

2016 - 2020

ACTION PLAN

TMF Inc.

Kua oti to tatou whare whakairo
"Our carved meeting house is complete"



HE MIHI

Tena koutou katoa,

E tika ana ki te mihi atu ki a rātou kua tānikohia atu ki te kahu tapu, moe mai rā koutou e te iwi. E ta te korero, 'kua taka atu ki tua o Nukutaurua, e kore a muri e hokia'. Ko koutou ērā kua riro atu ki te ringa kaha o aitua, haere, haere, whakangaro atu i te huarahi, kāhore he hokinga mai – moe mai rā koutou.

Ka hoki anō ki a tātou te hunga ora, e oke tonu nei ki te whakatutuki i ngā tini kaupapa kua mahue mai e rātou ma, tēnei te mihi atu ki a koutou katoa.

Mena i te rapu tonu tātou i te pūtake o tēnei kaupapa, ka hoki tonu ki te korero 'ma tātou anō tātou e korero' a, 'kei to tātou ao Maori te tirohanga motuhake hei whāinga atu mo tātou'.

Na reira, kia kaha tonu tātou katoa, kia u, kia māia, ki te mahi tahi anō hoki, hei painga anō mo te katoa.

Te Taitokerau Maori land and forest owners are determined to see a fair return of value from the forestry industry, derived from local lands and communities, back into those same communities and lands.

Achieving this will be a challenge however Maori land owners agree there is strength in numbers and tangible ability to overcome the challenges by working collectively toward common goals.

Te Taitokerau Maori Forestry Collective Incorporated (TMF Inc.) have worked diligently over the past three years to establish infrastructure that will enable Maori land and forest owners to work together, learn together and succeed together, at scale. Collectivising was the first challenge which was achieved in 2015.

TMF Inc., has clear strategic goals and its members are committed to those goals. Maori do have viable land to contribute to the forestry and other industries. But as many will become new forest owners as they move out of their lease only regimes, developing capability and capacity and improving their knowledge to grow and manage their own forests is their new challenge. Working collectively to build this new capability will improve their ability to put trees in the ground.

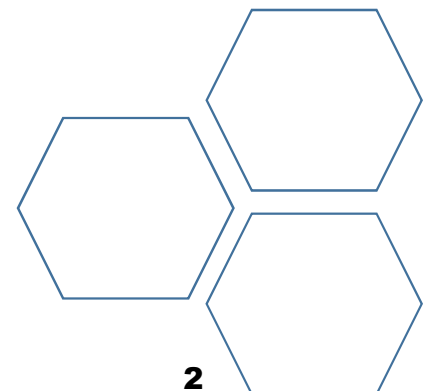
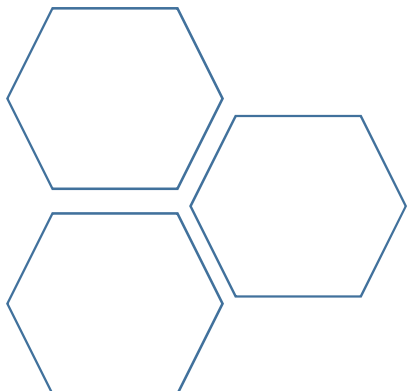
This TMF Inc., Action plan is for Maori land owners working collectively in the forestry industry throughout Te Taitokerau.

To those Maori land owners who are not yet members of TMF Inc., we present this Action Plan to give you clarity on the activities we will focus our efforts on in the coming years to 2020. We invite you to join us, should the actions present opportunities for you.

Pita Tipene
Chairman – TMF Inc.

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1. EXECUTIVE SUMMARY

The TMF Inc., Action Plan sets out a Programme of Works across a 5 year term that articulates the work streams that will be delivered to transition Maori land based on lease regimes to land that is planted while at the same time, growing other produce on Maori land that is owned and managed by Maori.

The participation of Maori land owners in forestry and other industries is important for the Taitokerau and its economy. The forestry industry in the region being one of the biggest employers of Maori and this benefits our whanau. While forestry is a long term investment and returns will not be realised for some 30yrs, adding value through diversifying the use of our land in other industries is crucial to ensure income streams are returning profit while forest plantations are maturing.

This Action Plan provides a clear pathway for TMF Inc., members (and other Maori land owners) as it details the opportunities to build capability as we journey forward together. This plan aims to highlight local and regional capability requirements to deliver the programme of works, understand what support is required to build knowledge of forestry and other industries in the context of 'owning and managing our produce'.

The actions herein stem from our Strategic Plan and on tangible work streams. These work streams are identified as the critical success activities to achieve our strategic goals;



Overall the Action Plan Programme of Works aims to answer four (4) key questions:

- | | |
|---------------|--|
| a) Industry | What can we grow? |
| b) Investment | What will it cost and where will we get the capital from? |
| c) Demand | Who wants to buy our products? |
| d) Capability | What knowledge and skills are required to run our business successfully? |

This Action Plan is the start of a new but long and challenging journey. It presents our first steps and will evolve and grow over time. Our planning must account for the intergenerational nature of our business to ensure it always remains viable not only to the industry but more importantly to meet the needs of our local people.

2. BACKGROUND

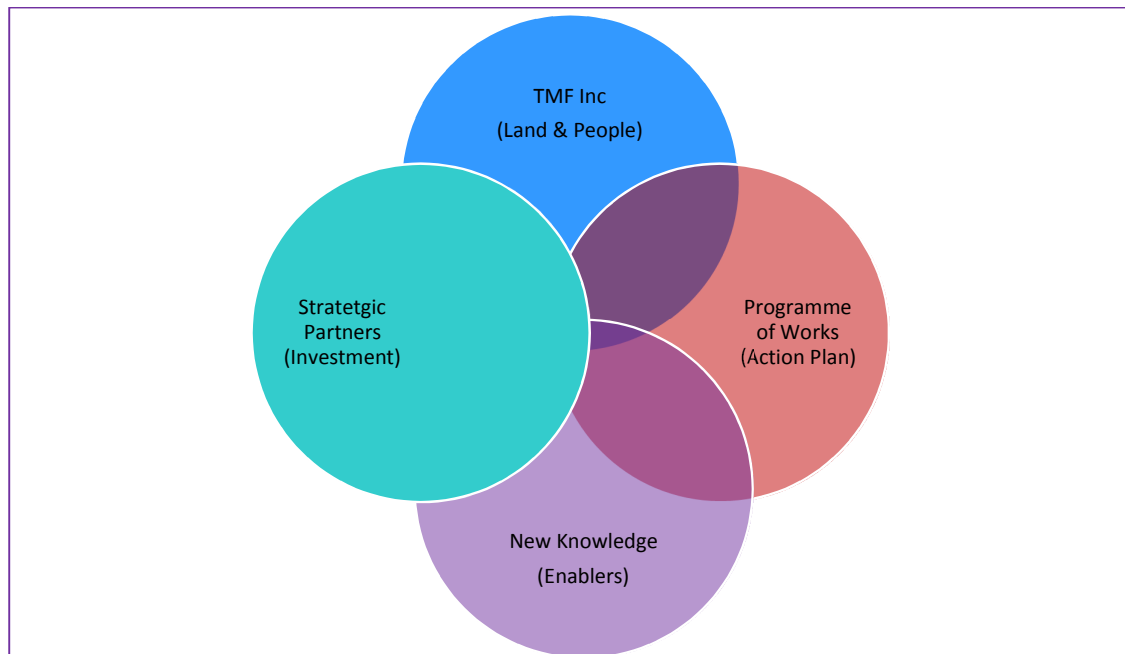
Maori land owners are in a ‘development phase’ in which they must grow their capacity and capability to better understand their land assets and how these assets might be utilised to deliver returns. Accompanying this is a need to develop industry and business knowledge as the enabler to move from the “pre-commercial” space to the “commercial” space.

Time, money, commitment and energy is required by Maori land owners to achieve this. Likewise, time, money, commitment and energy is required by industry and agencies to support Maori to develop their business readiness (pre-commercial) and enter the business (commercial) space. While some Maori are already working the commercial space and are very successful, many are still working in the pre-commercial space and are new to business.

This plan sets out the work streams that TMF Inc., has identified as the pre-commercial pathway to get Maori land owners into the “commercial” space. It is in essence a programme of works consisting of many minor projects for delivery. Each project is intended to transition Maori land owners from one critical decision point to another, across a 5 year timeframe, – 2016 to 2020.

Critical decision points will take Maori land owners from one space to a new space of business together and at the same time.

TMF Inc., will require external investment from industry and key Government Agencies if it is to reach their desired ‘commercial’ state. In this regard, this Action Plan should be viewed as TMF Inc.’s Programme of Works for the next 5 years.



3. PROGRAMME OF WORKS OVERVIEW TO 2020

Our pathway to economic development over the next 5 years begins with planting our forestry estates then broadens out to value add opportunities with the use of additional land.

Developments



| <i>2016</i> | <i>2017</i> | <i>2018</i> | <i>2019</i> | <i>2020</i> |
|-----------------------------------|---|--|---|--|
| Forestry (In progress) | Value Add Diversification of Assets Investigated | Business Initiation | Business Growth | Business Validation |
| | | | | |
| Trees in the Ground | Feasibility of Value Add Confirmed | New Produce in the Ground | Stabilizing new businesses | Businesses Stabilized & Producing |



Outcomes

The rationale to focus efforts on these select areas of business in that the first 5yrs is based on the knowledge that for most new businesses the first five years are critical to determine the success of those businesses. It is known and the make or break period. All efforts and focus will be to ensure the forestry and value add crops succeed and produce saleable goods fit for the domestic market.

4. 2020 Onward

Maori aspirations include their desire to thrive in business globally, gain as much value from their products and to ensure they can effectively participate across the whole value chain, globally. Capturing value chain value add is high on the list of priorities.

Entering the commercial game is the first step. We must first grow produce before we can investigate the advantages of selling produce.

The 2016 – 2020 period will deliver crops in the ground and will focus on stabilising Maori businesses however 2020 – 2025 period will provide Maori the opportunity to start investigating the international market place and to develop their businesses to meet the demands of those markets.

The proposed 2020 – 2025 work stream activities will look to focus on the value chain developments.

| <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> | <i>2024</i> |
|---|--|--------------------------|----------------------------------|-------------------------------|
| Business Performance Review | Economy of Scale | Product Identity | Value Chain Opportunities | Value Chain Validation |
| Business stability & quality produce | Group Purchasing & Selling to the Domestic Market | A Marketing Brand | Export Markets | Export Readiness |

Like good wine and cheese, they take time. In Maori parlance 'Kia horo to tatou aata haere' or 'Let us make haste slowly'.

The journey may seem long, but Maori must crawl before they walk and walk before they run. Noting the intergenerational nature of their businesses, doing things right will ensure sustainable and profitable businesses are in place.

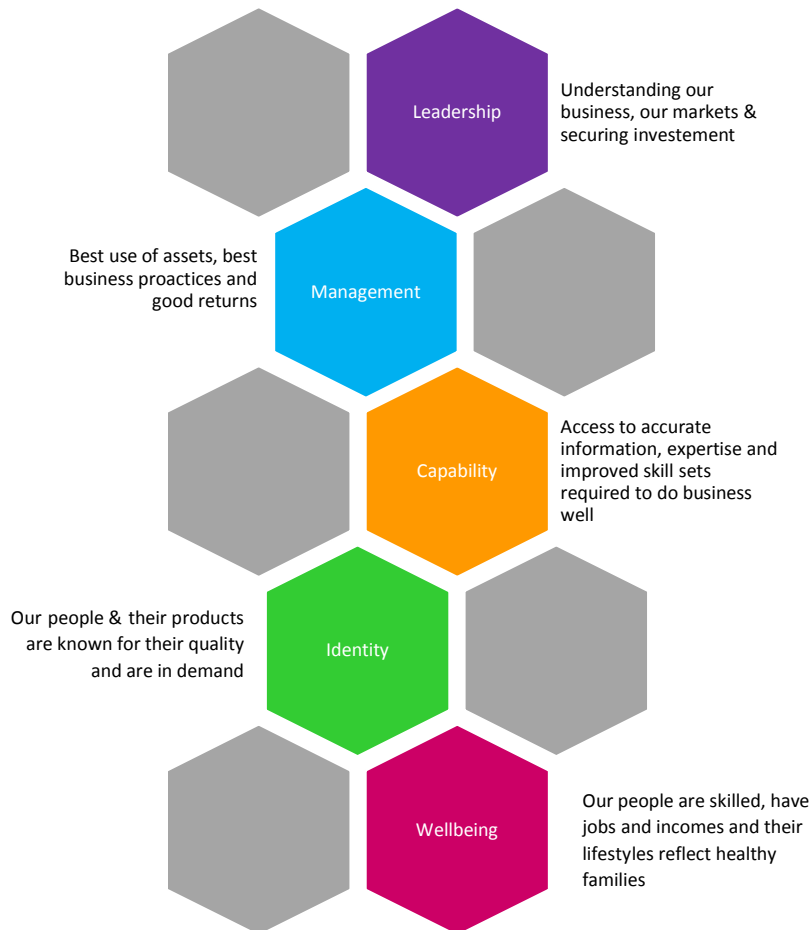
The steps identified above are indicative only and may change when 2020 arrives. For now however, it is important to capture the journey for those who are members and for those who are yet to join.

5. WORK STREAMS 2016 – 2020

The work streams for the next 5 years stem from our strategic goals. They are developed to meet our requirements for the development Maori land which is unique to any other type of land, especially in the way it is used and administered.

The drive to develop land is purely about 'our people'. Profit is a focus but not our core focus – our people are our core focus. This is the Maori business point of difference to other's growing forests on their land. Closely associated with the focus on our humanity will be 'te taha wairua, te taha tikanga' or an emphasis on 'the spiritual realm and the associated customs and protocols'.

Our work streams aim to cover several business streams across entire value chains. In the future, should this and successive plans be successfully delivered, will see Maori land owners doing business globally.



5.1 Leadership Work Stream

| Goal | | Critical Success Factors |
|------|---|--|
| 2016 | Trees in the Ground | <ol style="list-style-type: none"> 1. A planting prototype is implemented to test a process that delivers new knowledge relating to forest planting, forest management and forestry skills development 2. Delivery of a business case to present the case for the replant of 32,000+ hectares 3. Delivery of an investors prospectus that will attract investors (domestically and internationally) |
| 2017 | Diversification – Other Produce in the Ground | <ol style="list-style-type: none"> 4. Deliver best land use reports to identify best use of land 5. Feasibility studies for best land use(s) to confirm viability and profitability 6. Delivery of a business case to present the case for the development of unutilised land 7. Delivery of an investors prospectus that will attract investors (domestically and internationally) |
| 2018 | Business Initiation | <ol style="list-style-type: none"> 8. Investment agreements & partners are confirmed (signed off) 9. New business structures are endorsed (signed off) 10. Operational infrastructure is endorsed (signed off) 11. We have strategic working relationships with local and central government organisations |
| 2019 | Business Stabilisation | <ol style="list-style-type: none"> 12. Strategic Direction is identified 13. We have clear understanding of the industry and industry forecasts 14. We have a clear understanding of regional benchmarks and have checks and balances in place to monitor operations |
| 2020 | Business Stabilisation | <ol style="list-style-type: none"> 15. Initiate Operational review (what's working & what's not) 16. Endorse operational (internal) review |

5.2 Management Work Stream

| Goal | | Critical Success Factors |
|------|---|--|
| 2016 | Trees in the Ground | <ol style="list-style-type: none"> 1. Develop a communications strategy 2. Identify compatible spray, fertiliser, planting, pruning contractors 3. Identify experienced and compatible forest advisors |
| 2017 | Diversification – Other Produce in the Ground | <ol style="list-style-type: none"> 4. Identify infrastructure requirements for other industries including access to water 5. Identify compatible industry contractors and experts 6. Identify industry players 7. Identify compatible industry contractors and experts |
| 2018 | Business Initiation | <ol style="list-style-type: none"> 8. Delivery of a report for required operational structure and systems (IT, HR etc.) 9. Delivery of Policy Package 10. Delivery of a performance measures framework 11. New jobs have been identified, recruitment plans are in place, new positions are filled |
| 2019 | Business Stabilisation | <ol style="list-style-type: none"> 12. Establishment of operational structure and systems 13. Delivery of a strategic plan 14. Delivery of staff Operational Performance Agreements and Professional Development Agreements |
| 2020 | Business Stabilisation | <ol style="list-style-type: none"> 15. Roll out operational review, collate information, design any adjustments and make recommendations for organisational restructure (if required) |

5.3 Capability Work Stream

| Goal | | Critical Success Factors |
|------|---|---|
| 2016 | Trees in the Ground | <ol style="list-style-type: none"> 1. Understand capability (skills and knowledge) gaps 2. Understand legal requirements, financial and investment models 3. Recruit students for forestry skill development 4. Understand financial and investment models for forestry |
| 2017 | Diversification – Other Produce in the Ground | <ol style="list-style-type: none"> 5. Understand capability (skills and knowledge) gaps for other industries 6. Understand financial and investment models for other industries 7. Understand infrastructure development processes i.e. resource consent, including access to water |
| 2018 | Business Initiation | <ol style="list-style-type: none"> 8. Understand the benefits and disadvantages for different types of business structures 9. Understand the business of standing up new companies (operational structure and systems etc.) 10. Understand the best methods to attracting and recruiting the right people and right skills to the company 11. We have valued partnerships in the private sector |
| 2019 | Business Stabilisation | <ol style="list-style-type: none"> 12. Understand how to get the best value from a strategic plan 13. Understand employment policies and operational policies i.e. recruitment, employment contracts & performance agreements |
| 2020 | Business Stabilisation | <ol style="list-style-type: none"> 14. Understand how conduct internal operational reviews 15. Understand how to close organisational capability gaps |

5.4 Identity Work Stream

| Goal | | Critical Success Factors |
|------|---|--|
| 2016 | Trees in the Ground | <ol style="list-style-type: none"> 1. Delivery of media statements that articulate the success of the Prototype Project 2. Delivery of messaging regarding Strategic Goals when meeting with industry, government and others 3. Promotion of the Prototype and long term work intentions regionally and nationally 4. Promotion of the Collectives work with Maori Land Owners |
| 2017 | Diversification – Other Produce in the Ground | <ol style="list-style-type: none"> 5. Delivery of message regarding Strategic Intent when meeting with industry, government and other meetings 6. Promotion of diversifying Maori land assets with the planting of other produce 7. Promotion of the Collectives work with Maori Land owners |
| 2018 | Business Initiation | <ol style="list-style-type: none"> 8. Delivery of media statements that articulate the new ventures 9. Delivery of messaging regarding Strategic Goals when meeting with industry, government and others 10. Promotion of any projects and long term work intentions regionally and nationally 11. Promotion of the Collectives work with Maori Land Owners |
| 2019 | Business Stabilisation | <ol style="list-style-type: none"> 12. Delivery of media statements on the performance of new ventures 13. Promotion to attract skilled Maori to the industry |
| 2020 | Business Stabilisation | <ol style="list-style-type: none"> 14. Delivery of media statements on the performance of new ventures 15. Promotion of the industry opportunities to Maori Land owners 16. Promotion of training to close skill gaps 17. Promotion of employment to Maori regionally, nationally and internationally |

5.5 Well Being Work Stream

| Goal | Critical Success Factors |
|---|---|
| 2016 Trees in the Ground | <ol style="list-style-type: none"> 1. Maori land owners are participating in the Collective meetings 2. Maori land owners have increased understanding of the opportunities in forestry 3. Maori land owner participation is increasing |
| 2017 Diversification – Other Produce in the Ground | <ol style="list-style-type: none"> 4. Maori land owners are participating in the Collective meetings 5. Maori land owners have increased understanding of the opportunities in forestry 6. Maori land owner participation is increasing and they know the value that they can derive from the use of their land |
| 2018 Business Initiation | <ol style="list-style-type: none"> 7. There is a commitment from Maori land owners to develop their land 8. Maori land owners have the confidence to establish businesses 9. There is a good rate of job applications from Maori 10. We have strategic working relationships with research groups that supports <i>Our Forestry Value Chain</i> |
| 2019 Business Stabilisation | <ol style="list-style-type: none"> 11. Maori employees are providing good feedback in regard to job quality and job satisfaction 12. Maori feel they are well supported in their jobs 13. Maori understand the value that their jobs are contributing to their lifestyles |
| 2020 Business Stabilisation | <ol style="list-style-type: none"> 14. Employees have confidence in the strategic direction of their employer 15. Employees can manage and cope with change 16. Maori continue to understand the value that their jobs are contributing to their lifestyles |

6.0 CONCLUSION

M. Scott Peck quoted;

“If we know exactly where we're going, exactly how to get there, and exactly what we'll see along the way, we won't learn anything”

Our journey will not be straight forward. It will not be an easy task and will require much courage, strength and resilience if we are to get there. Most importantly, it will require real commitment, from start to finish if we are to see the true realisation of Maori aspirations through the use of their land.

If the future generations are to benefit, we must start now and not stop. Learn as we go and adjust as we go. Going forward together provides the ability to leverage knowledge, resources and capacity. This plan aims to iron out some of the creases and reduce the bumps in the road. It is a start to developing toward a great future.

Our vision statement ‘Kua oti to tatou whare whakairo’ emphasises the collective effort, the determination and commitment that is required for the successful completion of a carved meeting house. This is a call to action which also stresses the importance of self-reliance. Moreover, the imagery of a completed meeting house accentuates that this kaupapa is ‘by Maori and for Maori’, a place where our kinship and our Maori customs and traditions prevail.

At the same time, our kaupapa will be inclusive in that we welcome relationships, partnerships and embrace all contributions that are offered to achieve the mutual aspirations of the wider community – what is good for Maori will be good for the region.

The intricacy of the carvings and other decorations underlines that we seek to add value to the produce coming from our lands and look to next generation products. A well-known Maori whakatauki or proverb states, “Kahore he whakaaro o te rakau, kei te tohunga te whakaaro” or “The carver conceives the design, not the wood.”

Implicit in the marae setting is the need for clear communication, both internal and external. ‘Ina tika a muri, ka tika a mua’ is a saying on the marae that when everything operates efficiently behind the scenes, everything will run smoothly out front.

Te Ruki Kawiti said in his prophecy of 1845 ‘Titiro ki nga taumata o te moana, kei reira te oranga mo koutou’ or ‘Look to the horizons of the seas, for there you will find sustenance and wellbeing’. This divination by Kawiti merely underscores that while looking back to the values and strengths of our past, we must remain forward looking and strategic in our outlook. Therefore, a global orientation, diversification and an entrepreneurial disposition will be an integral part of our thinking as we navigate the landscape before us.

As future makers, knowledge, research and innovation will also be critical for our collective moving forward.

It is these key aspects that provide us with our compass settings, our modus operandi and indeed a point of difference and potentially, our comparative advantage.

Tena koutou, tena tatou katoa