Agresearch, IRL, Auckland University, Business NZ. Hui Taumata. Fast Forward Fund. FoRST. MoRST. Maori TV. TV 1- Te Karere. • Briefing Stakeholders • Briefing CRAG Committee • Briefing Ministerial Advisory group. 	
<p>Analysis & Research</p> <p>Representative Hours: 160 Invoiced: \$40,000</p> <p>Plus expenses of \$2,000</p> <ul style="list-style-type: none"> • Te Puna Research & analysis • China FTA Roadshow, Submissions, and Bill analysis • Review study group terms India FTA • Research Korea FTA options • Policy Development: Fundraising, Sponsorship, Associate system, networks • Fast forward fund • FoRST- Analysis & Submission of Stable Funding Policy • MoRST policy R&D • Budget announcement analysis • Meeting MoRST R&D Tax credit • Analysis: R&D tax credit; Logo design; Website development; MAF policy; Hui Taumata workforce strategy. • Monthly report • MAF- Emission trading papers • MED "Backing our strengths • Pastoral Farming China Document NZTE. 	<p>Governance</p> <p>Invoiced: \$15,000</p> <ul style="list-style-type: none"> • Meeting and Papers x5

<p>Clusters</p> <p>Representative Hours: 160 Invoiced: \$40,000</p> <ul style="list-style-type: none"> • Tekau Plus document – Cluster 10+10+10 • Te Puna Document • Cluster research Report • Printing off documentation • Cluster target group report • Cluster meeting and correspondence with: Kiwi fruit group; Nutraceutical group; Fibre group; Maori creative sector; Forestry; Dairy group; Horticultural group; Educational group. • Confidentiality deed • NZTE documentation 	<p>Strategy</p> <p>Representative Hours: 140 Invoiced: \$35,000</p> <ul style="list-style-type: none"> • International Economic Policy workshop: • China FTA, MFAT international policy, FAME, NZTE • Victoria university workshop planning and targeting key attendees • Symposium plan • Symposium project management • Sponsor engagement; Speaker engagement; Venue management; Web registration
--	--

Period: July, August, September 2008 (Schedule of services, memorandum meeting #15, 22 October 2008)

<p>Communications</p> <p>Representative Hours: 68 Invoiced: \$17,000</p> <p>Meetings and engagement with:</p> <ul style="list-style-type: none"> • Export Symposium Officials, Speakers, Sponsors Government Departments, Stakeholders industry, KOHA magazine, MAF Officials, MFAT Officials, Maori Tourism CEO, Hon. Minister Goff and Officials, NZTE CEO, NZTE officials, WCC officials, EDNZ – CEO, MED Officials, Wellington Chamber of Commerce, Tourism NZ CEO, News Articles, Crop & Food, Agresearch, IRL, Auckland University, Victoria University, Business NZ, Hui Taumata, ForST, MoRST, Maori TV, TV 1- Te Karere, Radio – Watea, Meetings with clusters • Briefing CRAG Committee • Briefing Ministerial Advisory group <p>Web and Launch:</p> <ul style="list-style-type: none"> • Website fully established on 7 July at Exhibitions gallery, 40+ people attended. A successful evening and an accord was reached with Victoria University. Links have been made to Te Puna, FOMANA and FOMA sites. • Two Regional Hui have occurred in this timeframe. One was in Rotorua and the other in Auckland. Three presentations were provided: Tekau plus strategy & Cluster framework, Mary Boyd Tekau Plus Presentation; and Maori farm investment study in China. Another workshop is planned. 	
<p>Analysis & Research</p> <p>Representative Hours: 80 Invoiced: \$20,000</p> <p>Following Documents have been reviewed/ Analysed:</p> <ul style="list-style-type: none"> • Food and Beverage taskforce paper; • TPK contract review; • MFAT – Meeting: Korean FTA, Indian FTA, • MAF – Emissions trading proposal; • Awatoru Maori Design; • Pastoral farming China document NZTE; • Pastoral farming Turkey; • NZTECH documentation; • Grow Wellington documentation; • Economic Credit crunch reports; • PGG Wrightson and Silver Fern Farms; • Maori Aquaculture settlement valuation; • Mfish Maori aquaculture consultation paper; • Wool Company Launch; • Six monthly report and P4; Quarterly report, <ul style="list-style-type: none"> • TEC primary industry training paper. 	<p>Governance</p> <p>Invoiced: \$20,000</p> <ul style="list-style-type: none"> • Preparation and distribution for Meeting Papers, Minutes, Input into Six monthly report and meetings with TPK.

<p>Clusters</p> <p>Representative Hours: 140 Invoiced: \$35,000</p> <ul style="list-style-type: none"> Cluster commitment documents drafted Cluster meetings with CEO Ngai Tahu Holdings, CEO Sealords, CEO AFL, FoMA Te Arawa, PKW Chair/CE, Nicholson Fisheries, Wakatu- Horoirangi marine group, Cluster research report, Wi Pere, Mangatu, PKW. Cluster correspondence with on beef, sheep and dairy clusters: Tiroa, Te Hape, Aohanga, Wairarapa Moana, Aihau Whanganui, Marino Nutraceutical group, Beverage Waituna Breweries, CNI forestry, Ngati Awa Holdings Corp, Ngati Ruanui, FoMA Dairy group, Horticultural group, Agri Training Cluster. Arranged Hui With: Northland groups, Nelson groups, Ngati Awa Board, Tauranga Moana collective. Kiwifruit, Seafood, Sheep and Dairy Meetings being arranged. Cluster meetings taken place as well as regional Hui 	<p>Strategy</p> <p>Representative Hours: 108 Invoiced: \$27,000</p> <ul style="list-style-type: none"> Symposium (11-12 September) – Project Management, Implementation and Follow up. Incubation development programme. Centres of Excellence: Dairy, Sheep, Beef, Marketing, Aquaculture, Horticulture, Change, Fishing, Forestry. Victoria University accelerating. Maori High Value: FAME programme Maori Exporters Council Workshops.
<p>Contract Payments</p> <p>Representative Hours: 120 Invoiced: \$30,000</p> <p>The Tekau Pus Board approved payment of \$30,000 of the approved \$70,000 budget for Symposium expenses at Board Meeting #15. The Maori Business Symposium was held in Wellington in September 2008 with 132 attendees. The Tekau Plus \$30,000 was used to promote workshops and communicate Tekau Plus through media and the KOHA magazine.</p>	

Period: October, November, December 2008 (Schedule of services, memorandum meeting # 17, 29 January 2009)

<p>Communications</p> <p>Representative Hours: 60 Invoiced: \$15,000</p> <ul style="list-style-type: none"> Stakeholder Meetings with: Mark Ahn, Tiaki Huria (Ngati awa), Matt Crawford, Alana Hudson (MFAT), Alan Haronga (Mangatu/ Wi Pere), Tem Hall (Taupo Moana Group/ Putake), Manuka Henare (UoA), Te Horipo Karaitiana (Wairarapa Moana & TWOA), Peter Charetton, Jamie & Dion Tuuta (PKW Farms), Greg Harwood (Paihamu), Ali & Kingi Hui (Babu), Jane Kennedy (Horoirangi), FoMa executive Tom Rogers and Steven Tuawhare (IRL), Alan Groves, Hugh King (FAME), Greg Sitters (Venture Capital), NZTE, Adrian Orr – Matt Whineray NZ Super Fund, Tumanako Wereta (Tuaropaki), Tu Wylie (AFL), Adrian Lockhart (Tohu), Simon Burney (Waituna Brewing Co.), Phil O'Reilly (BusNZ), Will Wilson (Nga Puh), Reece Moores (FRST), Karl Wilcox (Awatoru), Ngatata Love (Wellington Tenth), CRAG, Taari Nicholas, Waka Vercoe, Brian Ward (Smesynthes) Draft article for Tu Mai KOHA Magazine Communication promoting tekau plus and video interviews prepared for: Tohu Wines, Waituna Brewing, Tuaropaki Trust, Tekau Plus chair, Richard Jones, AFL Maori Fisheries, Awatoru, ASL Maori aquaculture.
--

<p>Analysis & Research</p> <p>Representative Hours: 240 Invoiced: \$60,000</p> <p>Reports/ documents reviewed/ analysed</p> <ul style="list-style-type: none"> • BERL economic update – December 2008, • Awatoru Programme, Goldman Sachs – Bric and Beyond, NZ institute "NZ on the edge: Swan dive or Belly Flop? A draft strategy for coming out of the crisis stronger." • BERL Quarterly report, KPMG Australia, MFAT business link update, • The National Business review "Maori/ Iwi Sector – The search for exciting companies." • NZ Listener best brightest and boldest power lists of the year's most influential people. • Joint venture quota investment company: 3 year plan summary presentation, "Quota Valuation – The driving factors." • NZ Herald, "Farming systems Uruguay capital raising put on hold." Science and innovation policy statement. "New Zealand winegrowers is celebrating a double-record breaking month for worldwide exports." New CRI- plant and food research institute. MAF briefing for incoming ministers. Tim Groser, Minister of Trade elect addresses NZ China Trade Association. • NZ Insititute Essay, "The end of the golden weather, December 2008- Decade of subdued global growth," 2008 Deloitte/ Unlimited Fast 50 awards list. NZTE monthly market report. Development High growth companies and NZ high case studies 	<p>Governance</p> <p>Invoiced: \$10,000</p> <ul style="list-style-type: none"> • Preparation and distribution of 2 x Board Meeting papers and minutes. • Update project operating charter and Register of Interests • Draft 2009 Work programme and variation to contract schedules • Contract management and meetings and email communications with JPK on contract variations and payments.
<p>Clusters</p> <p>Representative Hours: 320 Invoiced: \$80,000</p> <p>Documents developed or updated.</p> <ul style="list-style-type: none"> • Due diligence question form & assessment form, • Indigenous Leverage Beverage Cluster overview document, • International study programme ToR, • Draft letter of Authorisation, • Confidentiality agreement. <p>Cluster development across following sectors:</p> <ul style="list-style-type: none"> • Nutraceuticals, Honey & Wellness; Wool & Fibre products; Wine and ale products; Beef, Sheep, Kiwifruit, Dairy and offshore investment; Aquaculture and Seafood; Agribusiness training Systems <p>Cluster meetings with:</p> <ul style="list-style-type: none"> • Ngati Awa, Fibre Businesses, Tauranga Moana collective, Waituna Brewing co., Horticulture business, CEO Tohu Wines, Marino Nutraceutical group, Omega 3, Cosmeceuticals, Primary industry training group. 	<p>Strategy</p> <p>Representative Hours: 10 Invoiced: \$2,500</p> <p>Research and preparation of environmental scan paper to:</p> <ul style="list-style-type: none"> • Provide an overview of the current economic setting • Leverage from the current situation and reports such as NZX & NZ institute. • Draft terms of engagement for consultant to undertake due diligence, develop commercial plans and advice on RS&T. • Meeting with NZ investment fund • Meeting with creative HQ, Grow Wellington Business incubator • Methodology developed for cluster participants.

<p>Communications Representative Hours: 120 Invoiced: \$30,000</p> <p>Meetings and engagement with:</p> <ul style="list-style-type: none"> MFAT, NZTE, Mark Ahn, Tiaki Hunia (Ngati awa), Matt Crawford, Alana Hudson (MFAT), Alan Haronga (Mangatu/ Wi Pere), Tem Hall (Taupo Moana Group/ Putake), Manuka Henare (UoA), Te Horipo Karaitiana (Wairarapa Moana & TMOA), Peter Charleton, Jamie & Dion Tuuta (PKW Farms), Greg Harwood (Paihamu), Ali & Kingi Hui (Baloo), Jane Kennedy (Horoirangi), FoMa executive, Tom Roger and Steven Tuawhare (IRL), Alan groves, Hugh King (FAME), Greg Sitters (Venture Capital), NZTE, Adrian Orr – Matt Whineray NZ Super Fund, Tumanako Wereta (Tuaropaki), Tu Wyllie (AFI), Adrian Lockhart (Tohu), Simon Burney (Waituna Brewing Co.), Phil O'Reilly (BusNZ), Will Wilson (Nga Puhi), Reece Moores (FRST), Karl Wilcox (Awatoru), Ngatata Love (Wellington Tenth), CRAG, Taari Nicholas, Waka Vercoe, Brian Ward (Smesynthes) Wayne Mulligan has been attending several meetings and conferences. KOHA magazine released. 	
<p>Analysis & Research Representative Hours: 122 Invoiced: \$30,500</p> <ul style="list-style-type: none"> Reports/ documents reviewed/ analysed & circulated BERL economic update; Awatoru programme, Goldman Sachs Bric and Beyond; "Angling for Fortune with Omega-3 fish waste venture." NZTE Market intelligence survey. NZ Institute "The emperor has no clothes: NZ's vulnerability in the face of the global economic crisis." "Heavy Mountain Weather: Funding risks for NZ and proposed solutions." NZTE Market intelligence briefing. Programme and Tekau plus presentation for Waiariki Maori economic Seminar; On the boil, Food trends document. Analysis of ASEAN FTA Documentation. Reports on Emerging Markets in China. Due Diligence conducted by independent reviewer for Tohu, NONO, Waituna and Taa Kawa international. 	<p>Governance Invoiced: \$15,000</p> <ul style="list-style-type: none"> Preparation and distribution of Board meeting and minutes Update project operating charter and Register of Interests Draft 18 month Forward work Programme with focus on cluster development an funding allocations Contract management Review and preparation for six monthly report
<p>Clusters Representative Hours: 220 Invoiced: \$55,000</p> <p>Cluster Development:</p> <ul style="list-style-type: none"> Agricultural Cluster, Beverage cluster, Seafood Cluster, Sheep and Beef cluster, Horticulture cluster, Value add R&D Cluster, Fibre cluster, Market Cluster. Negotiations and research into these clusters Cluster design and development meetings. 	<p>Strategy Representative Hours: 24 Invoiced: \$6,000</p> <ul style="list-style-type: none"> Cluster focus: Continue to build networks, work on developing clusters and strengthening communications to promote cluster propositions. NZ business delegations Wayne Mulligan attended ASEAN FTA in Thailand to promote Tekau plus Wayne to accompany PM to China

Period: April, May, June 2009 (Schedule of services, memorandum meeting # 22, 28 July 2009)

<p>Communications Representative Hours: 97.5 Invoiced: \$24,375</p> <ul style="list-style-type: none"> Wayne Mulligan part of business delegation with PM Business trip to China Preparation of background information and drafting programme for Mr Gianluigi Zenti and Academia Barilla, to be hosted by Tekau Plus. Wayne Mulligan speaks at an economic development conference in Alberta, Canada Stakeholder meetings with: Primary industry taskforce, Awhina group, Tiroa Te Hape Trust, Toky Foods NZ Ltd, Mareroa C inc, NZTE, Earth 174, Aotearoa and Waituna Breweries, AgResearch, Scion and Biopolymer Network Ltd, NZ China trade association, Uniservices, Aotearoa Fisheries Ltd & Awatoru, Auckland Business School, IBL. 	
<p>Analysis & Research Representative Hours: 134 Invoiced: \$33,500</p> <p>Cluster development research:</p> <ul style="list-style-type: none"> Establishing soft network clusters; Working through issues with potential cluster participants; Developing a strategy for a clear strategy forward; Working through a detailed research and study programme; Developing the programme to meet the needs of stakeholders; Working on a business network approach to manage communication between cluster participants; Bigger picture value proposition; Ensuring offshore studies add value. <p>Documents reviewed/ analysed:</p> <ul style="list-style-type: none"> BERL forecasts, BERL "Gently does it" NZTE documents, NZ institute documents, Economist intelligence unit, Media articles distributed to Tekau plus board. 	<p>Governance Invoiced: \$28,250</p> <ul style="list-style-type: none"> Preparation and distribution of Board meeting and minutes Preparation and distribution of confidential cluster documentation to Board to support approval process. Prepare briefing paper for board meeting with Leith Comer. Prepare paper on role of overview panel Prepare documents to support Maori Trustee response to investment manager re: conflict of interest Contract management with TPK Meeting with TPK investment manager Update project operating charter and Register of Interests Provide Background papers to Rino Tirikatene
<p>Clusters Representative Hours: 213 Invoiced: \$53,130</p> <p>6 clusters:</p> <ul style="list-style-type: none"> Beverages Gourmet food and ingredients Horticulture and Fibre Apiary Dairy organic cluster Bio-activities cluster 	<p>Strategy Representative Hours: 19 Invoiced: \$4,750</p> <p>Tekau Plus Business plan strategy document developed and presented in draft to board</p> <ul style="list-style-type: none"> Goal and value proposition Clusters and cluster proposition Timelines and resource allocations Summary and contact details <p>Review added value benefits and prepare Report to board outlining 'Added Value' provided to date to Tekau Plus project and to Cluster participants</p>

Period: July, August, September 2009 (Schedule of services, memorandum meeting # 25, 27 October 2009)

<p>Communications</p> <p>Representative Hours: 189.5 Invoiced: \$47,375</p> <ul style="list-style-type: none"> Wayne Mulligan speaking at an Economic Development Conference in Alberta. Mr Gianluigi Zenti visit to Wellington; Co-ordinated Tekau Plus meeting and lunch hosted by Leith Comer and Te Puni Kokiri Senior Management., Organise dinner with invited Ministers and other Maori Business leaders. Co-ordinate workshop and lunch with E Tipu committee and members of staff and board of Te Ohu Kaiwana. Go global conference- co-ordinated board meeting. Continuing stakeholder relationship meetings and position Tekau Plus cluster participants to FHC Pathway to China: eight companies going to China for the pathway package and food- Hotel China program. <p>Stakeholder meetings:</p> <ul style="list-style-type: none"> Industrial research Ltd, AgResearch, Uniservices & Auckland business school, Seafood/Aquaculture cluster, Intergrated foods, Wi Pere Trust, Mangatu Inc, Tuaropaki, Tamarapa Lloyd, Project Manager of Primary Sector Committee, Awhina group, PKW, Te Wai Maori trust, E Tipu Task Force, Waituhi Kuratau, IRL-CEO, Tohu Wines, Big Picture Wine, FoRST, Minister of Trade, Aotearoa Breweries, NZ China trade association, TPK, Therapeutic foods, Israel ambassador, NZVE, Niwa, Te Awe Wellington Maori Business Network, Grow Wellington, CEO Icehouse. 	
<p>Analysis & Research</p> <p>Representative Hours: 140 Invoiced: \$35,000</p> <p>Cluster Development Documentation:</p> <ul style="list-style-type: none"> Working through issues with potential cluster participants to develop clearer picture of Tekau Plus fit. Detailed research and study programme. Business network approach to multiple cluster communication "Cycle of Innovation" to be presented to the Board. <p>Following Documents reviewed / analysed:</p> <ul style="list-style-type: none"> NZTE: New Zealand Organics Sector Profile, Organics Sector overview, Indigenous Branding. BERL Monthly monitor. Dr Malcolm Cone: Presentation to Tekau Plus Board. Watson & Son Buzz word newspaper. Economist Intelligence Unit: China Forecasting & China stimulus package 6 month report card. Documents relating to food and Hotel China Pathway package. NZ Middle East Business Council Newsletter. Various media articles and press releases 	<p>Governance</p> <p>Invoiced: \$23,250</p> <ul style="list-style-type: none"> Preparation and distribution of 3x Board meeting and papers and minutes Preparation and distribution of Confidential Cluster documentation to Board to support approval process Contract management with TPK Email communications with Overview Panel Work with Maori Trustee to prepare 6 monthly report, including a section on Added Value as requested by the Board.
<p>Clusters</p> <p>Representative Hours: 318 Invoiced: \$83,500</p> <ul style="list-style-type: none"> Communicated Board decisions to all approved cluster participants and completed confidentiality agreements. Engaged independent reviewers to conduct due diligence reports for: Natures country gold Ltd., Maraeroa C Inc, Toku foods NZ Ltd, Aotearoa Seafoods Ltd, Navigator Tours Ltd, Earth 174 degrees, Taramea Ltd, Biopolymer Network Ltd. Biofarm Products Ltd, Watson and Murray Ltd, Watson & Son Ltd. Due Diligence commissioned: Waituhi Kuratu Trust, Waituhi Kuratu Ltd, Matatoki Farm Cheese Ltd. 	<p>Strategy</p> <p>Representative Hours: 40 Invoiced: \$10,000</p> <ul style="list-style-type: none"> Tekau Plus Business plan strategy document updated to reflect additional cluster participants approved for programme. A final and professionally designed public document will be available in the next quarter. Following comments by TPK investment manager on budget bids, reviewed Tekau plus programme to date and is preparing a programme continuation paper for consideration by the board for discussion with TPK.

Appendix Seven

Schedule of Commitments

This schedule has been obtained from Andrea Williams and details the allocation by cluster of the forecasted expenses in this category for the project. Andrea has confirmed these are not irrevocable commitments but rather a forecast/budget of expenses to be incurred by Tekau Plus. These amounts have however been agreed in principle by the Tekau Plus Board and minuted accordingly.

Apiary Cluster	\$140,000
Manuka Med	
Northland Manuka Honey	
Beverage and Ales	\$70,000
Mata (Aotearoa Breweries)	
Waituna Brewing Company	
Tohu / Kono	
Indigenous Ale and Ingredient Cluster	
Kiwi Fruit Indigenous Branding Cluster Promotion	\$75,000
Awanui Huka Pak	
Indigenous Ingredient Cluster	\$100,000
Nature Gold	
Toku Foods NZ Ltd	
Aotearoa Seafoods Ltd	
Gourmet Food & Luxury Indigenous Visitor Experiences	\$30,000
Navigator Tours Ltd	
Aotearoa Seafoods Ltd	
Horticulture & Fibre Cluster	\$70,000
Maraeroa C	
Biopolymer Network Ltd	
Dairy Organic Cluster	\$75,000
Biofarm Products	
Bio Actives Cluster	\$100,000
Earth 174 Degrees	
Maraeroa C Inc	
Taramea Ltd	
Te Awanui Huka Pak	
Total	\$660,000.00

Appendix Eight

Restrictions

- The statements and opinions expressed in this letter are based on information available as at the date of this letter. The statements and opinions expressed herein have been made in good faith, and on the basis that all Tekau Plus supplied information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.
- We have not conducted any form of audit in respect of Tekau Plus. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied.
- We reserve the right, but will be under no obligation, to review or amend this letter, if any additional information, which was in existence on the date of this letter, was not brought to our attention, or subsequently comes to light.
- This letter has been prepared for Te Puni Kokiri for the purpose of assisting its assessment of the outputs and expenditure resulting from the funding that has been provided to Tekau Plus. This letter is not to be used for any other purpose. We specifically disclaim any responsibility to any party other than the addressee and we accept no liability to Te Puni Kokiri should it be used for any purpose other than that stated above. This letter is not to be copied or released to any other party without our prior written consent for each party requesting its release.

RELEASED UNDER THE OFFICIAL INFORMATION ACT