

# TAKUTAI TRUST

*The Maori Commercial Aquaculture Settlement Trust*



**TAKUTAI TRUST | ANNUAL PLAN 2006**

1 October 2006 to 30 September 2007

The background of the slide features a dark, textured surface with several vertical columns of light-colored, braided rope or fiber mesh. The braiding is intricate and creates a repeating pattern. The overall lighting is dramatic, highlighting the texture of the fibers against the dark background.

***“ Iwi will be promoted  
into aquaculture  
through the  
development of  
new aquaculture  
management areas ”***



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## *Introduction*

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The Takutai Trust (the Maori Commercial Aquaculture Settlement Trust) was established in 2005, when the directors of Te Ohu Kai Moana Trustee Ltd accepted the role of trustee. The Maori Commercial Aquaculture Claims Settlement Act 2004 (the Maori Aquaculture Act) provides for iwi to receive 20% of all new aquaculture space and the equivalent of 20% of aquaculture space established between 21 September 1992 and 31 December 2004. The Maori Aquaculture Act established the Maori Commercial Aquaculture Settlement Trust – the Takutai Trust - to receive aquaculture settlement assets and allocate them to iwi, subject to a number of requirements. It also provides for the reasonable costs and expenses of the trustee in carrying out its core duties to be met from money appropriated by Parliament.

This second annual plan is prepared in accordance with section 36 of the Maori Aquaculture Act, and the Funding Agreement between Te Ohu Kai Moana Trustee Ltd and the Minister and Ministry of Fisheries. The key purpose of the plan is to inform iwi of the trust's priorities for action during 2006 – 07. In doing so, the plan will provide the Crown with the information it needs to ensure it has a sufficient appropriation through Parliament, and to account for those activities that are Crown funded. The annual plan has now been submitted to the Chief Executive of the Ministry of Fisheries.

## Duties of the Trustee

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The duties of Te Ohu Kai Moana Trustee Ltd, as trustee of the Takutai Trust, are set out in section 38 of the Maori Aquaculture Act as follows:

- (1) *The trustee must administer the settlement assets in accordance with this Act, including performing the following duties:*
- (a) *allocating and transferring settlement assets:*
  - (b) *holding and administering settlement assets pending their allocation and transfer:*
  - (c) *determining allocation entitlements:*
  - (d) *maintaining an iwi aquaculture register and providing access to the register:*
  - (e) *facilitating steps by iwi organisations to be recognised as iwi aquaculture organisations:*
  - (f) *facilitating steps by iwi aquaculture organisations to reach agreement-*
    - (i) *under section 45(4); and*
    - (ii) *about coastline and harbour claims for settlement assets allocation entitlements; and*
    - (iii) *about the allocation and transfer of settlement assets.*
  - (g) *notifying coastal endpoints in the Gazette.*

Section 38(3) of the Maori Aquaculture Act provides that the reasonable costs and expenses for the trustee in carrying out its core duties under section 38(1) of the Maori Aquaculture Act are to be paid out of money appropriated by Parliament.

Additional duties provided for under section 38(2) enable the trustee to undertake activities for related or ancillary purposes, such as facilitating and co-ordinating the development of and use of settlement assets and representing the interests of iwi, if agreed to by iwi. Funding would need to be secured to carry out these activities.

The Takutai Trust's work areas based on section 38 of the Maori Aquaculture Act are summarised on the next page.



## *Explanation of Work Areas*

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### *1 Stewardship/kaitiakitanga*

This involves activities that ensure that the Takutai Trust is in a position to hold and maintain settlement assets in accordance with its obligations. In support of those obligations, it also includes advice to other parties including local and central government, and industry to ensure they are aware of the implications of developments or proposed policies on settlement assets, as well as the ability of the trust to carry out its duties<sup>1</sup>.

### *2 Facilitating steps towards iwi aquaculture organisations*

This area involves activities that assist iwi organisations to qualify as iwi aquaculture organisations and is carried out in conjunction with the assistance that Te Ohu Kaimoana (the Maori Fisheries Trust) provides to iwi<sup>2</sup>.

### *3 Facilitating steps towards allocation and transfer*

This area involves activities which include:

- helping iwi reach agreement on the allocation and transfer of aquaculture settlement assets in the first 12 months following qualification of all relevant iwi within a region;
- managing coastline and harbour claims, and
- helping iwi to agree on options for holding and managing their assets so that their assets can be transferred to them<sup>3</sup>.

There will be a number of activities that it will be important for the Takutai Trust to carry out to establish a positive context for agreement on these matters. These include developing information on aquaculture planning under the Resource Management Act and Fisheries Act. Where it will assist iwi to reach agreement, the Takutai Trust will also help develop working relationships between iwi, regional councils, unitary authorities and industry.

<sup>1</sup> This work area is based on section 38 (1) (b) of the Maori Aquaculture Act.

<sup>2</sup> This work is based on section 38 (1) (e) of the Maori Aquaculture Act.

<sup>3</sup> This work is based on sections 38 (1) (a), (c), and (f) of the Maori Aquaculture Act.

#### *4 Facilitating development*

This includes helping iwi to develop commercial ventures consistent with section 38(2) of the Maori Aquaculture Act. Note that the Maori Aquaculture Act does not require the Crown to fund development activities and other sources of funding may need to be sought for such activities.

#### *5 Accountability*

This includes the processes the Takutai Trust is required to follow to plan and report on its activities to iwi and the Crown. It also includes:

- maintaining and providing access to the iwi aquaculture register
- notifying coastal endpoints in the Gazette
- assisting the Crown with the development of a valuation methodology to give effect to the Aquaculture Settlement
- assisting the Crown in the audit of the Aquaculture Settlement Register.

## Planning Context

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The Takutai Trust is beginning this planning exercise on an assumption that the bulk of its work will be completed in the first ten years of its operation, with major progress being made in the first five years. This assumption is based partly on the time frame that the Crown has set itself to deliver on its obligations in respect of pre-commencement space. The Maori Aquaculture Act makes it clear that the Crown can, on a progressive basis, choose a number of options to deliver on these obligations<sup>4</sup>. These are:

- using new space only until 31 December 2007
- purchasing established marine farms from 1 January 2008
- using the financial equivalent of any remaining obligations from 1 January 2013.

Three factors will affect the trustee's work in 2006 – 07. The first is confirmation of recognised iwi organisations as mandated under the Maori Fisheries Act 2004, alongside confirmation of those organisations as iwi aquaculture organisations under the Maori Aquaculture Act. The Takutai Trust anticipates that most relevant iwi organisations will have achieved status as iwi aquaculture organisations by the end of September 2007. We anticipate that by the end of September 2010 the majority of these organisations will have agreed on a framework for the allocation and transfer of their settlement assets in those regions that support aquaculture.

The second is a commitment by the government to provide proactive support to the development of the aquaculture under the new legislation. This means that where aquaculture management areas are created, the trustee will be allocated between 20% - 40% of new space for allocation to iwi. We believe it is important for iwi to be involved in the planning process from the beginning, to ensure that they are able to benefit from what they receive under the settlement.

The third is to ensure that iwi as current and future players in the industry are part of the implementation of the New Zealand Aquaculture Sector Strategy – developed by the aquaculture industry during 2005 – 06.

The background of the page is a photograph of a fishing net. The net is made of a fine, light-colored mesh. Three vertical sections of the net are reinforced with thick, braided rope. The ropes are light-colored and have a distinct diamond-shaped braid pattern. The overall scene is slightly dimly lit, with some green foliage visible in the background on the right side.

# Activity Areas and Objectives for

2006 – 2007

## Activity Areas and Objectives for 06/07

| Activity Area                 | Objectives and Rationale   | Performance Measures   |
|-------------------------------|--|--|
| Stewardship/<br>Kaitiakitanga | <p><i>Receipt of settlement assets:</i> ensure that the Takutai Trust acts to receive settlement assets from the Crown in a timely and efficient manner.</p>   | Assets are received in a timely and efficient manner.  |
|                               | <p><i>Identify the effects of policies on settlement assets:</i> ensure that local and central government and industry organisations are aware of the implications of developments or proposed developments on settlement assets, as well as the ability of the Takutai Trust to carry out its duties.</p> <p>A number of policy issues are being addressed that may affect the administration of settlement assets by the Takutai Trust. These include:</p> <ul style="list-style-type: none"> <li>• consideration by Councils as to whether coastal occupation charges should be applied to marine farms</li> <li>• whether marine farms can be rated under the Rating Powers Act</li> <li>• how councils identify representative space for settlement. As councils are seeking guidance on this issue, the Takutai Trust will develop guidance to assist councils and iwi ensure that settlement space meets the criteria set out in the settlement legislation.</li> </ul> | <p>Policy changes that could have a substantive effect on aquaculture settlement assets and/or the Takutai Trust's ability to administer those assets are identified to iwi, the Crown and/or regional councils with proposals to mitigate effect.</p> <p>Advice developed by the Takutai Trust is:</p> <ul style="list-style-type: none"> <li>• supported by iwi and lodged with relevant agencies in a timely fashion</li> <li>• based on discussions with relevant agencies.</li> </ul> <p>Iwi are informed of or involved in the development of the Takutai Trust's advice in appropriate ways, including through:</p> <ul style="list-style-type: none"> <li>• receiving draft advice for comment</li> <li>• hui on major issues</li> <li>• participation in working groups of iwi members who have expertise in particular issues.</li> <li>• Informal updates and discussion with iwi, the Crown and regional councils as part of related work projects.</li> </ul> |

| Activity Area   | Objectives and Rationale   | Performance Measures   |
|---|--|--|
| <p>Facilitating steps towards Iwi Aquaculture Organisations</p> | <p><i>Constitutional requirements:</i> to help all relevant iwi organisations who have attained MIO status through the Maori Fisheries Act by 1 October 2007 to achieve status as IAOs by the same date, by ensuring that their constitutions meet the requirements of the Maori Aquaculture Act.</p> <p>The Takutai Trust aims to help iwi organisations to make progress as appropriate, including those aiming at a longer time frame for qualification.</p>  | <p>Iwi who have attained MIO status and who wish to achieve status as IAOs are able to do so by 1 October 2007.</p>                                |
| <p>Facilitating steps towards allocation and transfer</p>       | <p>Create the context for early agreement by identifying steps that will assist iwi organisations reach agreement on the allocation and transfer of settlement assets in priority regions, including working with other relevant organisations such as regional councils and industry participants. These steps include:</p> <p><i>working with iwi in priority regions:</i>our work during 2005 – 06 suggests that we will need to continue to give Marlborough, Tasman, Northland, Auckland and Waikato (and possibly Environment Bay of Plenty) regions priority because:</p> <ul style="list-style-type: none"> <li>• the majority of pre-commencement space exists in these areas (although we note that decisions on pre-moratorium applications may increase the existing amount).</li> </ul> | <p>Priority regions are identified</p> <p>Clear regional work plans are agreed with iwi in relevant regions and other parties where necessary.</p> |

| Activity Area   | Objectives and Rationale   | Performance Measures   |
|---|--|--|
| <p>Facilitating steps towards allocation and transfer</p> | <ul style="list-style-type: none"> <li>• the government is placing its emphasis on four of these regions</li> <li>• Marlborough District Council is considering the option of a settlement AMA</li> <li>• there is ongoing litigation in the Tasman District that has serious implications for the settlement</li> <li>• the industry is interested in aquaculture development in these regions.</li> </ul> <p>Note that about 50% of the potential iwi beneficiary organisations are present in these regions. It is likely that the remaining 11 regions will need to be treated as having medium to low priority over the next five years although effort will need to be provided through monitoring and interaction where necessary. We note however that in some of these regions, iwi may still wish to develop asset entitlement agreements that form the basis for allocation of assets in the future, even though there is not likely to be any aquaculture development in the short to medium term.</p> | <p>Priority regions are identified</p> <p>Clear regional work plans are agreed with iwi in relevant regions and other parties where necessary.</p> |

| Activity Area                                      | Objectives and Rationale  | Performance Measures                       |
|--|---|--|
| Facilitating steps towards allocation and transfer | <p><i>Working with iwi and industry:</i> facilitate good communication between iwi/Maori players within the industry, and between industry and iwi who have yet to enter the industry through the settlement. Assist with the implementation of the New Zealand Aquaculture Sector Strategy. Where appropriate, assist iwi and industry consideration of private plan changes for Aquaculture Management Areas.</p> |  |
|  | <p><i>Working with iwi and regional councils:</i> facilitate the involvement of iwi in council planning processes, including development of options for identifying representative space, and for addressing pre-commencement space.</p>  |  |
|  | <p><i>Working with iwi and government:</i> where appropriate, assist the Crown to meet its settlement obligations in ways that are acceptable to iwi.</p>   |  |
|  | <p><i>Clarifying processes for reaching agreement:</i> ensure that the requirements of the Maori Aquaculture Act in respect of coastline and harbour based agreements are clearly analysed and explained to iwi.</p> <p>This objective will be achieved through preparation of relevant information and direct work with iwi organisations.</p>   | Iwi receive clear and helpful information. |

| Activity Area                                      | Objectives and Rationale  | Performance Measures  |
|--|---|---|
| Facilitating steps towards allocation and transfer | <i>Developing tools for agreement:</i> develop and make available to iwi organisations tools that assist them to reach preliminary agreements prior to them all achieving status as IAOs (where relevant), as well as to achieve final share agreements after they have attained that status. | Appropriate tools are developed to assist iwi organisations in relevant regions, based on issues identified in those regions.   |
| Facilitating development                           | The Takutai Trust does not anticipate carrying out any activities under this output class during this period.   |   |
| Accountability                                     | <i>Annual Report:</i> prepare the annual report for 2005 – 6 in accordance with the Maori Aquaculture Act and the funding agreement with the Crown.   | Annual report is prepared in accordance with the requirements of the Maori Aquaculture Act and funding agreement (including provision of quarterly statements to the CEO of Fisheries). |
|  | <i>Annual Plan:</i> prepare the annual plan for 2007 – 08 in accordance with the Maori Aquaculture Act and the funding agreement with the Crown.  | Annual report is prepared in accordance with the requirements of the Maori Aquaculture Act and the Funding Agreement.   |
|  | <i>Iwi Aquaculture Register:</i> ensure the iwi aquaculture register is up to date and that it is accessible in accordance with the Maori Aquaculture Act.  | The Iwi Aquaculture Register is maintained up to date and accessible in accordance with the Aquaculture Act.  |
|  | Pre-commencement space: assist the Crown to identify pre-commencement space as a basis for clarifying its obligations under the Maori Aquaculture Act.  | The Takutai Trust provides an independent check in accordance with an agreed process.   |

The background of the page is a photograph of a fishing net. Three thick, braided ropes run vertically down the center of the frame. The netting is made of fine, light-colored mesh. The overall color palette is muted, with greys, browns, and hints of green from the net's structure.

# Financial Statements

2006 – 2007

## Statement of Financial Performance

|   | <i>Budget<br/>2007</i> | <i>Budget<br/>2006</i> | <i>Unaudited<br/>Actual<br/>2006</i> |
|---|------------------------|------------------------|--------------------------------------|
|   | \$                     | \$                     | \$                                   |
| <i>Revenue</i>  |                        |                        |                                      |
| Funding received from - Min of Fisheries  | 959,585                | 1,000,000              | 483,231                              |
| Interest earned on funding  | 39,315                 | -                      | 31,111                               |
| <b><i>Total Revenue</i></b>   | <b>998,900</b>         | <b>1,000,000</b>       | <b>514,342</b>                       |
| <i>Trust Expenses paid by Te Ohu Kai Moana<br/>Trustee Limited on behalf of the Trust</i> |                        |                        |                                      |
| Human Resources   | -                      | 20,000                 | 18,577                               |
| Travel & Accommodation  | 51,100                 | 65,000                 | 24,580                               |
| Professional Services   | 340,600                | 265,000                | 77,688                               |
| Information Expenses  | 7,000                  | -                      | -                                    |
| Representation Expenses   | 40,000                 | 10,000                 | 2,246                                |
| Stakeholder Related Fees & Levies   | 5,000                  | 10,000                 | -                                    |
| Reporting & Accountability  | 58,200                 | 82,000                 | 11,337                               |
| Administration  | -                      | -                      | 3,368                                |
| Apportioned Trustee Overheads   | 497,000                | 548,000                | 376,546                              |
| <b><i>Total Expenses</i></b>  | <b>998,900</b>         | <b>1,000,000</b>       | <b>514,342</b>                       |
| <b><i>NET SURPLUS (DEFICIT)</i></b>   | <b>-</b>               | <b>-</b>               | <b>-</b>                             |

## Statement of Service Performance

|   | <i>Budget<br/>2007</i> | <i>Budget<br/>2006</i> | <i>Unaudited<br/>Actual<br/>2006</i> |
|---|------------------------|------------------------|--------------------------------------|
|   | \$                     | \$                     | \$                                   |
| <i>Trust Expenses paid by Te Ohu Kai Moana<br/>Trustee Limited on behalf of the Trust</i> |                        |                        |                                      |
| Accountability  | 536,200                | 200,000                | 144,113                              |
| Stewardship/kaitiakitanga   | 189,250                | 110,000                | 85,927                               |
| Facilitating steps towards Iwi<br>Aquaculture Organisations                               | 15,000                 | 150,000                | 72,527                               |
| Facilitating steps towards allocation<br>and transfer                                     | 258,450                | 540,000                | 211,775                              |
| <b>Total Expenses</b>   | <b>998,900</b>         | <b>1,000,000</b>       | <b>514,342</b>                       |
| <b>Revenue</b>  |                        |                        |                                      |
| Funding received from- Ministry of Fisheries  | 959,585                | 1,000,000              | 483,231                              |
| Interest earned on funding  | 39,315                 | -                      | 31,111                               |
| <b>Total Expenses</b>   | <b>998,900</b>         | <b>1,000,000</b>       | <b>514,342</b>                       |
| <b>NET SURPLUS (DEFICIT)</b>  | <b>-</b>               | <b>-</b>               | <b>-</b>                             |

## Directory

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### Board of Directors



*Shane Jones (Chairman)*  
Ngai Takoto, Te Aupouri



*Archie Taiaroa (Deputy Chairman)*  
Ngati Haua, Ngati Kurawhatia, Te Ati Haunui-a-Paparangi,  
Ngati Tuwharetoa, Ngati Apa, Ngati Maru



*Koro Wetere*  
Tainui



*Rangimarie Parata Takurua*  
Ngai Tahu, Ngati Kahungunu



*Dame Georgina Kirby*  
Ngati Kahungunu



*Rob McLeod*  
Ngati Porou

### Alternate Director



*Fred Cookson*  
Te Arawa-Ngati Uenukukopako, Ngati Kahungunu



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