

INTERIM DISTRIBUTION OF GRANT REPORT

Resolved at a special meeting of the Oromahoe 18R2B2B2 Trust Block on Saturday 11 March 2017 that a working group be set up to examine grant distribution for shareholders and beneficiaries that addressed frequently raised issues;

1. Should the payment of dividends (usually a cash payment) to shareholders replace the current system of grants and does the Trust set aside sufficient cash reserves (as provided for under section 20 of the Trust order) to support general community needs,
2. Should the tiered system for general grants continue or should there be parity amongst all shareholders,
3. Are shareholders disadvantaged were shares are held in whanau trusts? Ability to access only one general grant per year,
4. Should a special grant be considered for marae capital buildings?
5. Should special grants for marae enterprises continue?
6. Should the trust consider a category of grant for hardship and medical grants?
7. Grant applications and administrative processes.

1. Dividends and cash reserves

The proposal of dividends arose when some shareholders voiced a concern that they were disadvantaged from receiving a benefit from the trust under the current grant criteria, ie. no descendents in education or have not attained 60 years of age. Oromahoe has 104,652 shares with 46,510 of those shares vested in the crown.

The Trust is committed to setting aside 10% of net profit for grants. In real terms the Trust has exceeded this figure annually to ensure all successful recipients receive a grant.

At present any formula that allows for equitable payment out on dividends is a long way off. On the premise of current cash reserves set aside, benefit to individual shareholders would be financially minimal and administratively costly.

Resolved that grant system continue for review in 5 years.

Trust currently exceeds 10% of cash reserves set aside for grants.

2. Tiered grant system

Shareholders raised issues that tiered grant system based on amount of shares held was unfair, promotes inequity and was contrary to tikanga. This criteria has been in effect since the inception of grants and the working group were unwilling to recommend changes without recognising the benefits and negatives.

Recommend: No changes required at this time.

3. Whanau Trusts

Tupuna shares succeeded to and held in whanau trusts with multiple trustees are entitled to one grant under the current system. Some shareholders feel disadvantaged by one grant only, however with whanau trusts growing exponentially, it would be uneconomic to allow multiple grants per whanau trust.

Recommend: To continue with one grant per shareholder or whanau trust.

4. Marae Grant

Section 20 of the Trust order allows the Trustees..."to apply funds for maintenance support and development of communal facilities upon or near the land (including Pa or marae) or communal schemes..."

Recommend: Working group believes that a policy on marae capital buildings be authorised by resolution of the beneficial owners and stand alone in the trust order with a ceiling of expenditure set for each financial year.

5. Special Grants for marae enterprises

Recommend: Ability to seek funding for special grants for marae enterprises is available under the current grant system.

6. Hardship / Medical Grants

This criteria was tabled as an assistance grant for those beneficial owners who were ineligible to apply for either educational, over 60s or special grants.

Recommend: All beneficial shareholders could possibly fall under the hardship/medical category and rightly so. Other funding streams available most notably WINZ to assist whanau. *Agreed to park this take for the meantime. (Should the trust investigate further. Could be seen as an alternative option to dividends)*

7. Proposed Amendments to Grant Application and Processes

Grants are an integral part of our kaupapa and eligibility for grants are based on the benefits to marae, marae enterprises and the blocks beneficial owners.

Grants and scholarships are non-refundable and cannot be recovered from grant recipients if academic grades have not been met or the recipient fails to complete their studies without reasonable cause.

All applications for grant must comply with the "regulations" schedule before any application is considered, approved and then paid out.

It was discussed at length whether the Trust should rank applicants for educational grant on their merits taking into consideration previous academic records, and whether the topic of study would benefit the trusts business and its operations. This maybe a preferred option if there are more applicants than cash reserves available.

The Trust does not offer scholarships under the current system, however the Trust recognises those recipients that have excelled in their chosen field of study.

Does benefiting Oromahoe Trust exclude the benefits to its a shareholders by becoming exclusive instead of inclusive.

Setting a higher threshold for scholarship as opposed to grants – Are the doers catered for this system because the thinkers certainly are. Grants awarded on a competitive basis. Thoughts / Develop limits of kaupapa.

Recommend

(a) All applications for education grant will be considered on the basis of eligibility, fairness and without prejudice.

(b) The Trust is to ensure compliance with regulations and carry out all follow up checks to their satisfaction before payment out is made. Trust may seek to view secondary school academic records of intended recipient.

(c) The Trust is to actively monitor recipient's academic progress and may require the recipient to provide regular feedback. If progress or results are unsatisfactory, this may inhibit the recipient from receiving any form of academic grant assistance in the future. Trust may set a minimum standard for academic achievement.

(d) Over 60's and school grants (Intermediate and Secondary) to remain unchanged.

(e) Over 60s grants to roll over automatically unless otherwise specified.

Administrative Processes:

The working group would like to acknowledge the hard work and dedication carried out by Merata Kawharu. Merata has submitted a draft education grant application including thorough guidelines for consideration.

Recommend

- (a) Draft application for education grant be approved in principle.
- (b) Applications for education grant can be made the beginning of each semester with the proviso of one grant only per year.
- (c) Develop a grant application for other types of grants.
- (d) Confirm regulations.

OROMAHOE TRUST VISION and COMMITMENT

1. Trust to develop a 5 year strategic plan for grant distribution that aligns with the Trusts vision and commitment to the community.

What might that look like? Perhaps by

- (a) Setting a ceiling of cash reserves available (rather than a percentage of revenue) for general community payments and
- (b) Distribute funding in accordance with trust priorities to meet education, marae, over 60's and special projects in terms of strategic plan and
- (c) Offer scholarship for exceptional students.