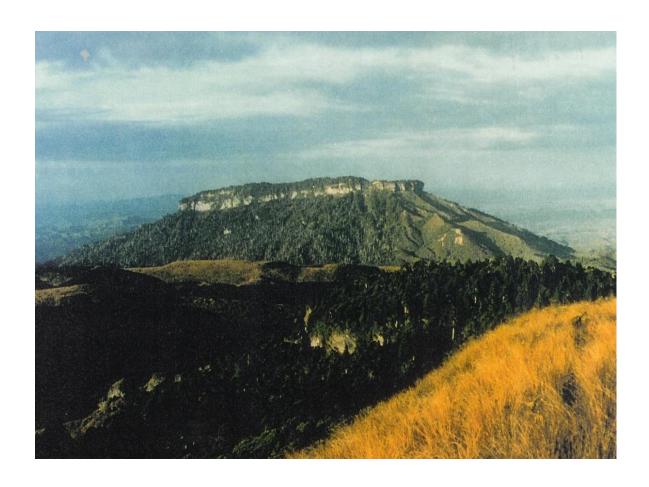
AORANGI AWARUA TRUST

Meeting of Owners



October 2006

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TRUST STRUCTURE & YOUR TRUSTEES

LAND OWNER'S & BENEFICIARIES

CHAIRMAN Isaac Hunter

TRUSTEE Richard Steedman

Rangipo Metekingi

TRUSTEE **Mary Mako**

TRUSTEE

TRUSTEE Winipere Mauger

TRUST ADMINISTRATOR **Soraya Peke**

TRUSTEE

Peter Steedman

TRUSTEE **Tama Wipaki**

TRUSTEE Kingi Carroll



Back row: Tama Wipaki, Rangipo Metekingi, Ike Hunter, Winipere Mauger Front row: Richard Steedman, Mary Mako, Peter Steedman & Kingi Carroll.

VISION STATEMENTS

Purpose Statement

"To administer the land on behalf of it's Owners as responsible Trustees."

Mission Statement

"To protect & conserve on behalf of the Owners, the taonga tuku iho."

Value Statement

"Uphold Tikanga & Whanaungatanga with trust and integrity, demonstrated by the conservation of the environmental values."

CHAIRMAN'S REPORT

"E kore te kaitiaki e moe" (The guardian never rests)

"Kia whaikororia ki te atua i runga rawa Kia maungarongo ki runga i te mata o te whenua Kia whakaaro pai ki nga tangata katoa".

E nga mana ki nga reo ki nga karanga hapu ki waenganui ia koutou tena koutou kia tatu mai nei ki tenei o tatou Hui. Kua tangihia kua mihihia kia ratou ma ki te pae o maumahara no reira haere e nga mate. Me huri ake ki te hunga tangata ki tena ki tena a tatou. Haere mai ra, tena tatou katoa.

Over the past few years the Trust has worked toward developing its management systems and policies in order to improve its overall performance. Those Trustees who were appointed at the last meeting completed a 2 day Trustee Training at Palmerston North in 2004. In 2005 the Trustees attended a 2-day training at Whanganui to develop the Trust's strategic plan. This training has enabled the trustees to be better informed and to make sound decisions when dealing with Trust matters.

In summary I want to highlight some achievements your Trustees have made over the past three years.

Our possum programme will have to be one of the major success stories. At the last meeting I mentioned the possum population on the block was reaching epidemic proportions and systems were being introduced to control this. Today I can report the possum numbers on Aorangi Awarua has been considerably reduced in numbers to 0.2%. In my opinion this is a major milestone and is evidence that with the right resourcing and the work of well-trained ground crews this can be achieved. The ground crews need to be commended particularly having to operate under conditions where access has been difficult.

You might remember the Trust purchased two huts. These have now been fully assembled and operational. They have provided more than adequate accommodation for the possum gangs. It has been suggested to me the huts be named. We look forward to your ideas on this matter at this meeting.

Last year the Memorandum of Understanding was signed off between the Trust and Rangitikei District Council regarding the Erewhon Rural Water Scheme. The Trust now receives an annual payment of \$4,000. One of the Trustees is your representative on the Local Water Board Committee.

As you know Aorangi Experience Ltd was launched in 2004 this being a major step toward developing the asset base on the block. While this will be covered in more detail later in the report, I am convinced that with further development and public relations the company is on the right track to being a popular tourist operation.

The Trust has been working steadily towards improving its lines of communication to its owners. A newsletter has been introduced and we are looking to sending these every 6 months so you are kept informed.

Based on feedback we received from you we have decided to review the Kaumatua Grant Policy. What this means is that in future cheques will be posted by mail to those who are eligible rather than having to be paid out at an owners meeting.

On the conservation front the Trust will be looking at a project to develop its own conservation plan. Part of the project will be to establish a native tree-replanting programme by setting up a nursery.

I am pleased to report that Trust Funds are in a very healthy state. This year we decided to review our investment policy. As a result we will be seeking a higher return on our investments. This will be covered later in this report.

Once again I want to express my profound thanks to my fellow Trustees for their commitment, loyalty and support. I also want to thank the owners for your support and confidence in the direction the Trustees are heading.

Noho ora mai ra

Isaac Hunter Chairman

LAND MANAGEMENT REPORTS

Land Activity Report - Tama Wipaki

In spite of our lands being land-locked there has been a lot of activity over the last three years. I spend a lot of time on the block and as your Trustee I am reporting on the; huts installation; tracking; deer control, trespassing; and discovery of moa bones.

Huts

In March 2004 the Trust with the help of funding from Nga Whenua Rahui purchased and undertook the installation of two new Portacom huts at a cost of approximately \$42,000.

The huts were airlifted into their locations in kit form and built on site. They are fitted out with bunks and mattresses and sleep upto four people at a time. They are placed strategically around the block and we have named them Bivvy and Stone Hut (see the map on display) these are working huts and are utilized by Contractors, DoC staff and Trustees.

Tracking

There are two types of tracking we manage on the blocks. One is tracking for the Possum Contractors and the other for Aorangi Experience Ltd. Most of the Possum tracking has been cut and follow up maintenance work is undertaken as necessary. Tracking for the hikoi are still being worked on.

Deer Control

My family is grateful to the Trust for a license to enjoy recreational deer hunting on your land. I estimate we would shoot 25-30% of the deer each year of which none are wasted. It is so important that the Trust maintain a deer control program that is compatible with our conservation plan.

Trespassing

The Trust has reviewed there trespass policy and for the first time executed a Trespass Notice to a person known to be on trust lands without authorization. Activity on the lands pick up in the summer months and it is our policy to publicly advertise twice a year 'no trespassing.'

Moa Bones

In early 2006 my son Jason accompanied me on a Department of Conservation exploration for Blue Duck. We camped for four days at the Ohutu Stream Hut sometimes walking upto 4 kilometers trying to find the ducks. During our stay Jason was collecting rocks and bones from the stream. It was during this time that he discovered the moa bones.

DoC Ranger Matt Page received confirmation from Te Papa that the bones in fact were moa. The femur and tarsometatarsis are from a small moa. They have been preserved in an observation frame and are on display at this hui. Until a permanent home is decided on they will remain with the Trustees.

Future Plans

We have been working closely to maintain and strengthen our relationships with our Possum Contractors, DoC, Horizon's Regional Council and Nga Whenua Rahui. At a recent meeting of all four organisations we made a commitment to work collectively to develop a Conservation Plan for the Trust lands. This document will ultimately be the complete blueprint for at least the next fives years to the environmental conservation of your lands.

The Trust is working towards developing employment opportunities for Owner's on the lands. They encourage and welcome any Owner/s who would like to participate in any land activities to come forward and speak to one of your Trustees.

Conservation work 2005

Acaena rorida, piripiri

This is a rare plant considered to be endemic to the Makirikiri Tarn basin. It is listed as Nationally Critical, the highest ranking in the national threatened status. It is a small leaved, creeping perennial with dusky pink-purple/grey-green foliage. It is scattered about the basin occurring in the inter–tussock areas, tussock bases and edges of hollows. It also occurs in the limestone ravine at the northern edge of the basin.



Makirikiri Tarns looking northwest.

Past monitoring include plots established in 1991 by Geoff Rogers (Department of Conservation, Dunedin) to determine population trends. They have been monitored intermittently over the years. In 2002 other plots were

put in by the Palmerston North Area Office to determine whether hawkweed was having a detrimental effect on them. The plots were in different habitats: hawkweed, native/exotic grass mix, old tomo depression (mostly native species) and ravine (mostly native species). These 4 plots are monitored every year by Department of Conservation staff with a trustee member – namely Richard Steedman. It is recommended in the Acaena Recovery Plan (Nicholls and Ravine, 2003) to monitor them for 6 years.



Richard Steedman and Graeme La Cock at the hawkweed and grasses site.

Results to date

From data analysis by Graeme La Cock the frequency of occurrence of *Acaena rorida* has remained relatively stable between years at each of the sites: grass, hawkweed and ravine site.

Therefore, with the current data we are unable to conclude that hawkweed is having a negative impact on *Acaena rorida*. Number of plants are variable from year to year, and variable along the one metre sampling lines and this variability may be obscuring trends.

These results do not show that it is necessary to start treating *Hieracium* pilosella to save *Acaena rorida*. This may be because the limited sample sizes and short time frame for monitoring do not supply enough evidence to base a decision on.

Work will continue for one more year when monitoring frequency will be reviewed.

We also searched at the base of the zigzag saddle for a previously recorded site (G. Rogers) but could not find any plants.

| Project Resourcing: 2 staff for 2 days @\$20/hr | = \$640 |
|---|----------------|
| Flying | =\$1200 |
| Air transport for advisor (occasional) | = \$500 |
| Food | <u>= \$200</u> |
| | \$2540 |

Pittosporum turneri

Pittosporum turneri is a small tree, of a twiggy nature (divaricating) when young and is classed as Nationally Endangered in the national ranking. It is a favourite food of possums. Over 80 plants have been located around the forest edge and in the Waikotore valley. Most have been tagged and these are monitored every year for plant health and condition *ie* amount of browsing by possums, density of foliage, amount of adult foliage, whether flowering/seeding. Where possible, banding has also been done to protect the foliage and encourage fruiting.



A banded Pittosporum turneri.

Work this year continued with the monitoring but also included a new project of fencing a block of plants in the Waikotore. This project was proposed last year as it was considered the easiest way to protect a large number of plants (37).



The cluster of P. turneri in the Waikotore headwaters.

The design was to exclude deer but specifically possums, and therefore had aluminium banding around the top of the wire. This March a team went in and

built it. It is proposed that it will be painted a camouflage colour to blend in with the surroundings. It will also need to be checked from time to time – ie in conjunction with other work in the area.



Constructing the fence...

Project Resourcing: 20 staff days (@\$20/hr)

Flying Fencing Gear Total = \$3200

= \$1856

<u>= \$4455</u>

= \$9511



Possum banding in place.

Other species

Whio

While searching for the pittosporum a family of whio were spotted in the headwaters of the Waikotore. This is a good follow-up to a survey conducted in the lower reaches of the Waikotore in December. Some birds were seen, but no juveniles at that stage. This find was certainly rewarding.

Strange capsules

While building the fence some strange capsules were found. These were later found to be eggs of the giant native earthworm which aren't considered to be very common.



Egg capsule of giant New Zealand earthworm.

Reporoa Bog

No work was carried out on the Trust land this year, contrary to initial arrangements with the Trust. Access was obtained through the Mangahaone Station and surveying was carried out on the northern side. The party was Richard Steedman, Colin Ogle (previously from DoC, Wanganui), Graeme La Cock, Geoff Rogers, and Vivienne Nicholls. It was a very informative trip with exchange of botanical information to the trust, and Maori history, and geography to the botanists.

Plants were sampled and sent away for analysis but results have not come back yet. We will provide this information when it comes to hand as the special plants are likely to occur throughout the bog.

Ruahine Corner possum Control

In June 2004 the department in conjunction with the Aorangi Awarua trust 6013ha of land around the ruahine corner area was treated with Aerial 1080. This operation went very smoothly despite some snow. The bait was laid mostly one day with an additional two loads being sown on the second day. The aerial part of the operation was contracted to Lakeland helicopters. Below is a picture of the signs warning people of the dangers of the 1080 before the operation had taken place.

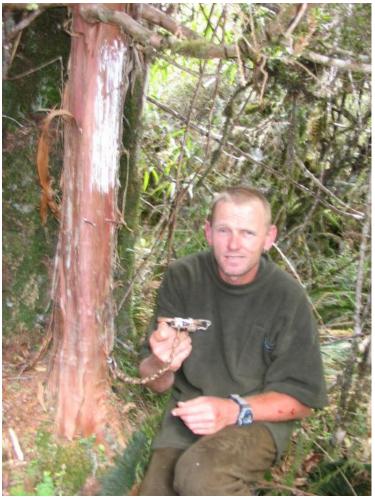


Warning signs.

Part of the reason for control the possums in the Ruahine Corner area was to protect the endangered Giant land Snails similar to the one pictured below and Raukawa Simplex. To try and measure snail population density DoC staff set up seven 10 metre by 10 metre plots in both the forest and the tussock areas. These were measured shortly after the 1080 operation and will be re measured in three years time. One hundred Raukawa simplex trees where measured using a Foliar Browse index improvements will not be evendent until 2006.



Giant land Snail.



Grant Nutbeam showing a raised possum trap set.

Part of possum control was to measure the possum population before and after the operation. We did this using Residual Trap Catch monitoring. Before the operation we were catching 18 possums per 100 trap nights. After the operation an independent contractor surveyed the possum population. He caught 1.2 possums per 100 trap nights. Above is a picture of Grant Nutbeam the contractor used. In the picture you can see two nails in the tree. These were used to hold the trap off the ground and out the reach of ground dwelling birds such as Kiwi.

Pinus contorta control

During March 2005 an aerial survey of the Tussock lands over Aorangi – Awarua was completed. This involved using a helicopter to fly 50m transects across the Plateau and when a tree was spotted a Doc staff member would jump out and cut it down. This operation does not need repeting now for 2-3 years

Project Resourcing: 3 staff for day = \$480

> Flying \$2130

> Total: = \$2610.

Possum Control Programme

Central Districts Pest Control Ltd Martin Brenstrum 76 Ballantyne Rd RD 2 Napier 14 March 2006

Aorangi-Awarua Trust

Report: Aorangi Possum Control Contract

1. Operation: Commenced 21 October 2005

Completed 3 February 2006

2. Monitor result: 0.2% (only 2 possums caught from 30 monitor lines/900 trap nights)

3. Methods of control

- A. Feratox & Pestoff: Feratox balls & Pestoff in Philproof bait stations
- B. Feratox in bait bags between the tracks

4. June bait station fill

It is still our plan to carry out another bait station fill in June. Probably we'll do the areas lower down where we've continued to catch possums and leave the higher country until October. I'd envisage that this trip would probably take 4 men about 3 fine days operating from River Valley and the Wipaki Hut.

5. The possum population

Possum numbers are very low. The bait stations above the Rangitikei River on the sunny faces and spurs and tops of rimrocks continued to kill possums between the year 2 and year 3 operations, as did the bush-tussock margins. We killed about 130 new, dead possums during the 2006-06 phase of work.

At high altitude and on the sloping land east of Aorangi running up to Ohutu Ridge numbers are virtually zero.

The track network and bait station system are working very well.

5. The result

We have reduced the possum population to 0.2%. Thus possums are almost non-existent on the Aorangi Awarua Block.

6. On-going control

The present contract we have with Horizons is for 2005-06 and 2006-07 – so we still have a years control to do.

7. Control of other animals

By using Pestoff or Pindone in the bait stations with Feratox in the maintenance phase I hope that we can maintain a measure of rodent control. Rats and mice have smaller territories than possums so our bait stations system will not impact upon populations well away form tracks.

Mustelids, in particular stoats will have returned to previous population levels. We are not able to impact upon mustelids via secondary poisoning. Tama has mentioned the idea of calling a meeting of interested parties to discuss carrying out targeted rat and stoat control in a small, manageable part of the block – possibly the flatish section across from Pukerimu Station.

I think that's a good idea. It would be great to have Nga Whenua Rahui support. There would need to be funding for more intense tracking in the designated area, for purchasing and putting out rat bait stations and mustelid traps, for rat poison bait and for labour to maintain the project.

Our thanks to the Trust

Many thanks for your support and to Tama for his help. The new huts are a big help. In partnership, we continue to achieve great results on the block.

Yours sincerely Martin Brenstrum

Aorangi Experiences Ltd

Date: 5 March 2006

Report to the Aorangi Awarua Trust

General Market Conditions - New Zealand

New Zealand as a destination on the international market appears to have gone off the boil. We are



AORANGI EXPERIENCES

encountering increasing competition from other destinations - particularly Australia, Vietnam, Namibia/South Africa, and also Chile. Not only are these destinations becoming somewhat trendy, but they are also upping their marketing spend. In the case of Australia, this amounts to \$300 million vs. the \$70 million spent by Tourism New Zealand.

Overall arrivals into New Zealand have been down over the last few months for the first time since the late 1990s. On the up side there are still more people coming than what there were two years ago.

Within New Zealand there has been a steady growth of tourist product, (things to do), as well as accommodation options. This means that there is a great deal more internal competition for operators. The high New Zealand dollar has impacted on the number of activities that overseas visitors undertake while they are here, but has made it more affordable for New Zealanders to travel overseas. Hence domestic tourism has been very weak especially in some traditional destinations such as Taupo.

Aorangi Experiences Overview

This year we had customers!

A total of 28 clients were taken for walks. This is definitely progress, but still a small start.

Marketing

The approach outlined in the report to the Trust last year (2005), will be continued. That is

- 1. Tie product in closer with River Valley -ie
- Packaging walks with accommodation options
- 2. Concentrate on web presence
- Search Engine Optimisation
- Linking
- 3. Continue developing relationships with Wholesalers and Inbound Tour **Operators**
- 4. Concentration on a cheaper walk in/ walk out product

Search Engine optimisation has been carried out on the web site with the daily average of numbers of visits, (people visiting the web site) being in the region of 30. – see attachment. A linking strategy is also underway, this being an ongoing process. There is one problem with the site, and that is that there is not enough written material on it. This was identified last year as a problem and has still not been rectified.

River Valley now carries the walks as key product on its website, in its information packs, on promotional videos and at TRENZ, the main Trade show held annually for the Tourism Industry. This is part of developing long term relationships with Wholesalers and Inbound Tour Operators.

Financial

Due to a modest income, and most marketing work been done in house, with the exception of Search Engine Optimisation, there will not be a need for funds from the Trust for the coming year.

Tracking

There is an issue with tracking. While we readily accept that significant funds should not be spent on track maintenance while the numbers of customers is small, there are a couple of areas that do need a tidy up. The most critical is across the river from River Valley Lodge. This area where a slip went through the existing track is dangerous. When we took a party of Singaporean teenagers across it, it was quite an epic.

Future Initiatives

The MRI (Major Regional Initiative), now appears to be getting some headway. This \$2 million government and local body funded project has as its aim the task of putting the Ruapehu, Rangitikei and Whanganui Districts on the tourism map. We would hope that Aorangi Experiences will be in a position to make the most of this opportunity.

Tied with this will be an emphasis on an operation being Qualmarked. This is something that Aorangi Experiences will have to address within the next 18 months to 2 years.

Summary

The past year has given some grounds for optimism. If we can continue to build on the modest advances made, then there are grounds for an expectation that the partnership that is Aorangi Experiences Ltd. will become a success.

EREWHON WATER SCHEME REPORT

As the elected representative of Aorangi Awarua Trust to the Erewhon Water Scheme Committee of the Rangitikei District Council I wish to inform the Owner's that after many years of negotiation an agreement has been reached ie. taking water from the weir to supply farm stock in the Pukeokahu area.

Resource consent was obtained from Department of Conservation, Iwi and other affiliated persons. Application for an easement was signed on the 14th March 2006 at the Maori Land Court in Palmerston North.

This scheme was implemented in 1981 to supply a continuous flow of water for stock use only. A rental is paid by farmers to cover the maintenance of the main pipe line and maric valves ensure all farms get their allocation of water to their holding tanks. Farmers are responsible for their own farm maintenance.

Water samples are taken to test the water quality which on 10th May 2006 read -2 at the weir.

Mary Mako Trustee.

ANNUAL FINANCIAL REPORTS

Reports available to Owner's upon request.

Please contact:

Trust Administrator PO Box 5 RATANA 4548

Ph: 027 2707763 info@aorangiawarua.maori.nz