

## FIRST QUARTER REPORT – OCT TO DEC 2017

### EXECUTIVE SUMMARY

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This is Te Ohu Kaimoana's first quarterly (Q1) report to iwi against the 2017/18 Annual Plan and covers the period 1 October 2017 to 31 December 2017. The key strategies and work streams identified for the year are:

1. Maintaining and growing positive relationships with iwi and key stakeholders;
2. Reorganising Te Ohu Kaimoana capacity for the future;
3. Developing and responding to initiatives to protect and enhance Māori fisheries rights; and
4. Completing statutory duties.

This report has been developed to give more regular insight into the work the organisation undertakes on behalf of Mandated Iwi Organisations. We expect the structure and content of the report to evolve over time as iwi provide their feedback.

Te Ohu Kaimoana delivered its services within budget through the first quarter of the 2017/18 annual plan at a cost of \$1,009,314 against budget of \$1,206,028 – a \$196k positive variance. These however are predominantly timing variances and are expected to correct over the remainder of the year.

#### Political Change

During Q1 FY17/18 Aotearoa had a change in Government. Although the elections were held on 23<sup>rd</sup> September 2017, it took almost a month for the new government to be formed.

The delay in the formation of the new government had the consequential effect of slowing down policy work within the Ministry for Primary Industries (MPI) and other agencies while the public awaited the appointment of new Ministers. Te Ohu Kaimoana prepared a briefing to the incoming government and provided this to all relevant incoming Ministers.

Stuart Nash was announced as the Minister for Fisheries in October and met with the Te Ohu Kaimoana Chair and CEO on 28 November. The Minister accepted an invitation to meet the full Te Ohu Kaimoana Board in February and to address the Māori Fisheries Conference on 28 March 2018. Developing relationships with new key Ministers and their officials will be a key focus for us.

In December 2017 the Government confirmed MPI would be separated into four divisions – including Fisheries - with MPI retaining an overarching role, including providing policy capability for all divisions. Details on the structural changes are yet to be released, but the model of having a shared policy capability will present challenges for fisheries.

#### Policy Work

Te Ohu Kaimoana continued to work on "Future of our Fisheries" policies – including Integrated Electronic Monitoring and Reporting, and other key issues outlined in the briefing to incoming Ministers. However, interaction with officials came to a near standstill while the new Government was established and Ministers were coming up to speed on their new portfolios.

At the time of writing no substantive progress has been made on achieving resolution of the Kermadec Ocean Sanctuary with the new Government, although this remains a key public policy aspiration of both the Labour and Green parties.

## Organisational Change

The first quarter saw Te Ohu Kaimoana begin the process of reorganising and recruiting new staff. The organisation welcomed Kim Drummond as our new Kūrae Moana (Fisheries and Aquaculture Policy Manager), Stevie-Rae Hart (Rangitāne o Wairau, Ngāti Rārua, Ngāi Tahu, Maniapoto me Waikato) as our new Tai Pari (Policy Analyst) and Kiri Morgan (Kuku Airani), Tamar Wells and Peter Van Kampen (Ngāitai, Te Upokorehe, Ngāti Manu, Ngāti Rōngo o Mahurangi, Ngāti Kahungunu, Mangaia (Kuku Airani)) as Tai Timu (Graduate Policy Analysts).

We also welcomed interns, Monique Holmes and Joshua Baller as temporary interns. Further detail on our new team members and other important staff changes is provided later in this report.

In late October Te Ohu moved to new permanent premises located at level 4, 158 The Terrace from our temporary accommodation following the November 2016 earthquake. Costs for the relocation and fitout of the new premises are to be covered under our insurance claim.

The 2016/17-year end audit was completed during Q1 and Te Ohu Kaimoana once again received a clean audit. As at the time of writing we are finalising the 2016/17 Annual Report for distribution.

## FINANCIAL PERFORMANCE AGAINST PLAN

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The following table summarises each area of work identified in the 2017/18 annual plan and compares Q1 actual to budgeted expenses.

### Summary of Annual Plan FY 2018

#### Goals and Objectives

Areas	Q1 Actual	Q1 Budget	Variance
Fisheries Allocation	69,520	111,975	42,455
Fisheries Policy	36,085	132,846	96,761
Aquaculture Allocation	87,147	106,068	18,921
Aquaculture Policy	17,406	29,967	12,561
Māori Fisheries Act Review	2,390	20,502	18,112
Governance Services	99,532	131,974	32,442
Management Services/Relationships	219,577	202,169	(17,408)
HR & Infrastructure costs	477,657	470,527	(7,130)
<b>TOTAL</b>	<b>1,009,314</b>	<b>1,206,028</b>	<b>196,714</b>

The following tables summarise what Te Ohu Kaimoana have been working on during the quarter in each of the highlighted areas.

## OPERATIONAL PERFORMANCE

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### FISHERIES

#### Allocation

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| <ul style="list-style-type: none"><li>Resumed discussions with Ngāti Tama (North Island) on seeking MIO status to complete final allocations.</li></ul>   |
| <ul style="list-style-type: none"><li>Received correspondence from one iwi seeking that their coastline dispute be determined by Te Ohu Kaimoana.</li><li>In discussions with one iwi about the possibility of Te Ohu Kaimoana facilitating discussions to resolve the coastline dispute between themselves and their neighbouring iwi.</li></ul> |

- *1 October 2017 ACE Round:* ACE has been transferred to iwi participating in the October 2017 ACE Round, following receipt of signed ACE deeds and ACE sale agreements and payment of invoice. Disputed ACE tendered and funds are held in trust pending resolution of the relevant disputes.
- Issues over compliance with the Māori Fisheries Act have arisen with two MIOs – we are engaged with both MIOs and are assisting them to become compliant.

## Policy

- Continued engagement with MPI on the introduction of Integrated Electronic Monitoring and Reporting System (IEMRS). Te Ohu Kaimoana continues to advocate for an orderly development of policy and operational decisions to follow on from the policy positions once set. This requires resolving policy issues related to TACC settings, landings, disposals, and an altered penalty regime. However, MPI are moving directly to operational decisions (in the form of circulars approved by the Director General of MPI) and imply consequential amendments may follow as new policy is developed. The MPI approach is likely to introduce additional cost over the medium to long term.
- Engagement over other policy initiatives coming out of “Future of our Fisheries” has been limited over the first quarter given the uncertainty surrounding the formation of a new government.
- To protect and enhance iwi settlement interests, Te Ohu Kaimoana staff continue to participate in a range of industry and government forums and processes operated by: Seafood New Zealand; Deepwater Group (DWG); National Rock Lobster Management Group (NRLMG); Fisheries Inshore New Zealand (FINZ); the Hawkes Bay joint committee; MPI forums for Highly Migratory Species (HMS); science working groups; Sustainable Seas (led by MBIE); and, the Commercial Fisheries Forum (CFF) - where all seafood Sector Representative Entities (SREs) meet to enhance collaboration across the commercial sector. Key outcomes include:
  - Approval of Seafood New Zealand budget, incorporating second year of the “promise campaign”
  - Approval of the DWG budget for its activities in the 2018 financial year
  - Proposals by NRLMG for changes in management controls in several CRA QMAs (including significant reductions in CRA2)
  - Analysis through FINZ of the state of the tarakihi fishery and management options for East Coast quota owners (potential for a significant reduction in catch)
  - Confirmation by FINZ Area 2 Committee of an extension of the voluntary closure in the “Springs Box” off Napier to improve fishing for all sectors
  - Progress to establish a Northern Committee of FINZ to facilitate collective action on all finfish in FMAs 1 and 9
  - Advice to officials to establish the NZ position on Highly Migratory Species prior to the international meeting of Governments on the management of these fisheries
  - Participation in several science working groups, including researching production bottlenecks for SNA in the Hauraki Gulf, BCO in Marlborough and TAR on the East Coast; and ways to assess and manage cumulative impacts on marine systems
  - Advice on how the Sustainable Seas programme might better incorporate Māori perspectives and recognise Māori rights and interests in marine ecosystems.
- Preliminary scoping report of the regulation of customary fishing has been completed.
- Ikanet has been developed to enhance the capability of kaitiaki and iwi to manage their fisheries resources and exercise their customary non-commercial fishing rights. Lower North Island and top of the South Island iwi have lodged rohe moana applications with MPI. The applications were notified in November and form a key part in establishing multiple iwi deepwater pātaka systems.

These iwi will use the IkaNet system developed by Te Ohu Kaimoana and Waka Digital to support their pātaka. IkaNet has been developed to enhance the capability of kaitiaki and iwi to manage their fisheries resources and support them to exercise their customary non-commercial and commercial fishing rights. Consultation closed at the end of January 2018.

- On-going support provided to Taranaki iwi and Ngāti Whātua with their pātaka systems.

- Through our work with the CFF we have considered proposals being put forward by the South-East Marine Protection Forum, and appeal processes over RMA-driven, but fisheries related, issues in both Motiti and Marlborough Sounds.
- Late in the quarter, Te Ohu became aware that New Zealand and Australian officials were proposing to modify bottom fishing controls in the South Pacific Regional Fisheries Management Organisation (SPRFMO) area, which would set a different and inferior management regime on the Westpac Bank – an area adjacent to FMA 7 where there is a straddling stock of ORH that is managed within the TACC for ORH 7A. These proposals place 400 tonnes of ORH 7A quota at risk, open up new fisheries for Australian interests and signal more restrictive access rights for New Zealand vessels. Officials did not discuss these proposals with Te Ohu Kaimoana or the fishing industry in advance. Te Ohu has worked with the New Zealand High Seas Group (HSG) and DWG to develop letters to Ministers to voice concerns and has actively participated in discussions with officials on these matters.
- Liaison with MIOs and AHCs affected by the allocation of the SNA7 TAC, to agree on a new approach in light of change of government and the substantial reduction in recreational catch estimates.

- On 29 September 2017 Te Ohu Kaimoana and representatives of the pāua industry gained injunctive orders to hold the total allowable catch (TAC) and total allowable commercial catch (TACC) reductions for both PAU4 and PAU7. This action was taken to halt the activation of 28N Rights in pāua which if activated will result in iwi quota being redistributed to 28N Right holders in the event of future TACC increases.
- MPI has communicated that it is taking the 28N Right breach of the Deed of Settlement issue seriously and developing options for discussion. Unfortunately, the Government changeover process has delayed the communication of Crown options.

## AQUACULTURE

### Allocation

- Engaged with Northland region iwi regarding the aquaculture assets currently held. We outlined to iwi the dual process we intend to run with them over 2018, which will involve discussions on both the allocation of the assets, as well as amendments to the Maori Commercial Aquaculture Claims Settlement Act 2004 to, potentially, enable allocation.
- Engaged with all iwi in the Wellington region over aquaculture assets currently held. This is a precursor to more extensive engagement in 2018.
- Facilitated a meeting between three iwi over the allocation of the Marlborough aquaculture assets and the Canterbury New Space aquaculture assets. Draft agreements-in-principle have been circulated and discussions are ongoing. Looking to gain formal agreement in next quarter.
- Representative space agreements (signed by the eight Tasman iwi, Te Ohu and AMA subzone applicants) were submitted to the Tasman District Council.
- In December 2017 the Tasman District Council provided authorisations to Te Ohu for the settlement space in each AMA subzone. Te Ohu Kaimoana has been working with iwi to develop options for establishing a jointly owned company or companies to hold the settlement assets – these discussions will continue.

- In November, Te Ohu Kaimoana facilitated a meeting between three iwi over how to conclude the Canterbury regional settlement, and give effect to allocation of Canterbury and Marlborough aquaculture assets. Draft agreements-in-principle have been circulated and discussions are ongoing.
- Te Ohu Kaimoana supported Ngāi Tahu's request to MPI to extend the legislative timeframe for the Southland settlement to allow time to find and agree on suitable settlement space in the region. This extension has been granted.

- There is potential for the new Minister of Fisheries to use powers to amend the Marlborough Resource Management Plan to enable relocation of some NZ King Salmon farms. Te Ohu Kaimoana facilitated a meeting of the Marlborough salmon relocation working group and MPI to discuss potential adjustments to the Marlborough new space settlement that would arise if the Minister uses those powers. These discussions will continue.
- There is potential for greater development than anticipated in the new space agreement within the current 5-year period. The Ministry has provided Te Ohu Kaimoana and iwi participating in a recent aquaculture forum with information on its preliminary estimates of current development in each region. This situation in relation to new space will continue to be monitored by Te Ohu Kaimoana.

- Te Ohu Kaimoana has developed a proposal to amend the Maori Commercial Aquaculture Claims Settlement Act to provide an additional mechanism to assist iwi to reach agreement on the allocation and transfer of settlement assets.
- Consultation will begin with those iwi that will be directly affected by the proposal in February. A follow up consultation will be held with all iwi involved in aquaculture settlements. The aim is obtain feedback and establish the level of support for the changes.

- The Minister of Fisheries commenced the review of the New Space plan for aquaculture in late December and sent a letter to all Iwi Aquaculture Organisations outlining the process to be followed.
- The Ministry provided Te Ohu Kaimoana and iwi participating in the iwi aquaculture forum with additional information on the New Space plan, as well as its preliminary estimates of current development in each region.

## Policy

- Te Ohu Kaimoana continues to participate and support Harry Mikaere as an iwi director on Aquaculture New Zealand.
- Te Ohu Kaimoana actively participated as a member of the national experts working group (across government departments, regional councils, industry and NGOs) to assist the development of National Directions for Aquaculture on the reconsenting of existing aquaculture space.
- Te Ohu Kaimoana hosted a meeting of the iwi aquaculture forum in December. The aim of the meeting was to assist all iwi with aquaculture interests to develop a better understanding of issues, and for Te Ohu Kaimoana to gain a coherent, coordinated view to assist with responding to those issues. The issues discussed during the December meeting included: National Direction for Aquaculture; the review of the Minister's New Space plan; and the proposed amendments to the Māori Commercial Aquaculture Claims Settlement Act 2004.

## MAORI FISHERIES ACT REVIEW IMPLEMENTATION

Te Ohu Kaimoana's proposed draft amendments to the Maori Fisheries Act have been provided to the previous Minister for Primary Industries. The Chair of Te Ohu Kaimoana met with the Minister of

Fisheries in November and impressed upon him the need to provide iwi and Te Ohu Kaimoana with greater clarity regarding the expected timeframe for the legislative changes. Officials have confirmed that have been tasked with working through the proposed changes and develop advice to the Minister over the next few months.

## **GOVERNANCE SERVICES**

Two new directors were appointed onto the Te Putea Whakatupu Board in December 2017 with Yvonne (Evie) O'Brien and Kate Cherrington replacing outgoing directors, Rangimarie Hunia and Willie Jackson. Te Putea Whakatupu is now well placed to roll out a number of new initiatives introduced by the previous board.

The Te Ohu Kaimoana Board met in November as planned where financials for the year ended 30 September were accepted and adopted. Reports were received from Moana New Zealand, Te Wai Trust and Te Putea Whakatupu.

## **MANAGEMENT SERVICES & RELATIONSHIPS**

The audit of 30 September 2017 year end financials was completed in this quarter. Ernst & Young auditors did not identify any issues and Te Ohu Kaimoana received an unmodified audit opinion.

Te Ohu Kaimoana's Chief Executive attended Samantha Collings' Global Fisheries Scholarships graduation ceremony in Japan in December 2017. Since her return Samantha has been offered a position with Moana New Zealand based in Nelson.

Management completed a reputational audit in Q1 to understand targeted iwi perspectives of the organisation and their expectations for the future. This information is being used to develop an organisational communications strategy.

Key issues identified in this report include an iwi expectation to maintain a direct and regular relationship with Te Ohu Kaimoana senior leadership, and improved communications. Work has also begun on refreshing the Te Ohu Kaimoana website and updating the Te Ohu Kaimoana brand.

Te Ohu Kaimoana received the Moana New Zealand dividend in December. We anticipate that this will be the last dividend received as we will be advocating to Ministers that the Maori Fisheries Act be passed before the end of September 2018.

## **HR & INFRASTRUCTURE**

Te Ohu Kaimoana began a reorganisation process with the recruitment of new staff to the policy team during Q1. These changes finalised the new organisational structure. A small bio on each of the new policy staff members follows.

### **Kim Drummond - Kūrae Moana (Manager, Policy and Aquaculture)**

Kim Drummond started as the Kūrae Moana on 4 December 2017. Kim was raised within Te Tau Ihu and has Master's degrees in Applied Science (Fisheries) and Public Administration (Executive). He brings 16 years of senior leadership and management experience with both Central and Regional Government and an extensive understanding of New Zealand's resource management framework as it operates from the mountains to the sea. He had both Regional and National Manager roles for the former Ministry of Fisheries.

Kim spent eight years on the Executive Team at Environment Canterbury in the role of Director Resource Management. He also had organisational responsibility for portfolio areas of activity including coastal management, biodiversity and biosecurity, and air quality. Last

year he moved to Wellington to join the policy group at the Department of Internal Affairs and establish a programme for meeting expectations for regulatory stewardship.

**Tamar Wells – Tai Timu (Graduate Analyst)**

Tamar was raised in rural Nelson and has family history in the Marlborough Sounds. She moved to Wellington in 2007 and worked as a chef. Tamar studied at Victoria University of Wellington and graduated in 2016 with a BSC majoring in Marine Biology and Ecology & Biodiversity. While studying she volunteered in various revegetation and pest control projects, and in 2015 she joined the Snares Island expedition to conduct a census of the Southern Buller's Albatross.

**Kiri Morgan – Tai Timu (Graduate Analyst)**

Kiri (Cook Islander) is originally from Auckland and studied at the University of Waikato, graduating with a Diploma in Marine Studies and a Bachelor of Science (Biological Science). Her study involved freshwater, marine (including coral reef) surveys and aquaculture papers. She has also done a summer research scholarship with the University of Waikato involving literature reviews on non-indigenous marine species, and completed papers in sociology from the University of Auckland.

**Peter van Kampen – Tai Timu (Graduate Analyst)**

Peter (*Ngāitai, Te Upokorehe, Ngāti Manu, Ngāti Rōngo o Mahurangi, Ngāti Kahungunu, Mangaia (Kuku Airani)*) studied at the University of Auckland, graduating with an MSC in Marine Science. His thesis looked at identifying the optimum seafloor for reseeded of mussels, identifying if sediment impacted survival and performance of reseeded mussels and trying a novel method to reseed using spat mussels. Peter has previously worked as a Marine Ecologist and has managed the reseeded of 50 tonnes of mussels to the Mahurangi seafloor. While studying, Peter was the recipient of a Rona Scholarship from Te Pūtea Whakatupu Trust.

**Joshua Baller – intern (six months)**

Josh is from Edmonton, Canada. He studied Environment and Development at the University of Edinburgh, focusing on island community development. Prior to joining Te Ohu Kaimoana, Josh worked in contracting / procurement with the Canadian federal public service. Josh is with Te Ohu Kaimoana for 6 months.

**Monique Holmes – Victoria University of Wellington - summer intern (10 weeks)**

Monique (*Ngāti Toa Rangatira me Te Ātiawa*) is currently studying towards an MA in Marine Biology at Victoria University of Wellington. Her studies involve using amphipods as indicators of the heavy metal pollution in coastal marine environments. Last summer, Monique completed an internship with the Department of Conservation. Monique is with Te Ohu Kaimoana for 10 weeks.

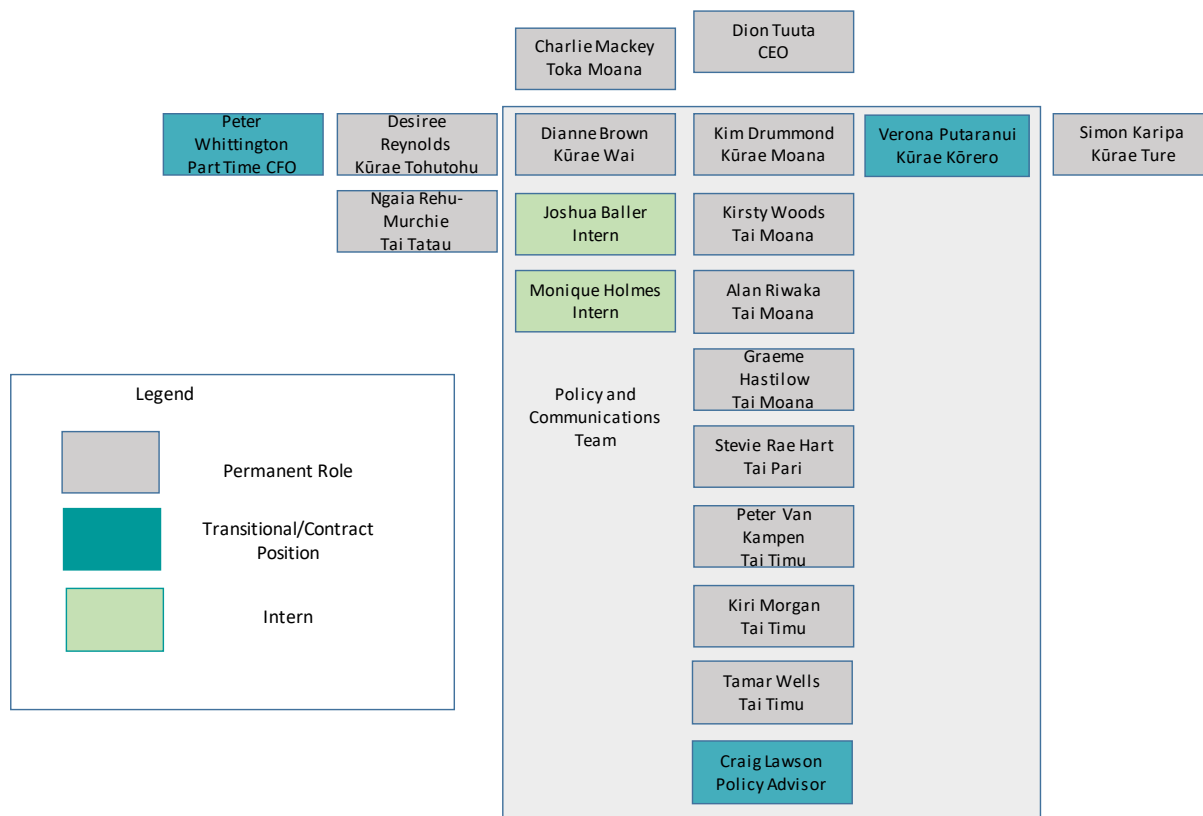
**Graeme Hastilow – Tai Moana (Senior Analyst)**

Graeme Hastilow (*Ngāti Toa Rangatira, Ngāti Raukawa ki te Tonga, Ngāti Tūwharetoa*) has accepted the role of Tai Moana (Senior Policy Analyst) and will work 50% on Wai Māori projects and 50% within the policy team, largely on aquaculture issues as he does now. Graeme began his new role on 13 November.

## Stevie-Rae Hart – Tai Pari (Analyst)

Stevie-Rae (*Rangitāne o Wairau, Ngāti Rārua, Ngāi Tahu, Maniapoto me Waikato*) was raised in Te Tau Ihu and joined Te Ohu in March. Stevie-Rae studied at Victoria University, graduating with an LLB and a BA with Honours in International Relations, and previously worked for the Waitangi Tribunal and the Māori Law Review.

The current organisational structure as at 1 February 2018 is set out in figure 1.



As part of these change Te Ohu Kaimoana farewelled four longstanding employees in 2017.

Helena Patuwai and Katrina Gregory departed Te Ohu Kaimoana in 2017 after 14 and 7 years respectively.

Helena coordinated the former Te Ohu Kaimoana scholarship programme and was the administrator for the previous policy team. Katrina as our receptionist was often the first face people saw when they came to Te Ohu Kaimoana and was also a member of the finance team. Both Helena and Katrina will be missed and we wish them well for the future.

Peter Whittington, Chief Financial Officer, finished as an employee in September 2017 after over 20 years of service to the organisation. Peter took up a part time contract from the beginning of Q1 to the end of Q2 to assist with the transitional arrangements moving forward.

Craig Lawson (Laws), principle advisor also finished as an employee with Te Ohu Kaimoana on the 23<sup>rd</sup> December 2017. Laws returned to Te Ohu Kaimoana as a contractor at the beginning of 2018.

Each of these staff has contributed a significant amount towards the growth and development of Te Ohu Kaimoana and the Maori Fisheries Settlement generally and we thank them for their contribution.