



HE ANGA MUA > A PATH AHEAD

This discussion document has been published by Te Ohu Kai Moana, as part of a round of consultation over options for allocating the Fisheries Settlement. *Further copies are available from Te Ohu Kai Moana – see back cover for contact details.*

DECEMBER 2001



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YOUR FISH, YOUR FUTURE

is intended as an easy-to-read guide to discussions on the allocation of the Fisheries Settlement. The contents of this document have been taken from a document called *He Anga Mua – A Path Ahead* published by Te Ohu Kai Moana.

FOR MORE DETAILED INFORMATION ON THE MATTERS ADDRESSED IN THIS PAPER, YOU SHOULD REFER TO THE FULL DOCUMENT.



INTRODUCTION

The Treaty of Waitangi Fisheries Commission (Te Ohu Kai Moana) is taking a new approach towards resolving issues over the allocation of our Treaty Fisheries Settlement.

This document provides, for the first time, options for not only the allocation of Pre-Settlement Assets (PRESA), but also the distribution of benefits of the Post-Settlement Assets (POSA). Commissioners believe that, given the amount of time it is taking to resolve allocation issues over PRESA, it is sensible to look at ways to allocate both sets of assets.

In arriving at the contents of this Discussion Document, Te Ohu Kai Moana has had to have regard to the Maori Fisheries Act 1989, the Deed of Settlement, the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992, three Waitangi Tribunal reports on fisheries, the findings of numerous court cases, appeals by groups representing various sectors of Maori, and the advice of kaumatua from one end of the country to the other. Te Ohu Kai Moana must also work within the context of the Quota Management System (QMS), through which our Treaty rights with regard to commercial fisheries are now expressed.

We urge all involved to look at these options and possibilities and to put forward your ideas and concerns.

There is no doubt that an eventual best method of allocation will represent a compromise between various positions. Ultimately, any final method of allocation chosen must achieve a fair and enduring settlement and promote constructive working relationships for a productive future in fisheries for all Maori.

Consultation

This Discussion Document gives you our thoughts on key issues about allocating assets and distributing benefits from the Fisheries Settlement, and who should benefit.

We have set broad policy directions for these matters, but have made no firm decisions. We have joined the two parts of the Settlement in the hope that we can resolve allocation and benefit issues for the Settlement as a whole package.

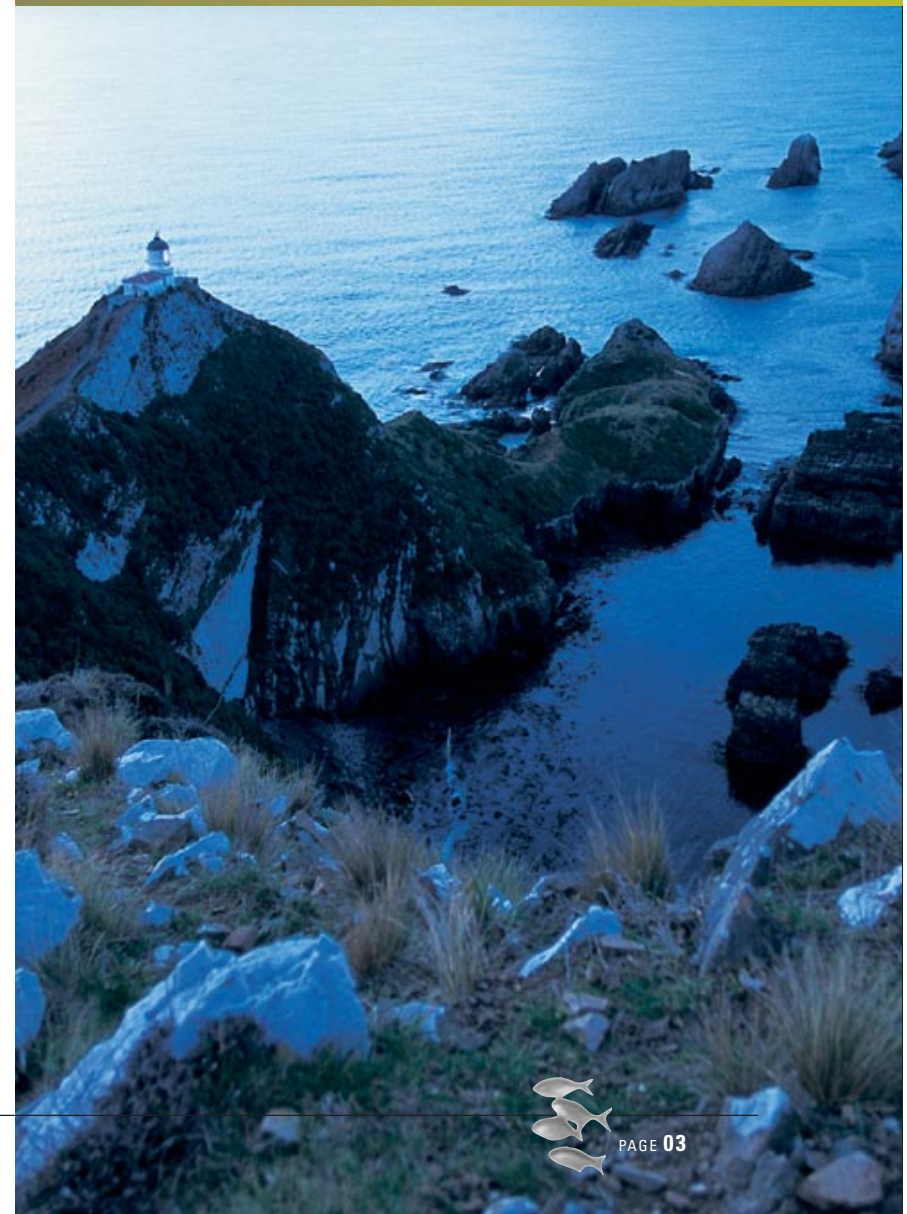
We also present four possible allocation models that combine PRESA and POSA.

Distributing this Document is the first step in this consultation round. We will hold two sets of hui with Iwi organisations and other interested Maori. First, we will hold 11 information hui in December 2001 to tell you what is in this panui and answer any immediate questions you may have.

Secondly, we will hold about 16 full consultation hui in February 2002 to gather your submissions – both written and oral. These submissions will be analysed and further consultation will be held at some point in the future when we have made our decisions on how to proceed.

Between now and February, please look at all the proposals in this document and tell us if you agree or disagree with our current thinking, and what your reasons are. Your feedback will help us to identify one method of allocation that has broad support.

After further consultation, the method of allocation we identify from your submissions to this Discussion Document may become the final Optimum Method of Allocation. The final method of allocation may differ from the models in this document.



The Assets of the Settlement

The Settlement is made up of two sets of assets – known as PRESA and POSA. Together, they represent a substantial economic base.

PRESA are those assets secured in the 1989 interim settlement (those that were held by Te Ohu Kai Moana as at 6 January 1993) and consist of quota, shares in Moana Pacific Fisheries Limited, and cash.

POSA are those assets that result from the Deed of Settlement signed on 23 September 1992 which finally settled Maori commercial fisheries claims (called the “Sealord Deal”). POSA assets consist of quota, shares in a number of fisheries companies and cash. The POSA companies are shown in Appendix 1. (See Figure #1)

In the nine years since the signing of the Deed of Settlement, the pre-Settlement and post-Settlement assets have been managed by Te Ohu Kai Moana on behalf of all Maori. This graph shows the increase in the asset base of the Settlement. (See Figure #2)

Since 1990 we have made access available through annual lease rounds have provided opportunities for Iwi throughout New Zealand to earn between \$10 million and \$25 million dollars each year from the use of the quota. This money has been used by Iwi to do a variety of things, including setting up fishing businesses, buying quota, advancing other Treaty claims, creating scholarships, building houses and supporting marae.

In 1994 we set up a charitable Trust¹ to encourage and support Maori into the business and activity of fishing. Since then, the Trust has given about \$6 million dollars to support more than 1,600 Maori men and women. The Trust

has supported them with funds as scholarships, research grants, and paying fees for fisheries training and management courses².

Legislative Framework

The law that is relevant to PRESA allocation and POSA distribution of benefits is complex. Relevant legislation includes the Maori Fisheries Act and the Settlement Act. These Acts also require us to consider the 1992 Hui-a-Tau resolutions and the Deed of Settlement including Annexure A. In addition, there have been a number of Court cases that are relevant to PRESA allocation and POSA distribution of benefits. These Acts, documents and Court cases guide us on the processes we must follow and the things we must take into account when making decisions on PRESA and POSA. Part B of He Anga Mua sets this out in detail.

Allocation Criteria and Key Issues

Te Ohu Kai Moana has developed a set of criteria that must apply to any allocation proposal. Any allocation proposal must be:

- consistent with the law;
- financially viable;
- technically feasible;
- consistent with tikanga Maori;
- responsive to social and economic needs;
- capable of delivering benefits across economic wealth creation, influence with Government, influence in the fisheries sector, integrated management of fisheries, and Rangatiratanga;
- politically sustainable.

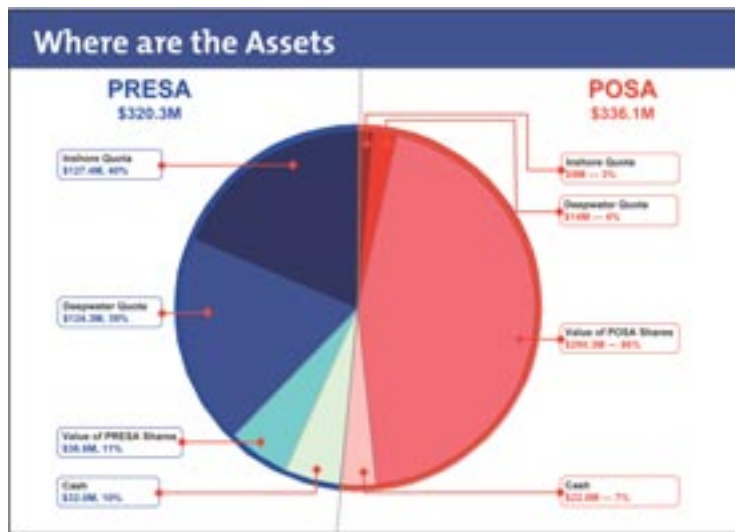


FIGURE #1

¹ Te Ohu Kai Moana Charitable Trust

² The scholarship programme supports three types of study:

- Tertiary level courses in a range of disciplines, from marine sciences, biology and aquaculture to food technology and resource management. More than 580 students have received financial support with tertiary study.
- Management courses in Business management and Director programmes. More than 420 students have been helped to study management.
- Technical courses: deep-sea fishing, seafood processing and statutory marine qualifications. More than 600 students have received financial support to pursue qualifications in fishing.



Design Decisions for an Allocation Model

The considerations relevant to the design of the best of allocation are complex. Ultimately, however, these considerations are applied to a relatively small number of decisions. Some of these decisions affect all potential beneficiaries of the Settlement equally and some affect the relative portions received by the various beneficiaries. Not surprisingly, it is these decisions that have attracted the most controversy.

The critical design decisions are:

- What set of assets make up PRESA and what set of assets make up POSA?
- What are the various types of assets in PRESA and POSA?
- Do we transfer ownership of assets to beneficiaries or do we retain them and distribute the benefits from them to beneficiaries?
- What parameters do we use to allocate the various assets or distribute the benefits?
- What is the appropriate weighting to put on those parameters for the different types of asset?
- Who should receive the assets or benefits? Iwi or Iwi and /or others?

The last three decisions on this list have strong potential distributive influence.

What set of assets make up PRESA and what set of assets make up POSA?

An earlier graph shows the different PRESA and POSA assets. However, it is important to realise that while the law guides the allocation process,

it may not prevent some adjustment of certain assets (shares and cash) between PRESA and POSA, provided that the adjustment is through sale and purchase at fair value. For instance, if there were commercial reasons that would support the consolidation of ownership of Moana Pacific Fisheries Limited and the Sealord Group, Moana Pacific could be purchased with POSA assets.

Attitudes to such adjustments will be largely influenced by the perceived merit of retaining centralised shareholding and control of the major operating subsidiaries of Te Ohu Kai Moana and possible legal constraints.

What are the various types of assets in PRESA and POSA?

There are four types of assets within both PRESA and POSA. These are:

- Inshore Quota;
- Deepwater Quota;
- shares;
- cash.

Previous consultations have shown clear preferences for the different treatment of different asset types – notably Inshore and Deepwater Quota.

Allocate assets or retain and distribute benefits?

Current law requires PRESA to be allocated to Iwi, with “Iwi” meaning traditional tribe – this means transfer of ownership of those assets to Iwi; with any other courses of action most likely requiring legislative amendment. At the same time, we are required to ensure that such allocation is ultimately for the benefit of all Maori.

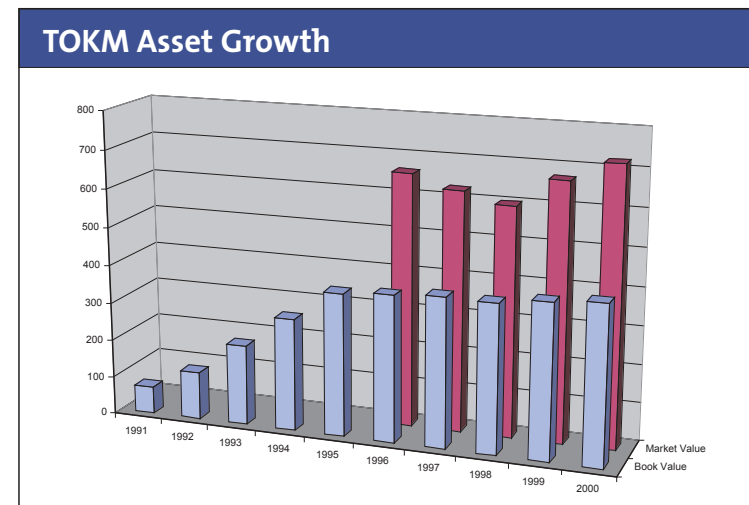


FIGURE # 2



Different statutory constraints apply to POSA, however. We are not barred from distributing some or all of the POSA assets. On the other hand, we may not be barred from retaining ownership of them and establishing processes to distribute benefits derived from those assets.

Attitudes towards the decision to allocate assets or distribute benefits depend on such things as the desirability of establishing clear control of individual Iwi over assets compared with the desirability of maintaining consolidated control over major operating subsidiaries and central direction of benefit flows.

What parameters do we use to allocate the various assets or distribute the benefits?

Only two distributional formulas have gained widespread acceptance from earlier consultations. These are:

- Population (using Iwi statistics from New Zealand census data); and
- Coastline length (as a proportion of Quota Management Area (QMA) coastline length).

Using formulas for Coastline length and Population

There are two sets of choices to be made about the appropriate use of Coastline length and Population in any model:

- The first is a choice about what types of assets they should be applied to. For instance, one view is that cash should be allocated on the basis of Population and that Coastline length is not applicable to the allocation of this asset or the distribution of benefits from it. Conversely, there is a view that Population should not apply to the allocation of Inshore Quota or the distribution of benefits from it.

Having determined which parameters apply to which category of asset, it may be that we are encouraged to apply both to certain assets.

- The second choice to be made is the weighting that should be applied to the parameters when they are used together on one asset category. An example of this choice might be to allocate PRESA Deepwater Quota 50% on the basis of Coastline length and 50% on the basis of Population.

Broadly speaking, the wider application of Coastline length is supported by those who emphasise the underlying tribal rights and the nature of the fishing claims that lead to the Settlement and the desirability of re-establishing strong Iwi connections with local fisheries resources, particularly quota. The wider use of Population is supported by those who emphasise economic and social factors and the desirability of an equal distribution of Settlement benefits on a per-capita or needs basis.

Who gets the assets or benefits? Iwi or Iwi and/or others?

The key decision as to who initially gets either assets or benefits revolves around the role of organisations that represent traditional tribes. A key question is whether Iwi organisations comprise a sufficient complete conduit to ensure that the Settlement will be ultimately for the benefit of all Maori or whether they require supplementation, either by the use of other organisations or the retention of a direct assistance role by Te Ohu Kai Moana.



Key Considerations

For each of the decisions above, the choice taken will be influenced by views on the balance between key considerations. These key considerations are, to a degree, in tension with each other. The balance between them that people perceive as appropriate is dependent on their values and subjective judgments. The key considerations are:

- the nature of the Settlement and the objectives of allocation;
- allocate, retain or both;
- Maori custom (tikanga Maori);
- economic and social considerations;
- distribution to Iwi and/or non-Iwi groups.

The nature of the Settlement

There is a diversity of views about what the Settlement was intended to deliver and to whom. However, two strong themes are recognition of traditional rights and consideration of social and economic need.

Traditional rights

This view emphasises that the Settlement arose out of particular claims brought under the Treaty of Waitangi. It represents a package of assets and benefits for Crown failures. The Settlement does not restore those rights (although by providing quota it gives a modern right to fish) and the size of the package is too small to represent full compensation. Nevertheless, if this view of the settlement is emphasised, the nature and extent of the historic harm is relevant to allocation or distribution. In turn, the extent of harm is influenced by the value of the fisheries rights and assets that should have been protected. Many of the original claims emphasised the negative effects resulting from loss of exclusive

control over particular fisheries by particular hapu and Iwi. An important part of the Settlement is considered to be the re-establishment of relationships between particular people (Iwi) and particular assets, albeit under a different legal framework.

Those who emphasise a rights-based approach to the Settlement favour the use of Coastline as a formula for allocation or distribution.

Social and economic need

Some people place far less emphasis on history. They focus on the Settlement assets, in terms of what, with appropriate management, can deliver significant future social and economic benefits to Maori. Under this view, the maximisation of social and economic benefits and their widespread distribution among Maori is a more pressing consideration than the re-establishment of particular resource-use relationships. The generally poor socio-economic status of Maori compared with non-Maori levels is therefore regarded as the central concern.

Those who give relative primacy to this concern tend to favour the retention of assets and the distribution of benefits on the basis of Population.

Reconciling compensation and social and economic need

Our description of these themes does not fully describe the full richness of individuals' views about the Settlement, but portrays an axis between two polar considerations. Many of those who emphasise redress of rights in the first instance also see that redress as supporting ongoing and effective delivery of benefits to address social and economic needs. It is also evident from past consultations that many Maori are striving for ways to reconcile both



considerations and achieve an outcome that satisfies both visions of the Settlement. This can be done within the framework of the models in this report by:

- allocating some assets but retaining others;
- applying Coastline to the allocation of some assets but Population to others;
- applying both Coastline and Population to the allocation some types of assets.

Allocate, retain or both?

Additionally, individual assessments of the wisdom of allocating assets to Iwi organisations are influenced by views about four intertwined issues:

- the ideal scale of organisation for Maori involvement in the seafood sector;
- the best risk-management strategy to secure Maori involvement in the seafood sector;
- the readiness of Iwi organisations to manage allocated assets;
- the need to retain a proportion of assets to support programmes that satisfy the Commission that it has ensured that allocation is ultimately for the benefit of all Maori.

Taken together, these four considerations generate an overall position on the respective merits of allocation of assets to Iwi compared with the alternative of the central retention of those assets and the distribution of benefits in the form of dividends. This position may make distinctions between the appropriate treatment of different types of assets.

The first two views are shaped by perceptions about economies of scale and successful risk

management in the New Zealand seafood industry. The underlying goal is to identify the most robust organisational structures required to compete successfully in the seafood industry over time.

Characteristics of the New Zealand seafood sector

New Zealand seafood businesses must export to be viable but face volatile returns. New Zealand companies sell into markets affected by large swings in international supply, where they are often competing against subsidised firms. Whilst average returns are satisfactory, businesses require structures that can survive occasional low, or even negative returns. The sector has become increasingly capital and skills dependent and this trend shows no sign of abating. Local opportunities for expansion of harvest are constrained. Many fisheries are fully developed and water space for aquaculture is scarce. Opportunities are therefore within adding value and marketing.

Quota is the key component in the New Zealand fishing industry. The quota held by Te Ohu Kai Moana is a significant section that does not have long-term management arrangements due to the current position with allocation. This quota can provide substantial leverage for obtaining good prices and improve profitable operations.

Finally, the industry faces continuing pressure and the associated costs to demonstrate its environment credentials to both consumers and Government.

Economies of scale

There is a lively debate over whether Iwi allocation would dissipate economies of scale essential to the good performance of Maori involvement in the seafood industry.



Centralised structures allow maximum scope to use scarce skilled or specialised human resources to best effect. There are undoubted economies of scale in some activities; deepwater harvesting operations, for instance, are very capital intensive. Larger structures are better able to support capital intensive vertical integration. On the other hand, larger organisations can be less responsive and harder to change and mistakes could prove costly to the entire performance of the Maori involvement in the sector.

In contrast, small organisations cannot support the full range of specialist expertise that might be ideal. Small organisations can find it more difficult or costly to access capital markets and may have to resort to joint ventures to engage in large investments. Small organisations lend themselves to responsiveness and specialisation in niche markets. The diversity of strategy between many small competing companies can contribute to innovation within the sector.

Risk management

Viewed as a whole, there are two possible approaches that could be taken to the management of risks so as to secure the position of Maori in the seafood sector. The first is to build strong central organisations that capture the benefits of size and concentration of high quality personnel. The second is to allow for decentralisation and diversity. Diversity also has risk-management value across the sector as not everyone is making the same mistake at the same time.

Iwi readiness

This is a sub-set of the risk management debate. Some people hold the view that allocation to Iwi is desirable in theory but would be unwise in practice. They observe that Iwi organisations

lack the range of structures, processes and skills that give confidence that the organisation will successfully cope with the commercial demands that allocation will entail. They view the upgrading of Iwi capabilities as an essential precursor to allocation and that retention of assets should only endure as long as necessary for this upgrading to be completed.

Ensuring that allocation is ultimately for the benefit of all Maori

We need to decide whether retaining some assets is necessary so that we can be certain that measures are in place to ensure that the Settlement will be ultimately for the benefit of all Maori.

There is scope for considerable flexibility in the manner in which judgements about allocation versus retention can be accommodated by the models. For instance, certain types of assets might be retained. The duration of retention could be linked to explicit thresholds (such as meeting certain mandate, representation and structural requirements). The decision to retain assets can achieve quite different outcomes depending on the policies that are then applied to those assets. For instance, given the demand for capital investment and the volatile returns of the sector, retention is unlikely to maximise asset growth or minimise risk of financial difficulties if the retained assets are forced to supply a large fixed dividend stream every year.

Finally, if there is support for long-term retention of assets, decisions are needed on what institutional arrangements to use to facilitate those assets being managed in a way that will maximise effectiveness. The most durable structures that are presently legally available for achieving this are companies and trusts



Tikanga Maori considerations

Tikanga Maori has been used to support a range of positions within the allocation debate thus far. Tikanga Maori is so all encompassing that few, if any, considerations can be raised that cannot be related to some particular aspect of Tikanga Maori. Such references enrich debate about allocation and provide a uniquely Maori means of articulating balance between important cultural concepts. In our view, any optimum allocation model must be able to be described and defended in terms of Tikanga Maori. However we also believe selective reference to aspects of Tikanga Maori is unlikely to advance agreement about what that model should comprise.

Economic and social considerations

We consider that we must have regard to economic and social considerations in developing any proposals for PRESA and POSA. However, there are differing views on the manner and extent to which such considerations should be taken into account in any proposal.

Some may argue that the economic and social impacts suffered by Iwi and Maori as a result of the loss of fisheries rights should be directly reflected in any proposals. It would be difficult, however, to quantify in any precise way the extent to which loss of fisheries has contributed to the present day socio-economic status of Iwi and Maori as many other factors are also relevant, including loss of land-based resources, geographic location and population demographics.

On the other hand, some may argue that a Population-based formula reflects the economic and social realities faced by Iwi as it would provide benefits relative to their present membership. A Population formula would also avoid any need to undertake costly assessment

processes to establish the extent of current economic and social impacts from the past loss of fisheries rights.

Others suggest that a Coastline formula is consistent with economic and social goals as it allows economic and social benefits to flow through to all Maori by enhancing the economic base of all Iwi. While we agree that even a Coastline formula does produce economic and social benefits, we consider that the use of a Population formula in whole or in part for the distribution and allocation to Iwi of certain benefits and assets is a more appropriate mechanism having regard to the relative economic and social considerations of all Maori.

Distribution to non-Iwi organisations

There are concerns that a large number of Maori individuals and whanau are uncertain of their tribal origins or have weak associations with their tribes or live outside their tribal rohe. These Maori may encounter difficulty in participating in the benefits distributed to Iwi. It is alleged that these Maori may be better looked after if there was an ability to distribute some benefits directly to urban Maori organisations or hapu and other sub-tribal groupings.

We presently have no discretion to allocate PRESA assets to non-Iwi organisations, as a result of the Court's confirmation that PRESA is to be allocated solely to Iwi. However, some form of Development Putea may be possible with Iwi support.

We also consider that Iwi should make suitable arrangements to ensure that benefits flow to both their hapu and whanau and to urban Iwi members living outside their rohe. This could be achieved by improving Iwi structures (including access to governance processes) and



by Iwi forming relationships with and providing funds to other representative organisations.

Non-Iwi participation in the benefits of POSA could also be generally assisted through the retention of core POSA assets within a central management body or pūtea. This could be included in the POSA legislation.

Specific Issues

In addition to the fundamental considerations identified above, consultation and litigation over the last 10 years have raised certain other specific (and often complex) issues within the allocation debate. Certain of these issues warrant specific consideration by us. They are:

- Chatham Islands separate fishery;
- commercial freshwater fisheries;
- alleged lease-round inequities;
- fisheries depletion and related issues.

We have looked further at these issues in light of the views that have been expressed to us to date by Iwi and other interested Maori. We have formed interim views on each of these matters and these are outlined below.

Chatham Islands ‘Separate Fishery’

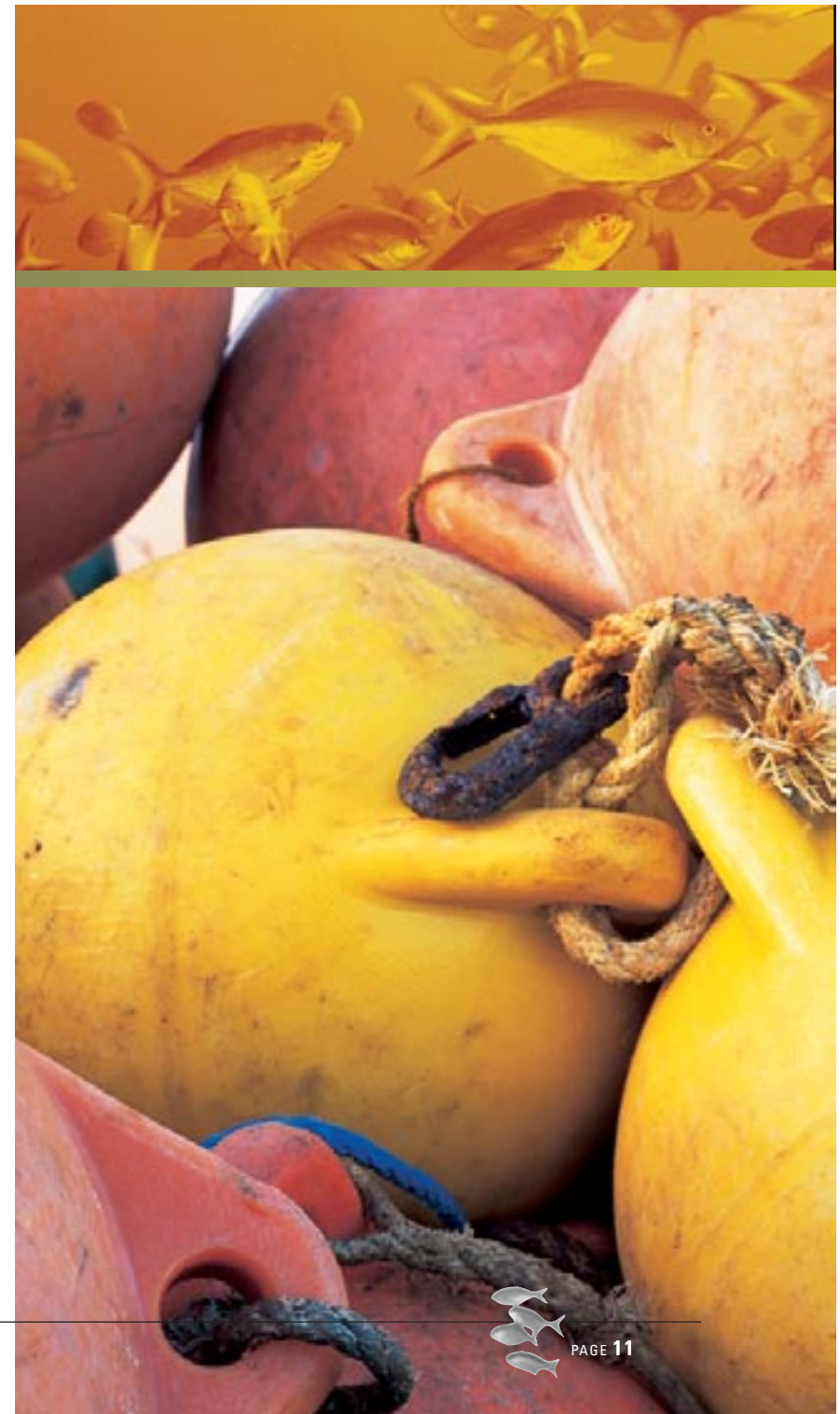
Good reasons exist for treating the Chatham Islands Iwi fisheries interests as a special case. Circumstances relating to the Chathams suggest that serious detriment could result for Chathams Iwi if formula based on coastline and population measures were applied to the Chathams share of quota allocation on the same basis as for mainland areas.

The circumstances of the Chathams include a significant fishery around the Chatham Islands, geographic isolation, and overwhelming cultural, social, and economic dependence on fishing.

However, Chathams Iwi have a very small coastline and population compared with mainland Iwi. If standard formula were applied to Chathams Iwi, they could be denied access to anything more than very small parcels in some important commercial fish species. Serious detriment to the Chathams Iwi could result.

Subject to our considering the views you express to us, we propose the following measures in recognition of the special circumstances of Chatham Islands Iwi:

1. The establishment of a separate fishery consisting of a 200-mile zone around the Chatham Islands.
2. The allocation of inshore fisheries, that are located within the Chatham Islands separate fishery for PRESA and POSA, is to be on the basis of Coastline within the separate fishery. Under present policy, this has the effect that all such fisheries would be allocated to Chatham Islands Iwi to the extent that any allocation of Inshore Quota to Iwi takes place.
3. The allocation of both PRESA and POSA Deepwater Quota (in the event that the POSA Deepwater Quota is directly allocated) to be on the same basis as is applied to all mainland Iwi. Chatham Islands Iwi will therefore be subject to the same distribution rules as all other Iwi. However, if any model is chosen that increases the Population ratio above 50% for Deepwater Quota (PRESA or POSA), we will reconsider the application of this to the Chatham Islands.
4. For all other PRESA and POSA assets (ie, shares and cash), the same allocation rules will be applied to Chatham Islands Iwi as for all other Iwi.



Adjustment for commercial freshwater fisheries

The Settlement extinguished the commercial freshwater fishing rights of Maori as well as marine fisheries. It has been argued that loss of commercial freshwater fisheries rights should also be specifically compensated for as part of any allocation scheme.

Having looked at the range of potential mechanisms for approximating rights and losses, we are of the view that provision for freshwater fisheries can be through a joint mechanism involving:

- the allocation to Iwi of the quota received by Te Ohu Kai Moana on the introduction of any freshwater fishery into the QMS; and
- the application of a greater weighting to the Population component of other PRESA assets and POSA benefits (including shares).

To the extent that freshwater fisheries (including eels) have been or will be introduced to the QMS, they will form part of POSA quota. In this respect, we propose to allocate that quota to those Iwi whose rohe is within the freshwater QMA. It will be allocated to those Iwi on the basis of Population.

We are aware, however, that certain freshwater fisheries that traditionally had a commercial element may not be able to be re-established so as to sustain a commercial fishery. We consider that the Population formula may provide the best option for recognising the loss of such commercial freshwater fisheries. Population is utilised in the proposals to reflect various issues, including economic and social considerations. The Population components in each of the proposals for PRESA allocation and POSA distribution contained in this Discussion Document have had a further weighting applied

having regard, among other considerations, to the loss of commercial freshwater fisheries.

The Settlement only prevents claims in relation to the commercial aspects of freshwater fisheries. We consider that the Crown remains susceptible to Treaty claims in the Waitangi Tribunal relating to the destruction and loss to the non-commercial component of freshwater fisheries through habitat neglect and the introduction of foreign species. Such claims could possibly seek that the Crown take active steps to rebuild freshwater fisheries through habitat restoration and other remedial measures such that full non-commercial fishing rights may be enjoyed. Alternatively, such claims could seek compensation for the loss of the non-commercial aspects of freshwater fisheries. We propose to support initiatives, including research, to assist Maori to engage with the Crown to seek resolution of such Treaty grievances.

Alleged lease-round inequities

We have conducted either tender or lease rounds of quota on an annual basis since the creation of Te Ohu Kai Moana in 1989. From 1989/90 to 1992/93, quota was leased on a competitive tender basis with a preference known as the Maori Development Incentive (MDI) given initially to Maori and subsequently to Iwi bodies. Annual lease rounds since 1993/94 have proceeded on a different basis, where quota held by Te Ohu Kai Moana has been apportioned between Fisheries Management Areas (FMAs) on a Coastline/Population formula.

Due to concerns that annual leasing may raise expectations for final PRESA allocation, all such lease rounds have been expressed to be “without prejudice” to final allocation. In all cases, Iwi who participate in the lease rounds are required to sign deeds of waiver and indemnities.



It has been alleged by some groups that inequities resulted from the tender and lease rounds, including some Iwi gaining substantially more than others. It is alleged that allocation proposals should take such inequities into account in determining any final allocation of assets.

We have considered and investigated the various allegations and are satisfied that all Iwi were treated consistently in the tender and lease rounds. The same processes and methodology were applied to all Iwi in terms of entitlement to participate in the tender or lease of quota. We have been unable to identify errors of process or substance in the tender and lease rounds that we consider could reasonably be described as an inequity.

Depletion of fisheries

There is a view that some fisheries, particularly inshore, are depleted and this fact should be taken into account in determining any final allocation of assets.

Depletion is colloquially used to describe a fishery whose fish stock is now considered much smaller than it originally was but this is not how fisheries scientists use the term. For them a fishery is depleted if it has a lower yield of harvestable fish than it could potentially produce. Even fisheries such as Snapper 1, around Auckland, are producing harvestable yields close to the “maximum sustainable level” and have been consistently doing so for many years.

Where a fishery may be below its “maximum sustainable yield” (MSY), the Quota Management System imposes a stock-management strategy designed to correct a situation. The question has arisen over whether Iwi with particular interests in fish stocks

temporarily below the MSY have a claim on assets that they would not receive if the particular fishery was at the maximum sustainable yield.

The only available source of such assets would be from other Iwi whose fisheries are not depleted. We consider that any such adjustment would be inappropriate because it would create long-term allocation distortions on the basis of short-term anomalies. These distortions could only be managed by continual redistributions every time new MSY information became available. Such redistribution would represent an unnecessary source of friction and an unwarranted cost.

We therefore do not presently consider that any adjustment is reasonably practicable for depletion or related issues within the PRESA allocation and POSA distribution proposals.

Allocation Components, Possible Models and their Implications

The allocation components

We consider it important to ensure that a realistic range of models is examined when developing options for allocation of assets and distribution of benefits. This section discusses the components of allocation and presents some models we consider should provide enduring benefits. The scale and type of those benefits differ between the models.

A vast number of combinations is possible. Combining them in different ways leads to different allocation and distribution results.

PRESA

Inshore Quota

The models present an individual Iwi share of PRESA Inshore Quota according to a Coastline formula. That is, Iwi shares of quota for each inshore species are determined by the ratio of



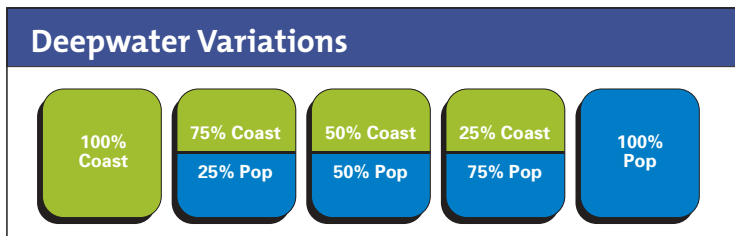


FIGURE #3

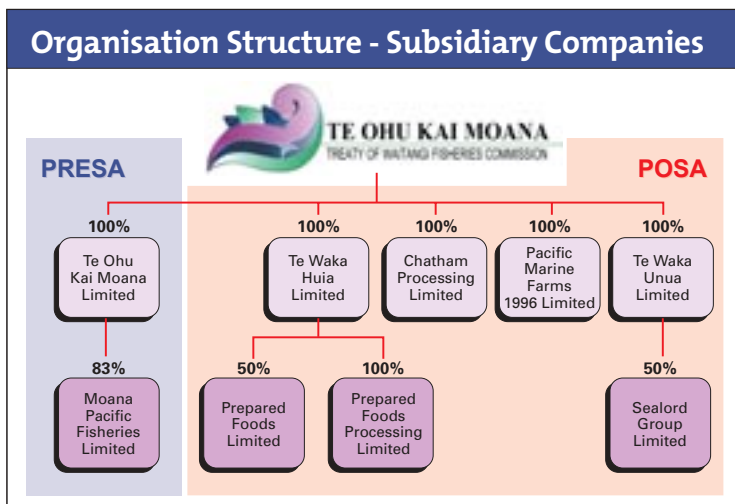


FIGURE #4

that Iwi’s coastline as a portion of the total coastline of the relevant Quota Management Area for that species.

Deepwater Quota

The models adopt a mix of 50% Coastline and 50% Population for allocating the PRESA Deepwater Quota. However, we acknowledge that there are strong proponents across a full spectrum of 100% Coastline and 100% Population. (See Figure #3)

To gain an understanding of the effect of different settings, we have provided spreadsheets in the Appendix that set out the PRESA results for each model if the deepwater quota shares were calculated across the full spectrum of Coastline and Population.

Shares

Given the analysis of key issues and a desire to achieve a satisfactory balance, Population has been used to apportion PRESA shares.

Cash

Again the models adopt a Population basis.

POSA

Overall approach

This is the first time we – Te Ohu Kai Moana and Iwi – have explored how to distribute the benefits of POSA assets. The proposals are aimed at advancing our analysis – and to help focus our discussions.

We believe there is no substantial difference between PRESA and POSA assets. We have therefore generally applied the same rules to the same type of assets under both PRESA and POSA where the assets are physically allocated.

Inshore Quota

Where POSA Inshore Quota assets are directly allocated to Iwi, the same formula has been applied as for PRESA Inshore Quota, namely a 100% Coastline formula. If any POSA Inshore Quota is centrally managed, any fixed dividend distribution to Iwi has been calculated on the basis of a Population formula.

Deepwater Quota

If direct allocation of POSA Deepwater Quota occurs, it mirrors what is proposed for PRESA Deepwater Quota, namely, a mix of 50% Coastline: 50% Population, or whatever is agreed. However, where POSA Deepwater Quota assets are to be centrally managed, a Population formula has been applied to determine any fixed dividend distribution of that income to Iwi.

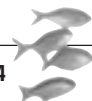
Shares

Any direct allocation of POSA shares mirrors what is proposed for PRESA shares, namely 100% Population. Where POSA shares are centrally managed, a Population formula has been applied to determine any fixed dividend distribution of income from those shares to Iwi.

Cash

Any direct allocation of POSA cash mirrors what is proposed for PRESA cash, namely 100% Population. Where POSA cash is centrally managed, a Population formula has been applied to determine any fixed dividend distribution of income from that cash to Iwi.

Three of the four models involve a Trust for POSA, and there are a number of decisions to make regarding Trusts. The broad decision alternatives are as shown below. (See Figure #4)



Please consider the design options above and indicate whether you agree with them or whether you consider different rules should be applied. It would be helpful if you could also let us know the reasons for your choices.

Allocation models

In this segment, we present four allocation proposals that combine PRESA and POSA. In this segment you should look at the Settlement as a whole. We have aimed to ensure that the models deliver benefits across the criteria. We aim to select the best combination that will ensure Maori maintain a leading role in fisheries in New Zealand.

The models are therefore provided to allow you to see how the components interact. We offer some comment on the implications of each.

The models provided are:

- Te Putahi;
- Pataka;
- Mana Orite;
- Tohatoha.

Different decisions have been made at a number of points for each model. These alter the quantity of benefits and the way they will be delivered to Iwi and all Maori. The result in each case is a change to the overall balance struck between the different sectors of interest that need to be considered.

Part C notes the differences in views held by different participants over key issues. These views necessarily affect how these different models are assessed: aspects that some consider to be strengths will comprise weaknesses to others.

TE PUTAHI

This model almost reflects the Optimum Method of Allocation proposed in 1998, which resulted from a great deal of discussion and represents a model for PRESA that at one time enjoyed the support of most Iwi.

Under this model, we have kept the same formulas for PRESA that were used in 1998 – Inshore Quota is allocated by Coastline; Deepwater quota 50% Coastline and 50% Population; share allocation based on quota volume, and cash is by Population.

The only change made is to remove the Development Putea, as this is addressed through a Trust model for POSA. (See Figure #5 over)

Te Putahi at a glance

Te Putahi has the following features:

- PRESA Inshore Quota is allocated to Iwi on the basis of their share of coastline within the coastline for each species' Quota Management Areas. (The Chatham Islands receives PRESA Inshore Quota based on a Separate Fishery).
- PRESA Deepwater Quota is allocated to Iwi on 50% Coastline and 50% Population (though other options are shown in the Appendix).
- PRESA shares in Moana Pacific Fisheries Limited are transferred to Iwi on the basis of the volume of PRESA quota they each receive. (Shares are ownership shares but rights to sell the shares are limited. Iwi shareholders are only able to sell their shares to other Iwi shareholders or the trust established to manage POSA assets.)



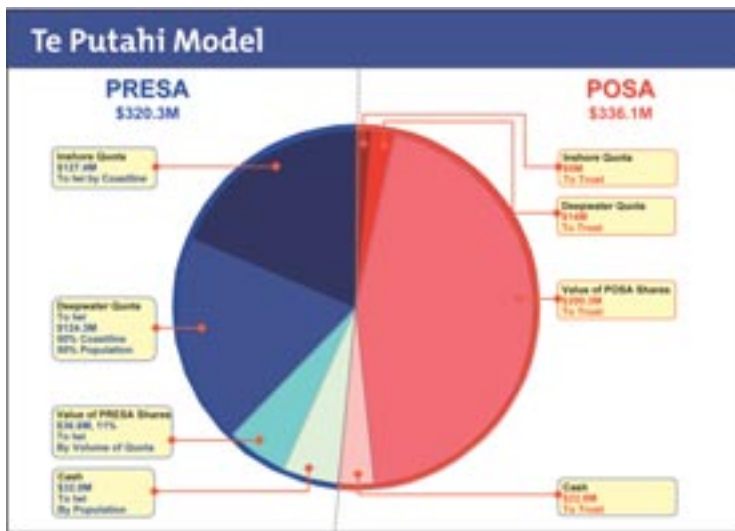


FIGURE #5

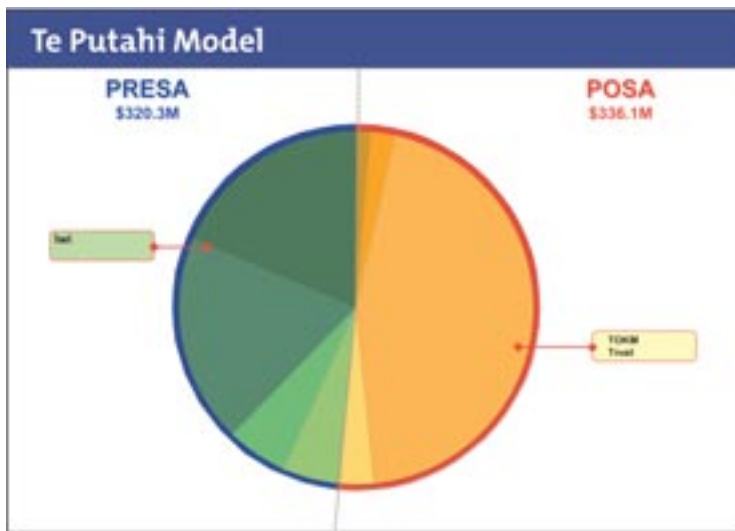


FIGURE #6

- The PRESA cash is allocated to Iwi on Population.
- All POSA Inshore Quota, Deepwater Quota, shares and cash is placed in a Trust. These POSA assets are centrally managed through company structures.
- A Post-Allocation Commission is established to manage the POSA Trust. Commissioners appointed to the Post-Allocation Commission are the trustees.

Features of Te Putahi

The Putahi Model:

- distributes PRESA assets directly to Iwi and therefore involves direct recognition of Treaty fishing rights and Iwi Rangatiratanga;
- is consistent with law, has relatively low cost and is technically feasible;
- retains substantial POSA assets to be managed cooperatively which will support significant economic, political and sector influence;
- favours some integrated fisheries management Iwi control of PRESA inshore fisheries directly helps with cooperation between commercial fishing and customary fishing interests;
- spreads PRESA assets between Iwi in a way that for some quota where economies of scale operate, could reduce overall economic benefits through increased management costs and lost economies of scale. However, for other quota where there are no economies of scale, but rewards for particular market-tuned niches, the disaggregation of assets can assist with encouraging a diversity of approaches;

- means that coordinated influence within the industry based on the whole of Maori fishing interests will be highly dependent on cooperation between Iwi and the POSA Trust.

Te Putahi: Balancing direct allocation and retention – where do these assets go?

The following graphic demonstrates the balance this particular model strikes between direct allocation and central retention of Settlement assets as a whole across both PRESA and POSA (See Figure #6).

PATAKA

This option is based on a view that best economic growth requires assets to be held collectively. We can then more easily deal with two key constraints – scarce skilled or specialised human resources and access to capital. A centralised operation assists in getting the best people working together – this helps maximise economic benefits and provides significant industry leadership.

An Iwi cooperative company structure for PRESA has the advantage of providing strategic cohesion while saving costs and concerns associated with each individual Iwi endeavouring to manage its own share of the total assets. The cooperative structure used in the Pataka Model is analogous to cooperatives used in the dairy industry and other primary sectors. (See Figure #7 over)

Pataka at a glance

The Pataka Model has the following features:

- All PRESA Inshore quota, Deepwater Quota, Moana Pacific Fisheries Limited shares and cash is placed in a company established as an Iwi cooperative.



- Shares in the cooperative are distributed to Iwi on the following basis:
 - PRESA Inshore Quota is divided according to a Coastline formula;
 - PRESA Deepwater Quota, Moana Pacific Fisheries Limited shares; and PRESA cash is divided according to a Population formula.
- Shares in the Iwi cooperative are ownership shares but rights to sell the shares are limited. Iwi shareholders are only able to sell their shares to other Iwi shareholders or the trust established to manage POSA assets.
- All POSA Inshore Quota, Deepwater Quota, shares and cash are placed in a Trust. These POSA assets are centrally managed through company structures.
- There is no separate Development Putea as the POSA Trust fulfils the same purpose.
- A Post-Allocation Commission is established to manage the POSA Trust. Commissioners appointed to the Post-Allocation Commission are the trustees.

Features of Pataka

The Pataka Model:

- does not directly allocate quota to Iwi and so could be seen as providing diminished recognition of Treaty fishing rights and Iwi Rangatiratanga;
- attracts lower implementation and management costs (for example, no Assets Management arrangements within Iwi will be required);
- is likely to enhance economic benefits for some species, particularly deepwater, as a

result of more capital leverage and improved economies of scale;

- for other species, the uniform approach taken by a large organisation may mean lucrative niche markets that can only be held by specialisation and client responsiveness are lost;
- would provide much stronger political and industry influence as Maori fishing interests would be represented by a single unified asset owner and a coordinated political voice;
- does not provide significant incentives for integrated fisheries management as commercial and customary fishing management will be split between the Iwi cooperative, POSA Trust, and local hapu and Iwi interests.

Pataka: Balancing direct allocation and retention – where do these assets go?

The following graphic demonstrates the balance between direct allocation and central retention of Settlement assets as a whole across both PRESA and POSA, within the Pataka Model. (See Figure #8)

MANA ORITE

This is a “mix and match” model which depicts one way of getting the gains from increased corporate strength while still placing substantial resources with Iwi. It puts Te Ohu Kai Moana company structures together to seek gains in productivity and leverage. We consider that the Maori fisheries assets and the returns from those assets would further increase in strength, if the fisheries companies (owned by all Maori) could work directly with Iwi in joint ventures, offering both profit sharing and training opportunities. A Trust will manage much of POSA on behalf of all Maori. (See Figure #9 over)

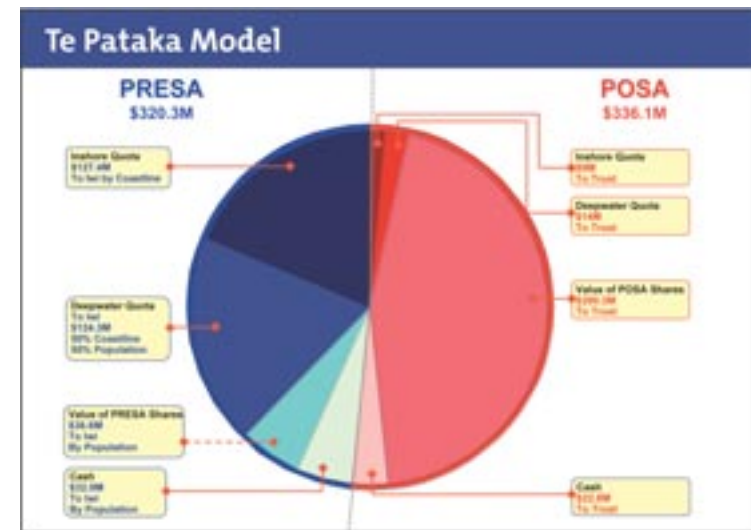


FIGURE #7

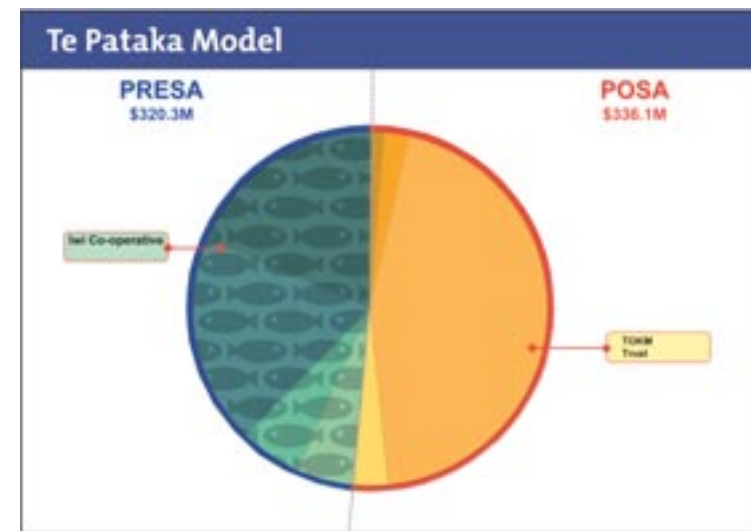


FIGURE #8



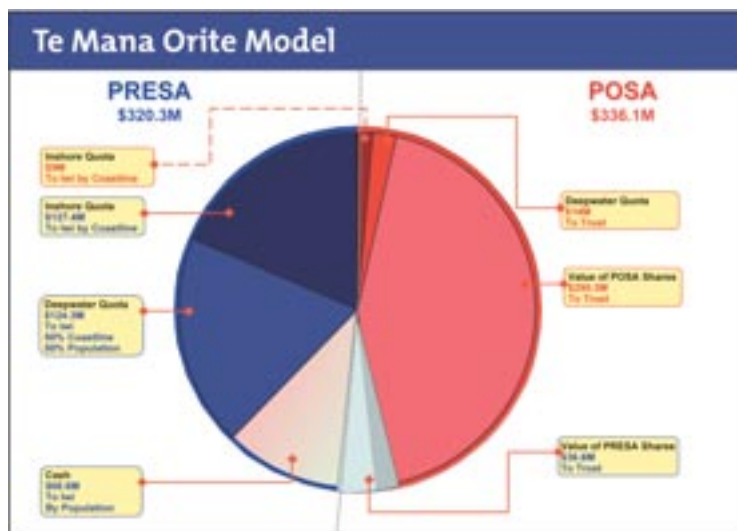


FIGURE #9

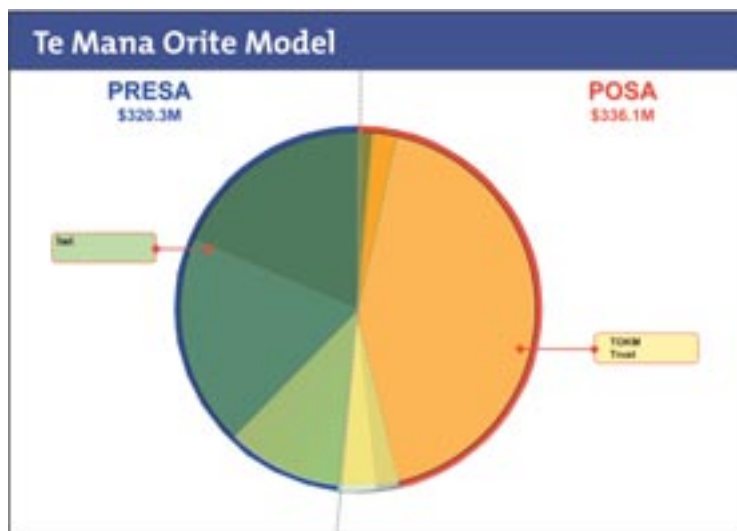


FIGURE #10

Mana Orite at a glance

- PRESA Inshore Quota is allocated to Iwi through Coastline formula. (Chatham Islands Iwi receive PRESA Inshore Quota based on a Separate Fishery.)
- PRESA Deepwater Quota is allocated to Iwi on the basis of a 50% Coastline formula and 50% Population formula. Another possible variation within this model is to put this Deepwater Quota into an Iwi cooperative – this could further increase the strength of economic performance of this option.
- To increase the ability to grow Moana Pacific Fisheries Limited by access to greater leverage and capital, and to improve its productivity by closer alignment with other Te Ohu Kai Moana companies, POSA assets purchase Moana Pacific Fisheries Limited (MPFL) and provide its market value in cash to PRESA.
- All PRESA cash is allocated to Iwi using Population.
- POSA Inshore Quota is allocated to Iwi on the basis of a Coastline formula.
- Chathams Islands Iwi receive POSA Inshore quota based on a Separate Fishery.
- All POSA Deepwater Quota and shares are placed in a Trust to be managed through company structures. It should be noted that in this option, no cash for POSA is shown as that cash has been used to partly purchase MPFL. It may be necessary to raise a loan against POSA assets to complete the purchase. The size of that loan can only be determined at the exact time of transfer.
- A Post-Allocation Commission is established to manage the POSA Trust. Commissioners

appointed to the Post-Allocation Commission are the trustees.

Features of Mana Orite

The Mana Orite Model:

- is likely to be consistent with law;
- is technically feasible, and reasonably low cost;
- promotes cohesion and enhanced political and industry influence without negating Iwi Rangatiratanga;
- provides a positive basis for integrated fisheries management as all inshore fisheries rest with Iwi, enhancing their ability to coordinate commercial and customary fishing;
- provides protections for ensuring benefits for all Maori, including urban Maori, and the retention of an asset base over time, without negating Iwi Rangatiratanga;
- attracts lower implementation and management costs through central management of POSA assets;
- is likely to enhance economic benefits, as a result of more capital leverage and improved economies of scale where these are significant;
- still allows market niche specialisation and the gains to both risk management and market returns that flow from this.

Mana Orite: Balancing direct allocation and retention – where do these assets go?

The following graphic demonstrates the balance which this particular model strikes between direct allocation and central retention of Settlement assets as a whole across both PRESA and POSA. (See Figure #10)



TOHATOHA

We consider that some Iwi will identify full allocation of all of the assets as their preferred approach. It is therefore appropriate to include a model that maximises direct return of assets to Iwi. We consider that one immediate consequence would be to explicitly require a Development Putea in this model as part of the measures to ensure that the Settlement is ultimately for the benefit of all Maori. This model includes a Development Putea of \$20 million taking \$10 million from each of PRESA and POSA cash. (See Figure #11)

Tohatoha at a glance

- PRESA Inshore Quota is allocated to Iwi using Coastline. (Chatham Islands Iwi receives PRESA Inshore Quota based on a Separate Fishery.)
- PRESA Deepwater Quota is allocated to Iwi on the basis of a 50% Coastline formula and a 50% Population formula.
- PRESA shares are to be transferred to Iwi on the basis of a Population formula, (rights to sell the shares are limited. Iwi shareholders are only able to sell their shares to other Iwi shareholders).
- \$10 million of PRESA cash and \$10 million of POSA cash are each placed in a Development Putea for the benefit of all Maori.
- The remainder of PRESA cash is allocated to Iwi using Population.
- POSA Inshore Quota is allocated to Iwi using Coastline.
- Chatham Islands Iwi receives POSA Inshore Quota based on a Separate Fishery.

- POSA Deepwater Quota is allocated to Iwi on the basis of a 50% Coastline formula and a 50% Population formula.
- All POSA shares and remaining cash (after setting aside the Development Putea) are transferred to Iwi on the basis of a Population formula.
- Shares are ownership shares but rights to sell the shares are limited. Iwi shareholders are only able to sell their shares to other Iwi shareholders.

Features of Tohatoha

The Tohatoha Model:

- distributes the whole Settlement directly to Iwi and therefore results in recognition of Iwi Rangatiratanga;
- will be consistent with law provided protections are put in place to ensure a flow of benefits through Iwi to all Maori;
- is technically feasible;
- spreads the whole of Settlement assets among Iwi in a way that may:
 - reduce overall economic benefits through increased management costs, insufficient access to specialised human resource skills and some lost opportunities to benefit from economies of scale for those species where these are the key constraints;
 - enhance opportunities for market niche specialisation;
- means that industry and political influence will be highly dependent on cooperation between Iwi, coordination of activities, and the development of compatible policies within Iwi.

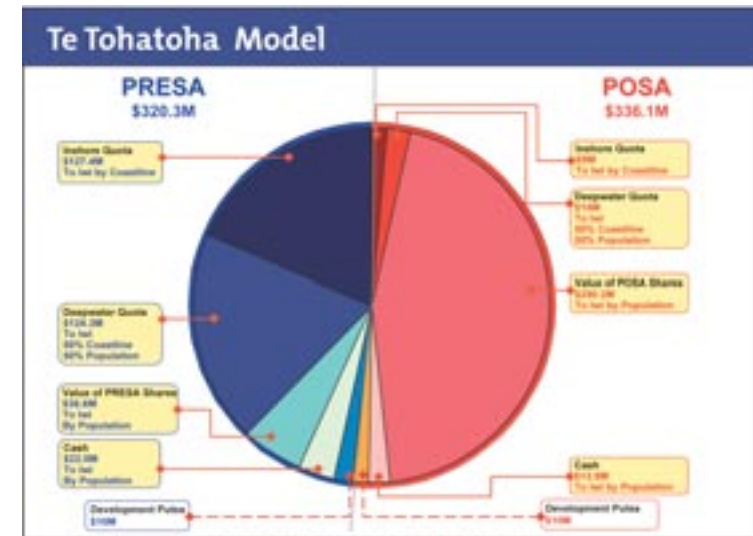


FIGURE #11

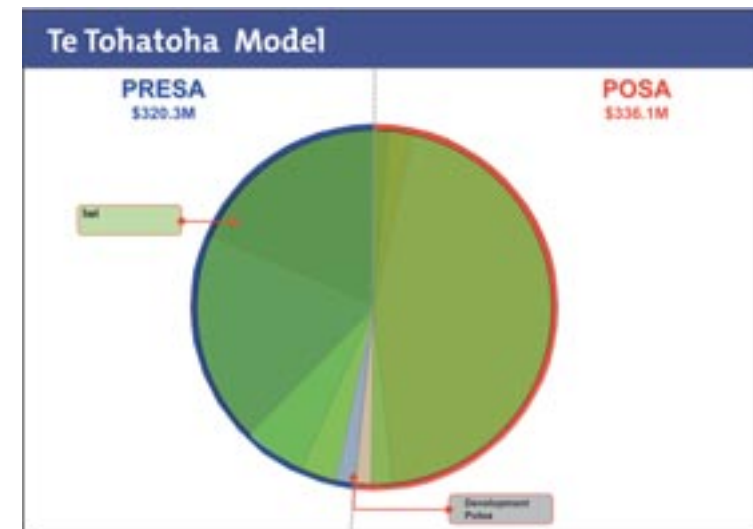


FIGURE #12



Tohatoha: Balancing direct allocation and retention – where do these assets go?

The following graphic demonstrates the balance this particular model strikes between direct allocation and central retention of Settlement assets as a whole across both PRESA and POSA. (See Figure #12)

Measures for Ensuring Ultimate Benefit for all Maori

The Settlement is ultimately for the benefit of all Maori. This must be an overriding principle for our proposals. Measures need to be applied to ensure to all Maori ultimately benefit, irrespective of their location. These are set out below. To a significant extent, the measures proposed are largely those developed over the last nine years consideration of PRESA allocation proposals.

This does not mean that our proposals must demonstrate a direct and immediate benefit to each and every individual Maori. We consider that the encouragement of economic enterprise among Maori is ultimately for the benefit of all Maori even though not all may directly participate in the enterprises themselves or their profits.

Representation

Representative Iwi organisations will need to demonstrate that they are able to provide reasonable access for Iwi members to participate in governance, that is, elections and the decision-making process, and to have access to benefits from the Settlement.

Constitutional standards have been set by Te Ohu Kai Moana as minimum standards that must be met before any Iwi organisation will be eligible to receive their share of allocated assets and distributed benefits.

Most of these measures create safeguards and processes to ensure that members can participate. In themselves they do not guarantee outcomes. One option to help ensure that ultimately the benefits flow to all would be to require that some of the dividends that organisations receive are then passed on equally to all members. For example this could require that Iwi organisations provide a certain percentage (say 20%) of the funds they distribute to be passed to all their members regardless of their location, within the rohe or in remote urban centres, while retaining the ability to target all other distribution, eg scholarships, marae maintenance, papakainga housing etc. Similarly, if other organisations were recipients of funding from the Settlement (eg urban Maori organisations), they would have a similar responsibility to demonstrate that some of the services provided were provided to all Maori in their area – irrespective of their Iwi.

(For more information, refer to the *He Anga Mua – A Path Ahead*, or *He Tohi Arahi – A guide to representation on Iwi organisations*.)

Structures

Iwi organisations will need to meet the requirements set by Te Ohu Kai Moana on appropriate structures for receiving and managing the fisheries assets. These requirements are intended to protect the asset base and promote efficient and accountable management. They include:

- separation of political representation in Iwi governance from asset management and daily commercial operations;
- separation of asset management and commercial operations from decision-making on the distribution of benefits to members;



- separation of Iwi fishing operations (if any) from decision-making on asset management.

Iwi Registers

Membership registers are a critical requirement for Iwi organisations to be able to demonstrate their ability to communicate with their members and provide for full participation by members in decision-making processes. Iwi organisations must be in a position to identify and contact their membership on a reliable basis.

Our policy sets a mandatory requirement that Iwi organisations must have members' registers in place before the Iwi organisation will be eligible to receive their share of allocated assets and distributed benefits from the Settlement.

Ongoing performance

We have set out a number of measures we are requiring of Iwi organisations above. There will be very limited ability for us to ensure ongoing application of these policies after allocation. The requirements therefore seek to establish mechanisms that Iwi members themselves can use to improve accountability in decision-making and asset management. Normal audit procedures for fisheries businesses would also allow Iwi members access to information on business performance.

However, these protections may not be enough to ensure that Iwi organisations comply with ongoing implementation of the requirements to be accountable to members.

If some of POSA is held in a central Trust structure, it could provide a further opportunity to assist compliance through placing conditions on the distribution of any dividends flowing to Iwi and other Maori organisations.

We could also require the Iwi organisation to demonstrate responsible performance in implementing governance and business management requirements before dividend funds would be made available to them.

If an organisation is not performing as they should, we could impose progressive restrictions on their access to POSA benefits or dividends. If there is not compliance action, the organisation could ultimately face de-recognition and exclusion from the benefits of the Settlement.

Maori Registration Service (MRS)

This service would establish a system for recording and efficient tracking of registered Maori voters and their postal addresses on the same basis that is currently applied to voters on the General Roll. The MRS would record people (and their affiliations) on the Electoral Roll who have indicated that they are Maori. Changes in voter residence will be updated in the database from time to time (Detailed information on the MRS is available in He Anga Mua – A Path Ahead.)

Ownership of assets by Maori

The Settlement is a “full and final” settlement for Maori commercial fisheries. The Settlement sets the form in which our Treaty fishing rights are now to be enjoyed and gave Maori specific assets to enable those rights to be exercised. If the Settlement is to endure for Maori, provisions will be needed to look after quota assets.

At the same time, measures must minimise the constraints imposed on Maori fisheries businesses.



Three options for protecting the ownership of quota assets are:

- **Fully prevent the sale of Settlement quota returned to Iwi organisations.**

Any quota returned to Iwi organisations from the Settlement is subject to a condition that prevents it from being sold to any other party, forever. This could ensure that quota assets were never lost from Iwi ownership, but it may impose severe limits on the commercial freedom and Rangatiratanga of the Iwi.

- **Prevent the sale of Settlement quota returned to Iwi organisations to anyone other than other Maori.**

Some sale is allowed under this option, but it still severely limits the numbers of possible purchasers. This could substantially reduce the economic value of the quota assets for Iwi as there is less incentive for those Maori purchasers to offer the seller full market rates and banks are unlikely to want quota as security if it is not true collateral.

- **Give a Post-Allocation Commission first right to purchase quota being sold by Iwi.**

Another option is to put a condition on allocated quota that gives us a first right to purchase any quota an Iwi proposes to sell. This right would be held by a Post-Allocation Commission and would help ensure that key quota assets remain in Maori hands. This option uses a sale process where true market prices are established and the Post-Allocation Commission is given a short time period to match those prices. This option could help to ensure Iwi sellers can take advantage of a competitive market and secure commercial prices for their quota assets, while still retaining strategic assets in

Maori hands. We currently favour this option but there are a lot of details that will need to be worked out if you support it.

(For more information, please consult *He Anga Mua – A Path Ahead*.)

A Post-Allocation Commission (PAC)

For POSA distribution proposals we need to consider the powers and functions for any new Post-Allocation Commission that may be required to serve Maori fisheries interests. Proposals for a PAC would need to include proposals for the appointment of PAC Commissioners.

It is likely there will be a need for a PAC regardless of which method is finally adopted.

A PAC will be needed to receive on behalf of Maori 20% of quota from any new species introduced into the QMS and to act as a policy advocate on behalf of all Maori interests, both commercial and customary. It may perform other functions depending on what method for distribution of benefits is used.

Te Ohu Kai Moana has considered a range of options for a PAC and the process by which PAC Commissioners may be appointed. These include:

- functions of PAC;
- appointment of Commissioners to PAC including the number of Commissioners, the terms of Commissioners and the transition from current Commission to PAC.

For the appointment of a PAC we have identified the following key issues:

- In what way should Iwi organisations be involved in selecting who is on the PAC?



- If Iwi organisations are to be involved in selection of the PAC, will their Settlement shares be used to determine how much influence they will have on PAC appointment processes?
- Should other Maori organisations have a role in the process of selecting Commissioners (eg representative urban and/or pan-Maori organisations)?
- What, if any, role should the Crown have in PAC appointment?

There are a range of options for the process of appointing PAC Commissioners. Te Ohu Kai Moana favours an Electoral College process.

Transition assistance and implementation incentives

To assist Iwi to meet our constitution and structural requirements, we intend to continue to work with Iwi organisations and provide support and assistance to develop and amend constitutions and establish appropriate governance and commercial structures.

We are also considering additional assistance. This includes developing a model asset management company structure that can be adopted by Iwi and/or adjusted to suit their preferences. We also propose to work with other agencies including the Crown to provide assistance and training programmes to upskill Iwi organisations and their officers in the performance of governance and directors duties.

The policies that Iwi organisations are required to have in place are obligations for ongoing practice – they are not simply a one-off threshold that is to be achieved on paper and then neglected in implementation. We believe that

effective operation of these requirements is critical to us being able to demonstrate that the Settlement will ultimately benefit all Maori.

One option to provide incentives for compliance with our structure, mandate and accountability requirements along with gaining agreement on coastal boundaries would be that once the final allocation decision has been taken, annual ACE access rounds cease. In this proposal, the ACE would be made available on a commercial basis to the Commission's subsidiaries. Returns from this investment could be made available for a combination of reinvestment and dividends to Iwi. A variation on this approach would be to advance progress in joint venture/profit sharing arrangements between Te Ohu Kai Moana subsidiaries and Iwi.

Allocation will transfer significant resources to Iwi organisations. We are obliged to help safeguard those assets for present and future generations of Maori. It is critical that Iwi organisations are well prepared and have appropriate skills available for managing the assets. We will not be dictating the individual strategies that Iwi should use for managing the allocated assets. Each Iwi organisation will determine a preferred strategy that uses their assets in a way that best advances their aspirations. We think it may be appropriate to impose general requirements on each Iwi organisation to ensure that it does undertake strategic planning for their fisheries assets in advance of allocation.





NEXT STEPS

Te Ohu Kai Moana will be holding two separate sets of regional meetings:

- Regional Information Hui in December 2001 (to present our document to our constituents); and
- Consultation Hui in February 2002 (to hear and accept submissions).

The Regional Information Hui will be aimed at presenting in more detail the contents of our proposals. It will present the issues, show how the models work, and allow for people to ask questions and clarify any issues they may have. These meetings will be held in Kaitaia, Auckland, Hopuhopu, Rotorua, Whakatane, Gisborne, Hastings, Hawera, Wellington, Nelson, Christchurch and Waitangi in the Chatham Islands. (Full details of the dates and places of Regional Information Hui can be found on our website www.tokm.co.nz)

These Information Hui will be followed up by formal Consultation Hui in February 2002 where we will seek more direct and substantial feedback from you. There will be about 16 full Consultation Hui from Northland to Southland and the Chatham Islands. (Full details of the dates and places of Consultation Hui can be found on our website www.tokm.co.nz once they have been finalised.)

Final written submissions on our proposals must be received by Te Ohu Kai Moana before 5pm on 15 March 2002.

Listed below is a broad outline of the steps to be taken by Te Ohu Kai Moana.

- Release of Discussion Document.
- Regional Information Hui.
- Period for Iwi to consider proposals.
- Consultation Hui.
- Submissions close 15 March 2002.
- Analysis of Submissions.
- Decisions in principle on final proposals for PRESA and POSA.
- Report, which may contain draft of new Maori Fisheries Act, sent to Iwi for agreement.
- Analysis of responses.
- Decisions made on Optimum Method of Allocation for PRESA and proposals to distribute POSA through Iwi – the latter contained within a draft of the new Maori Fisheries Act.
- Report to the Minister of Fisheries.

Once Te Ohu Kai Moana is cleared to proceed with the Optimum Method of Allocation, there may be different steps taken for each set of assets from that point.