

# TE OHU KAIMOANA



2017/18 Annual Plan and Budget

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## Karakia

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Ko Rangi  
Ko Papa  
Ka puta ko Rongo  
Ko Tāne-māhuta  
Ko Tangaroa  
Ko Tūmatauenga  
Ko Haumiatiketike  
Ko Tāwhirimātea  
Tokona te Rangi ki runga  
Ko Papa ki raro  
Ka puta te ira tangata ki te whai ao, ki te ao marama  
E Rongo, whakairia ake ki runga, Kia Tina! Tina!  
Hui ē, Tāiki ē!

## Introduction

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This document sets out the Te Ohu Kaimoana annual plan and budget for the 2017-2018 financial year. This plan has been developed within the context of the Māori Fisheries Strategy and three-year strategic plan Te Ara Taupuhpuhi.

It sets out how Te Ohu Kaimoana will work towards achieving our aspirational goal of Mandated Iwi Organisations collectively leading the development of Aotearoa marine and environmental policy affecting fisheries management through Te Ohu Kaimoana as their mandated agent.

Organisational vision, *Ka ora ki tai – ka hua ki uta: A Bountiful Ocean will Sustain Us* speaks to the enduring Māori aspiration to exercise tino rangatiratanga over our resources, giving the fullest expression to our unique way of life.

Article 2 of Te Tiriti o Waitangi confirmed and guaranteed to Chiefs ‘exclusive and undisturbed possession of their lands and estates, forests, fisheries, and other properties’<sup>1</sup>. This guarantee was reaffirmed in the land-mark Crown-Māori fisheries settlement, which was implemented through the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992. The purpose of that Act was:

- “(a) to give effect to the settlement of claims relating to Māori fishing rights;
- (b) to make better provision for Māori non-commercial traditional and customary fishing rights and interests; and
- (c) to make better provision for Māori participation in the management and conservation of New Zealand’s fisheries.”<sup>2</sup>

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<sup>1</sup> English version of the Treaty of Waitangi

<sup>2</sup> Treaty of Waitangi (Fisheries Claims) Settlement Act 1992.

To give life to this vision, the purpose of Te Ohu Kaimoana is to “advance the interests of iwi individually and collectively, primarily in the development of fisheries, fishing, and fisheries-related activities in order to:

- a) Ultimately benefit the members of iwi and Māori generally;
- b) Further the agreements made in the Deed of Settlement;
- c) Assist the Crown to discharge its obligations under the Deed of Settlement and the Treaty of Waitangi; and
- d) Contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement.”<sup>3</sup>

## Background

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In 2015, Mandated Iwi Organisations approved the continuation of a significantly restructured Te Ohu Kaimoana to work on priorities agreed by Iwi to enhance the fisheries settlement. In 2016, it was resolved that Te Ohu Kaimoana would undertake a review of its operational structure and activities to confirm the funds available for retention and distribution.

In March 2017, Te Ohu Kaimoana released the Māori Fisheries Strategy to help clarify its strategic role in Māori fisheries. The Strategy proposed a vision for Māori fisheries:

“The on-going Treaty Partnership between Iwi and the Crown is given effect through development of fisheries-related legislation, policies, and arrangements that recognise and respect the rangatiratanga of Iwi over their traditional fisheries.”

Following the release of the Māori Fisheries Strategy, Te Ohu Kaimoana established a Three-Year Strategic Plan Te Ara Taupuhpuhi – the Path of Mutual Dependence, which sets out its strategic priorities to 2020. The organisation’s most important activities over the next three years are to:

- Maintain and grow positive relationships with Iwi and key stakeholders;
- Reorganise Te Ohu Kaimoana capacity for the future;
- Develop and respond to initiatives to protect and enhance Māori fisheries rights; and
- Complete statutory duties.

The three-year strategic plan outlined how it intends achieving these goals and the estimated funding required between 2018–2020.

A Special General Meeting of Mandated Iwi Organisations approved the Te Ohu Kaimoana Māori Fisheries Strategy and Te Ara Taupuhpuhi on 14 September 2017.

## Short-term Outlook

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As noted in the Māori Fisheries Strategy, approximately 60 Iwi and Māori-controlled organisations lead the Māori fisheries sector, yet often do not work closely together politically, legally or commercially. As these organisations do not work together, attempts to protect and advance Māori fishing rights across all their dimensions can prove ineffective.

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<sup>3</sup> Section 32, Maori Fisheries Act, 2004.

Wider society can diminish Māori fishing rights if they are not actively protected by appropriate political, legal, and commercial strategies. Current examples of attempts to diminish these rights include the Kermadec Ocean Sanctuary proposal and its allied, no take, Marine Protected Areas policy proposals.

One of our immediate priorities is to further cultivate a unified Māori voice on fisheries, aquaculture, and marine matters with the Crown-based on the Deed of Settlement.

Key to Te Ohu Kaimoana developing a unified Māori political voice on these matters is on-going communication and engagement with Mandated Iwi Organisations and other influential Māori and Government bodies.

As an agile and responsive organisation, Te Ohu Kaimoana will develop and respond to initiatives to protect and enhance Māori fisheries rights in a timely manner. It must also keep a watching brief of groups seeking to influence environmental policy in a manner which could cut across the full range of Māori fishing rights guaranteed under the Deed of Settlement.

During FY16/17, Te Ohu Kaimoana sought to build on its reputation as a credible and balanced voice within the wider fisheries sector, and lead an on-going debate around New Zealand's fisheries management.

The FY17/18 year will see us continue to build on it the previous year's work, and help Mandated Iwi Organisations exert more influence to advance Māori fisheries interests.

We will also focus on reorganising Te Ohu Kaimoana for the future while continuing to advocate for the protection of Maori fishing interests with the Crown.

## Key Strategies and Outcomes FY17/18

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As outlined in the three-year strategic plan the key strategies and work streams identified for FY17/18 are:

- **Maintaining and growing positive relationships with Iwi and key stakeholders**
  1. Establish more effective and efficient two-way communications channels for maintaining contact with Mandated Iwi Organisations (MIOs)/Iwi Aquaculture Organisations (IAOs) and Asset Holding Companies (AHCs);
  2. Identify and develop appropriate value-add services for MIOs/IAOs and AHCs;
  3. Build strong relationships nationally with relevant Ministers and senior bureaucrats, councils, key industry figures and influence bodies;
  4. Clarify the relationship between the roles of MIOs and the Iwi Chairs' Forum to establish a unified Māori political voice on fisheries, aquaculture and marine matters with the Crown as per the Deed of Settlement; and
  5. Establish and operate a forum for Treaty partners to develop any changes to and review the performance of all marine legislation consistent with the Deed of Settlement and in accordance with a protocol that sets out key matters.

- **Reorganise Te Ohu Kaimoana capacity for the future**

1. Reorganise Te Ohu Kaimoana as an agent of MIOs to act as an influencer and advocate for the protection and advancement of Māori collective fisheries rights based on strong knowledge, integrity and relationships;
2. Provide a central hub of expertise and technical support to Māori representatives elected to industry bodies so that Māori are positioned to take pivotal leadership roles in CSOs and SREs or, where agreed by Iwi, undertake those roles directly on behalf of Iwi;
3. Develop the capability to exert influence nationally and internationally and ensure that New Zealand fisheries management practice supports the Deed of Settlement;
4. Build strong relationships nationally with relevant Ministers and senior bureaucrats, councils, key industry figures, and influence bodies;
5. Build strong relationships with Iwi fisheries experts, internationally respected experts, Non-Government Organisations (NGOs) and best practice industry bodies; and
6. Keep abreast of international trends in marine management being adopted by governments and regional bodies as well as those being advocated for from customer and NGO perspectives.

- **Develop and respond to initiatives to protect and enhance Māori fisheries rights**

1. Continue Ministry of Primary Industries (MPI) engagement on Future of Our Fisheries policy and introduction of the Integrated Electronic Monitoring and Reporting System (IEMRS);
2. Review and report on how the Customary Fisheries Framework is operating across the country, and what systems for management are in place and what agreed enhancements could provide for better expression of those rights in a manner consistent with the Deed of Settlement;
3. Finalise an on-line reporting system that MIOs can support kaitiaki to use to improve reporting for customary catch;
4. Assist to set up regional pātaka systems where requested in accordance with consistent principles and standards;
5. Develop a model for a collective Māori approach to commercial fisheries management that integrates Māori decision-making and influence in each species management group by fishing area; and<sup>4</sup>
6. Continue to participate in conjunction with MIOs, AHCs, and Moana NZ in the development of national and regional policy on MPAs and all precedent setting initiatives that would reduce access for fishing or aquaculture to protect settlement interests.

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<sup>4</sup> This will include a framework for each AHC, collective Māori entity and AFL who own quota or operate in a fishing area to collaborate to appoint representatives to CSOs and to influence decision-making in the best long-term interests of Māori

- **Complete statutory duties**

1. Continue to manage ongoing statutory functions including governing the Te Ohu Kaimoana Group;
2. Facilitate allocation of currently-held aquaculture and remaining fisheries assets;
3. Work with MPI to progress and complete legislative changes to the Māori Fisheries Act 2004 arising from the 2015 Statutory Review; gain agreement to and recommend other legislative changes that assist allocation of settlement assets; and
4. Complete all statutory reporting requirements.

## Te Ohu Kaimoana Success Indicators

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**Mandated Iwi Organisation Satisfaction** – Mandated Iwi Organisations are satisfied that Te Ohu Kaimoana provides a valuable and necessary service and delivers services in a way which meets their needs. Te Ohu Kaimoana will establish an annual client satisfaction review as part of the Annual General Meeting process.

**Protect Quality and Nature of Rights** – Iwi rights guaranteed under the Deed of Settlement are protected through the co-development of Marine and Fisheries policy and legislative mechanisms through proactive and constructive Government engagement.

**Financial Performance and Maintenance of Value** – Te Ohu Kaimoana services are delivered within the Board-mandated spending rule of a maximum of 4% of total investment portfolio returns (\$79m capital), which maintain and grow the real value of Iwi funds held in trust in the event of future distributions. Unbudgeted projects requiring capital expenditure above \$1m per project must be approved by a Special General Meeting of Mandated Iwi Organisations.

## FY17/18 Budget

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### Income

In FY17/18 Te Ohu Kaimoana is expected to generate total income of \$7.0m from the following sources:

INCOME	FY15/16 Actual	FY16/17 Forecast	FY17/18 Budget
Portfolio income	3,076,000	3,132,000	3,383,880
Annual Catch Entitlement (ACE) income	673,000	611,000	611,384
Takutai Funding from MPI	478,000	530,000	559,007
Moana New Zealand Ltd dividend	-	1,647,000	1,760,000
Other income	757,000	833,000	712,843
<b>TOTAL INCOME</b>	<b>4,984,000</b>	<b>6,753,000</b>	<b>7,027,114</b>

### Expenses

Te Ohu Kaimoana will have expenses of \$5.04m for the year in the following key areas:

EXPENSES	FY15/16 Actual	FY16/17 Forecast	FY17/18 Budget
Staffing	2,216,000	2,063,000	1,881,487
Legal	368,000	214,000	579,933
Consultancy	867,000	600,000	952,564
Directors fees	425,000	381,000	335,500
Quota-related fees	326,000	367,000	354,000
Infrastructure, overheads and other costs	1,246,000	1,122,000	893,737
<b>TOTAL EXPENSES</b>	<b>5,448,000</b>	<b>4,747,000</b>	<b>4,997,221</b>

### Capital Expenditure

No capital expenditure has been allocated for FY17/18 year. The presumption is that the fit out of new long-term Te Ohu Kaimoana premises will be covered by the November 2016 earthquake insurance claim. This claim is currently being assessed by the insurance company.

### Assumptions

Key assumptions used in constructing the budget are:

#### Income

- Earnings from Investments limited to 4% spending rule of income generated from an opening capital-base of \$79m. It is conservatively assumed the Capital-base will increase in size by 0.5% plus CPI. Note: minimum targeted investment returns are set at 4.5% plus inflation (forecast 1.8% for September 2017 Quarter) for a total minimum return of 6.3%. Surplus funds achieved over minimum return are reinvested to maintain and grow the value of the fund over time;
- Crown contribution to Takutai funding based on management assessment;

- Income from the Moana NZ Ltd dividend ceases when shares transfer to Iwi following amendments to Maori Fisheries Act 2004;
- ACE Income is based on current holdings, although coastline agreements may require the allocation and transfer of assets during the year, which may have an impact on the over-head recoveries from the ACE rounds;
- Other income includes conference income (based on current year actuals), subsidiary cost recoveries and Māori Authority Tax Credits; and
- No third-party funds have been anticipated as part of this budget at this stage but this has been identified as an area for development.

### **Expenses**

- FY17/18 salaries and wages at \$1.8m (FY16/17 forecast \$2.06m);
- Director fees reduced as per Sept 2016 Board resolution;
- Infrastructure, overhead and other costs includes travel and accommodation, reporting and communication, scholarships and koha, national and regional hui, and administration;
- Consultancy assumption includes transitional costs resulting from organisational restructure, strategic communications, assistance with fisheries protection;
- Legal expense assumption includes possible litigation on Kermadec Islands, Future of Our Fisheries, SNA7, and other matters which may not occur;
- The Māori Fisheries Conference will provide a break even result;
- Scholarships expenses are lower for FY18 as no scholar was awarded the Global Fisheries Scholarship for 2018. Westport Deep Sea fishing school scholarships at this stage have been retained but Te Ohu Kaimoana will no longer receive a 50% contribution from Te Pūtea Whakatupu.

## Balance Sheet

		Actual 30 Sept 2016 \$	Forecast 30 Sept 2017 \$	Budget 30 Sept 2018 \$
<b>ASSETS</b>				
<b>Current Assets</b>	<b>Note</b>			
Cash and cash equivalents		6,186,000	4,329,891	5,018,166
Investments in associates	3	107,160,000	107,160,000	5,164,273
Receivables and pre-payments		201,000	200,000	150,000
<b>Total Current Assets</b>		<b>113,547,000</b>	<b>111,689,891</b>	<b>10,332,439</b>
<b>Non-Current Assets</b>				
Property, plant, and equipment	6	46,000	30,820	322,149
Investment Portfolio	7	78,959,000	84,580,520	86,494,210
Quota	1	24,862,000	20,217,950	13,516,059
<b>Total Non-Current Assets</b>		<b>103,867,000</b>	<b>104,829,291</b>	<b>100,332,419</b>
<b>TOTAL ASSETS</b>		<b>217,414,000</b>	<b>216,519,182</b>	<b>110,664,858</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables and accruals		685,000	200,000	150,000
<b>Total Current Liabilities</b>		<b>685,000</b>	<b>200,000</b>	<b>150,000</b>
<b>NET ASSETS</b>		<b>216,729,000</b>	<b>216,319,182</b>	<b>110,514,858</b>
<b>EQUITY</b>				
<b>Trust Capital (Retained Earnings)</b>				
Trust Capital (Retained Earnings)		72,263,433	78,075,729	80,105,623
Maintenance Reserve (CPI and 0.5% Growth each year)		1,370,567	2,140,567	4,415,749
AFL Income Shares and Redeemable Preference Shares	3	101,713,000	101,713,000	297,800
<b>Total Trust Capital and Retained Earnings</b>		<b>175,347,000</b>	<b>181,929,296</b>	<b>84,819,172</b>
<b>Maori Fisheries Act Classified Reserves – Yet to be allocated</b>				
Quota to be allocated	1, 2, 5	24,678,000	20,033,950	13,516,059

AFL shares held in trust for Iwi	1, 5	5,445,000	5,445,000	4,866,473
Te Wai Māori Trust settlement		4,000,000	3,000,000	2,000,000
AFL dividend held in trust for Iwi	1, 5	515,000	624,780	656,729
Māori Authority tax credits – non-allocated iwi shares	1, 5	523,000	543,648	509,560
Global Fisheries Scholarship Trust	4	1,018,000	1,020,000	1,020,000
Cash top-up for quota shortfall for Iwi	1, 2, 5	706,000	576,490	583,597
Cash to Iwi	1, 5	601,000	594,297	543,267
Funds held in trust		3,896,000	2,551,720	2,000,000
		<b>41,382,000</b>	<b>34,389,885</b>	<b>25,695,686</b>
<b>EQUITY</b>		<b>216,729,000</b>	<b>216,319,182</b>	<b>110,514,858</b>

#### Assumptions FY 2018:

#### Note

Ngāti Tama population allocated	1
East Coast coastline allocated	2
Legislative changes implemented; AFL income shares and redeemable preference shares allocated to Iwi	3
Global Fisheries Scholarship – spend equals interest earned	4
Holdings of non-allocated iwi shares – Te Whānau-ā-Āpanui	5
Assets include fitout of new building	6
CPI @ 1.5% + Growth @ 0.5% = 2% capital maintenance (Est 12 trailing quarterly portfolio value \$82m)	
- account market volatility was not taken into account	7

## Cashflow

TE OHU KAI MOANA TRUST CASHFLOW AS AT 30 SEPTEMBER EACH YEAR	Actual 30 Sept 2016 \$	Forecast 30 Sept 2017 \$	Budget 30 Sept 2018 \$
<b>Cashflow from Operating Activities</b>			
<i>Cash provided from:</i>			
Receipts from sale of ACE	673,000	611,000	611,000
Refund of Māori Authority Tax Credits	289,000	245,000	308,000
Receipts from ACE round disputes	1,310,000	1,056,000	1,000,000
Other	489,000	595,000	405,000
<b>Total Cash provided from</b>	<b>2,761,000</b>	<b>2,507,000</b>	<b>2,324,000</b>
<i>Cash applied to:</i>			
Payments to suppliers and employees	5,201,000	4,890,000	4,437,413
<b>Net cash (outflow) from Operating Activities</b>	<b>(2,440,000)</b>	<b>(2,383,000)</b>	<b>(2,113,413)</b>
<b>Cash flows from investing activities</b>			
<i>Cash provided from:</i>			
Cash drawdown from Joint Investment Portfolio	4,800,000	1,300,000	3,334,000
AFL dividend for Te Ohu Kaimoana	1,277,000	1,652,000	1,663,200
AFL dividend received for Iwi shares held in trust	85,000	105,000	96,800
Insurance claim on earthquake	-	180,000	270,000
	<b>6,162,000</b>	<b>3,237,000</b>	<b>5,364,000</b>
<i>Cash applied to:</i>			
Purchase of fixed assets	34,000	450,000	-
	<b>34,000</b>	<b>450,000</b>	<b>-</b>
<b>Net cashflow from investing activities</b>	<b>6,128,000</b>	<b>2,787,000</b>	<b>5,364,000</b>
<b>Cashflows from Financing and Trust Capital Activities</b>			
<i>Cash applied to:</i>			
Distributions to associated trusts	1,069,000	1,069,000	1,000,000
Distributions to iwi	1,059,000	1,191,110	1,562,311
<b>Net cashflow from Financing Activities</b>	<b>(2,128,000)</b>	<b>(2,260,110)</b>	<b>(2,562,311)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>1,560,000</b>	<b>(1,856,110)</b>	<b>688,276</b>
<b>Opening cash</b>	<b>4,626,000</b>	<b>6,186,000</b>	<b>4,329,890</b>
<b>Cash and cash equivalents held at year end</b>	<b>6,186,000</b>	<b>4,329,890</b>	<b>5,018,166</b>

## 2017/18 Goals

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### Fisheries

#### Allocation

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**Objective 1: Assist Iwi gain/retain MIO status and transfer population based assets where relevant by 30 September 2018:**

- Work with Ngāti Tama (North Island) and Te Whānau-ā-Āpanui to help them gain MIO status by 30 September 2018; and
- Assist Iwi to transition their Post Settlement Governance Entity (PSGE) to a new MIO where required.

**Objective 2: To allocate and transfer remaining settlement assets:**

- Assist Iwi to resolve coastline claims on remaining settlement assets by 2018. The process will be supported by facilitation services and other consultants (survey); and
- To assist Iwi to reach allocation agreements on eel quota or determine allocation under s148 of the Maori Fisheries Act by 30 September 2018.

**Objective 3: Facilitate agreements using statutory processes under the Act (s 181 and 182) where required:**

- Likely Māori Land Court applications in three areas to resolve coastline allocation disputes (and in some instances aquaculture allocation disputes) – in Rangitāne/Manawatū; Te Tau Ihu/Canterbury; Te Tairāwhiti.

**Objective 4: Make ACE available to Iwi who have not received their settlement assets:**

- Manage April 2018 and October 2018 ACE rounds; and
- Sell ACE on behalf of Iwi in dispute over coastline allocations and hold proceeds in dispute under s152 of the Maori Fisheries Act.

**Objective 5: Allocate and transfer funds on trust:**

- Continuously review funds held on trust and status of disputes. Where possible facilitate agreements between parties and distribute funds.

**Objective 6: MIO and Te Ohu Kaimoana compliance with the requirements of the Maori Fisheries Act:**

- Ensure MIOs comply with the Maori Fisheries Act and any subsequent amendments or decisions of the Court with respect to the interpretation of the provisions of the Act.

### Objective 1: Develop and respond to initiatives to protect and enhance Māori fisheries rights:

- Continue MPI engagement on Future of Our Fisheries policy and introduction of the Integrated Electronic Monitoring and Reporting System (IEMRS);
- Case study models for a collective Māori approach to commercial fisheries management by March 2018; and
- Provide an ongoing central hub of expertise and technical support to Māori representatives elected to industry bodies so that Māori are positioned to take pivotal leadership roles in CSOs and SREs or, where agreed by iwi, undertake those roles directly on behalf of iwi.

### Objective 2: Management of customary fishers:

- Review and report on how the Customary Fisheries Framework is operating across the country by 30 September 2018 as the basis of a Customary Fisheries Strategy;
- Finalise an on-line reporting system that MIOs can support kaitiaki to use to improve reporting for customary catch; and
- Continue to assist with regional pātaka systems and establish new systems where requested in accordance with consistent principles and standards.

### Objective 3: Protect Māori fishing rights from access threats:

- Should the Crown continue to advance an Ocean Sanctuary of a type unacceptable to Iwi litigation options will be considered to protect Iwi rights in the area;
- Protect settlement interests through continuing participation and advocacy in conjunction with MIOs, AHCs and Moana NZ in the development of national and regional policy on MPAs and all precedent setting initiatives that would reduce access for fishing or aquaculture including involvement in:
  - Marine Protected Areas proposals;
  - Hauraki SeaChange next steps;
  - Recreational fishing parks (if any);
  - Applications for exclusive use of space including the mining of seabed; and
  - The use of the Resource Management Act to restrict fishing access – including Motiti and Marlborough Sounds.
- Maintain watching brief on Crown policy initiatives that are inconsistent with Iwi rights and the Deed of Settlement through the Future of our Fisheries initiative; and
- Work with affected Iwi to challenge the Ministerial SNA7 re-allocation (proportionately) decision by December 2017.

## Aquaculture

### Allocation

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#### Objective 1: Facilitate allocation agreements for pre-commencement assets for:

- The Northland region including iwi use of the dispute resolution processes for allocation (including possible Māori Land Court processes) by September 2018;
- The Bay of Plenty region for those assets that can apply to the coastline associated with the IAOs by end of September 2018;
- The Wellington region by June 2018;
- The Marlborough region including iwi use of the dispute resolution processes for allocation by the end of June 2018 (including possible Māori Land Court processes); and
- Assist iwi to transition their PSGE to a new MIO/IAO where required.

#### Objective 2: Assist iwi to agree representative space in each of the Tasman region Aquaculture Management Areas sub-zones with the applicants for those sub-zones and reach allocation agreements between all iwi of the region by 31 December 2017:

- Gain agreement with applicants in each sub-zone on 20% representative space in each subzone;
- Assist Tasman iwi to establish structures and arrangements to allow them to jointly develop subzone space; and
- Create a framework to assist iwi to allocate assets if/when they decide to.

#### Objective 3: Facilitate new space agreements and agreement on allocation of those assets for:

- The Northland region including iwi use of the dispute resolution processes for allocation (including possible Māori Land Court processes) by September 2018;
- The Canterbury region by having the relevant iwi agree to a process for a regional settlement (Regional Agreement or default under the Act) with the Crown, and subsequent allocation of assets to iwi by August 2018;
- The Marlborough region including iwi use of the dispute resolution processes for allocation by the end of September 2018 (including possible Māori Land Court processes); and
- Southland by facilitating agreement on a work programme between Ngāi Tahu and the Crown by March 2018.

#### Objective 4: Assist iwi and the Crown to agree the value and form of additional new space settlement assets where applicable:

- If there is a further settlement obligation on the Crown arising from a greater than expected rate of new space in any five-year period compared with the same period in the signed Regional Agreements (e.g. approval of the NZ King Salmon relocation, additional mussel space in Western Firth, Te Ohu Kaimoana will assist iwi in the affected region to agree on both the amount and the form of any further settlement assets from the Crown);

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<sup>5</sup> Coupled with this are the necessary legislative amendments to the Māori Commercial Aquaculture Claims Settlement Act to empower Te Ohu Kaimoana to allocate assets to iwi where not all iwi in the region are able or willing to sign an allocation agreement (similar to the provisions under the MFA). These amendments are also relevant to the Northland settlement.

- Where new forms of aquaculture become commercialised (e.g. fin-fish in the North Island), agreeing with the Crown on an appropriate monitoring regime to elicit the parameters needed to allow forecasting and valuation of space.

#### Objective 5: Amendments to the Māori Commercial Aquaculture Claims Settlement Act 2004:

- Develop, promote (consult) and recommend amendments to the Settlement Act to provide for an additional mechanism to assist iwi to reach agreement on the allocation, and transfer, of aquaculture settlement assets. This will ensure the legislation is fit for purpose and provides a full range of options for allocation. This work is expected to continue until 2020.

#### Objective 6: Provide input into review of the Minister’s New Space plan:

- Develop with the Crown a reforecast of expected new space for all species in each region to 2035, and promote amendment of forecasts and additional monitoring and collection of data to assist valuation, if necessary. The legislation requires that this process must commence before December 2017 and is expected to be complete in 2019.

#### Objective 7: Assist iwi organisations become IAOs:

- Assist Iwi to transition their PSGE to a new IAO where required.

#### Objective 8: Meet other statutory requirements:

- Develop, monitor and update the Iwi aquaculture register; and
- Maintain and update the Takutai website.

#### Objective 9: Maintain ongoing relationship with MPI officials to:

- Regularly monitor any new approvals for pre-commencement space in all regions;
- Value and transfer to Te Ohu Kaimoana any further pre-commencement space obligations, and work with relevant Iwi on their allocation.

## Policy

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#### Objective 1: Protect the interests of Iwi in aquaculture by collaborating with Iwi, the aquaculture industry and government to identify and address any threats to aquaculture:

- Participate as a director and support an Iwi director on Aquaculture New Zealand;
- Participate in the Chief Executives’ forum “think-tank” to address issues of coordination and resolution of impediments to aquaculture;
- Participate as member of the Working Group to promote improved national direction for aquaculture so that there is more certainty and consistency for re-consenting of existing aquaculture and approval of new space across all regions as these affect iwi interests individually and collectively in aquaculture; and
- Support an Iwi aquaculture “think-tank” to address key policy and operational issues in aquaculture for Iwi, where agreed.

## Māori Fisheries Act Review Implementation

**Objective 1: Ensure legislative changes endorsed by Iwi are reflected in final changes to the Maori Fisheries Act during 2017-18 for introduction to the House by July 2018:**

- Engage with government officials to ensure amendments reflect Iwi resolutions;
- Engagement will be supported by legal and other appropriate expertise as required;
- Provide advice and information to the Select Committee who will consider the amendment Bill; and
- On-going engagement with Iwi will occur where required.

**Objective 2: Ensure related statutory documents are consistent with Iwi requirements and legislative amendments during 2017-18:**

- Draft amendments to the constitutions and trust deeds of each entity as required; and
- Support each entity to draft amendments to corporate governance codes as required.

**Objective 3: Ensure the ordinary shares in AFL are transferred to Iwi consistent with the amended Māori Fisheries Act**

- Value the AFL shares prior to distribution; and
- Unwind the RPS and Charisma once the amended legislation is passed.

## Governance and Management Services

**Objective 1: Governance of settlement entities:**

- Meet ongoing annual statutory obligations under the Act in relation to Moana NZ, Te Wai Māori and Te Pūtea Whakatupu; and
- Work with National Urban Māori Authority and the Schedule 5 Representative Māori Organisations to develop a suitable appointment process for Te Pūtea Whakatupu directors.

**Objective 2: Relationship building and reporting:**

- Provide regular quarterly updates to Iwi and other stakeholders on the work of Te Ohu Kaimoana and subsidiaries;
- Build and maintain effective relationships with Iwi and other stakeholders;
- Promote good relationships through industry and government;
- Promote Te Ohu Kaimoana as a source of expert advice and information;
- Comply with reporting responsibilities outlined within the Maori Fisheries Act by publishing an annual plan and annual report within the appropriate timeframes; and
- Host a successful Hui-a-Tau and Māori Fisheries Conference.

**Objective 3: Investment and portfolio management:**

- Minimum target return for the portfolio is 4.5% plus CPI after all management fees but not including advisor fees;
- Annual drawdowns for operational expenditure are targeted to be no more than average of 4% of the previous 3 years of the total portfolio investment fund attributable to Te Ohu Kaimoana;

- Continue to transition the diversified portfolio agreed under the Statement of Investment Objectives and Policies (SIPO); and
- Manage available cash-flows to meet the needs of the organisation.

**Objective 4: Corporate Resources and Infrastructure:**

- Manage fit-out of new premises and relocate by November 2017;
- Provide the tools, resources and environment to enable the organisation to meet the goals and objectives that have been agreed;
- Establish processes to cover the succession planning of at-risk roles and skill sets by March 2018; and
- Review key policies and procedures to align with the new organisation structure by March 2018.