

Annual Plan & Budget

2018/19



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Karakia

Tuia i runga i a Ranginui e tū nei,
Tuia i raro i a Papa e takoto ake nei,
Tuia iho te motu ngāherehere o Tane te waiora,
Tuia iho kia Tangaroa te whatu o te moana,
e tuia rā taku kaha nei,
Tuia ki uta, tuia ki tai, tuia ki a rātou kua wehe
atu ki te pō uriuri, ki te pō tangotango,
Tuia ki te hunga ora, ki ngā iwi o te motu e
takoto ake nei.

Introduction

Tēnā koutou katoa,

This document sets out Te Ohu Kaimoana's annual plan and budget for the 2018-2019 financial year, incorporating the Takutai Trust.

This plan represents the second-year of Te Ohu Kaimoana's three-year strategy, Te Ara Taupuhipuhi, which is focused on four key strategic pou:

1. Maintaining and Growing Positive Relationships;
2. Reorganising Te Ohu Kaimoana's Capacity for the Future;
3. Developing and Responding to Initiatives to Protect and Enhance Maori Fisheries Rights; and,
4. Complete Statutory Duties.

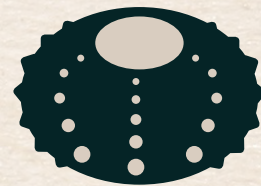
The 2017/18 year was the first year of operationalising Te Ara Taupuhipuhi within the wider Te Ohu Kaimoana Māori Fisheries Strategy which ultimately seeks to protect and advance the full range of Māori fisheries rights guaranteed under the 1992 Deed of Settlement.

Our 2018/19 plan continues to further build and develop Te Ohu Kaimoana to realise its strategic aspiration to add value to Iwi Māori (and wider Aotearoa) fisheries through providing proactive kaupapa Māori-based policy across all Māori fisheries sectors through honest, respectful and consultative relationships.

Noho ora mai rā,

Dion Tuuta

Te Mātārae - Chief Executive



Te Ha o Tangaroa Kia Ora ai Tāua

In order to provide kaupapa Māori-based policy, Te Ohu Kaimoana must ensure the Māori world view informs and underpins all aspects of our work. During 2017/18 Te Ohu Kaimoana reviewed its key guiding principles when considering our policy approach.

As a result of this review Te Ohu Kaimoana now approaches its work through the lense of “Te Hā o Tangaroa kia ora ai Tāua – the breath of Tangaroa sustains us” and the key supporting principles of Whakapapa, Tiaki, Hauhake and Kai.

Whakapapa recognises that when Māori (and Te Ohu Kaimoana as an extension of Iwi Māori) are considering Tangaroa, we are considering our tupuna – rather than a thing or inanimate object.

Our advice must acknowledge this fundamental whakapapa relationship between Iwi and Tangaroa.

Therefore, the obligation and responsibility to Tiaki – care for Tangaroa – comes from our whakapapa descent from our Tupuna.

Our right of Hauhake (cultivation) is underpinned by our Whakapapa and Tiaki obligations to Tangaroa. Ultimately, humanity’s right to Kai – to enjoy the benefits of our whakapapa relationship with Tangaroa – are dependent upon us fulfilling our obligation to Tiaki and Hauhake and how we uphold these responsibilities and obligations in a modern and meaningful way.

Strategic outlook

The current political and social environment continues to present ongoing challenges for fisheries management and Māori fisheries rights generally. The Labour-New Zealand First-Greens Coalition Government remains subject to inter-party agreements promoting reviews of fisheries and commitments to implement new approaches to marine and environmental management which are likely to become significant work programmes during 2018/19.

Changing societal values and expectations continue to reshape the way in which society views fisheries and 26 years on politicians and society at large are forgetting the solemn guarantees entered into between the Māori and the Crown in 1992.

An increasing range of interest groups are advocating changes to Aotearoa’s fisheries management in a manner which have the

potential to negatively affect Iwi Māori interests. The Fisheries Settlement itself has been attacked by at least one environmental interest group as a being a barrier to change.

The overtly political nature of Aotearoa’s fisheries management system requires Te Ohu Kaimoana and Iwi to maintain ongoing vigilance to ensure that the full range of Māori fisheries rights are not undermined by ill-informed political advocacy and policy.

At the same time we must work with others to address the real threats to the sustainability of Aotearoa’s marine and freshwater fisheries such as land-based runoff and habitat destruction as well as the wider effects of climate change.

2018/19 Overview

Te Ohu Kaimoana's 2018/19 work programme is grouped to deliver outcomes in the key areas of Governance and Management Services, Māori Fisheries Act Implementation, Fisheries Allocation, and Fisheries Policy and Aquaculture.

Until such time as the Māori Fisheries Act Amendments are passed by Parliament, Te Kawai Taumata will retain responsibility for appointing Te Ohu Kaimoana directors. During 2018/19 directors Jamie Tuuta and Hinerangi Raumati's terms are due to expire, requiring Te Kawai Taumata to consider appropriate successors. Te Ohu Kaimoana will assist Te Kawai Taumata with this process as required.

Te Ohu Kaimoana remains committed to proactively working with the Crown to advance the Iwi-directed changes to the Māori Fisheries Act 2004. These amendments will require cross-party political support to progress and Te Ohu Kaimoana is hopeful that progress can be made in this area during 2018/19.

Te Ohu Kaimoana will invest resource into completing the final allocation process as far as possible by providing mediation and, where required, legal avenues to complete the final allocation of fisheries assets. Te Ohu Kaimoana looks to Iwi to assist bringing this issue to conclusion as swiftly as possible.

Our 2018/19 fisheries policy work programme has been restructured under five broad headings of Management Settings, Fish Stock Management, Customary Management, Managing the Effects of Fishing and Managing the Effects on Māori Fisheries which are detailed further on in this plan.

Te Ohu Kaimoana has recently established a new team of talented and committed staff who will continue to require time and investment to develop into tomorrow's fisheries leaders. We believe this is a sound investment for the future of Māori fisheries.

Te Ohu Kaimoana has made progress in establishing constructive relationships with the newly established Fisheries New Zealand (FNZ) within the Ministry for Primary Industries (MPI) and we continue to strive for a Treaty-based co-development policy approach. The Crown naturally remains resistant to this approach but is beginning to understand the wisdom of earlier engagement in policy matters which touch upon the Deed of Settlement.

While this is positive, unresolved issues such as 28N Rights and the role of 'Shelving' in fisheries management continue to put Māori settlement interests at risk. This presents the unfortunate possibility of litigation against the Crown during 2018/19 if these matters cannot be suitably resolved.

The Kermadec Ocean Sanctuary Bill is also expected to feature as a significant area of activity for the coming year along with developments in Marine Protected Areas (MPA) policy.

Key strategies and outcomes

FY2018/19

Our overarching work programme continues to be consistent with the key strategies and work streams identified in the three-year strategic plan:

Maintaining and growing positive relationships with Iwi and key stakeholders

Establish/Develop

1. Identify and develop appropriate value-adding services for MIOs/IAOs and AHCs.
-

Maintain

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

Reorganise Te Ohu Kaimoana capacity for the future

Establish/Develop

1. Provide a central hub of expertise and technical support to Māori representatives elected to industry bodies so that Māori are positioned to take pivotal leadership roles in CSOs and SREs or, where agreed by Iwi, undertake those roles directly on behalf of Iwi; and;

2. Develop the capability to exert influence nationally and internationally and ensure that New Zealand fisheries management practice supports the Deed of Settlement.

Maintain

1. Reorganise Te Ohu Kaimoana as an agent of MIOs to act as an influencer and advocate for the protection and advancement of Māori collective fisheries rights based on strong knowledge, integrity and relationships;
2. Build strong relationships nationally with relevant Ministers and senior bureaucrats, councils, key industry figures, and influence bodies;
3. Build strong relationships with Iwi fisheries experts, internationally respected experts, Non-Government Organisations (NGOs) and best practice industry bodies; and
4. Keep abreast of international trends in marine management being adopted by governments and regional bodies as well as those being advocated for from customer and NGO perspectives.

Develop and respond to initiatives to protect and enhance Māori fishing rights

Establish/Develop

1. Continue to participate in conjunction with MIOs, AHCs, and Moana NZ in the development of national and regional policy on MPAs and all precedent setting initiatives that would reduce access for fishing or aquaculture to protect settlement interests; and
2. Continue reviewing and enhancing the commercial fisheries framework.

Maintain

1. Continue MPI engagement on Future of Our Fisheries policy and introduction of the Integrated Electronic Monitoring and Reporting System (IEMRS);
2. Finalise an on-line reporting system that MIOs can support kaitiaki to use to improve reporting for customary catch; and
3. Assist to set up regional pātaka systems where requested in accordance with consistent principles and standards.

Develop and respond to initiatives to protect and enhance Māori fishing rights

Maintain

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

Te Ohu Kaimoana Success Indicators

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

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

Financial Performance and Maintenance of Value –

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

FY18/19 Budget

Income

In FY18/19 Te Ohu Kaimoana is expected to generate total income of \$7.4m from the following sources:

Income	FY16/17 Actual	FY17/18 Budget	FY18/19 Budget
Portfolio Income	3,076,000	3,383,880	3,477,908
ACE Income	673,000	611,384	518,000
Takutai Funding from MPI	478,000	559,007	795,365
Moana New Zealand Ltd Dividend	-	1,760,000	1,760,000
Other income	757,000	712,843	834,693
Total Income	4,984,000	7,027,114	7,385,966

Expenses

Te Ohu Kaimoana (including Takutai) will have expenses of \$5.2m for the year in the following key areas:

Expenses	FY16/17 Actual	FY17/18 Budget	FY18/19 Budget
Staffing	2,216,000	1,881,487	1,939,852
Legal	368,000	579,933	602,349
Consultancy	867,000	952,564	835,652
Directors Fees	425,000	335,500	376,996
Te Kawai Taumata	-	-	21,900
Quota Related Fees	326,000	354,000	304,187
Infrastructure, Overheads and Other Costs	1,246,000	893,736	1,310,199
Total Expenses	5,448,000	4,997,220	5,391,134

Capital Expenditure

Capital expenditure of \$400k has been allocated for FY18/19 year. There are two major pieces of work that will be completed during the year: digitising paper files and the Ikanet rebuild project. An additional \$55k has been set aside for upgrades of computer systems and equipment.

1	Digitising important documents	\$200,000
2	Ikanet project	\$145,000
3	Computer equipment and other	\$55,000
Total		\$400,000

Detailed budget breakdown

The following table provides greater detail regarding the key areas of income and expenditure for the FY18/19 year:

Income	FY18/19 \$	\$
Portfolio Income	3,477,908	
ACE Income	518,000	
Takutai Funding from MPI	795,365	
Moana New Zealand Ltd Dividend	1,760,000	
Other income	834,693	
Māori Fisheries Conference		145,000
Subsidiary cost recoveries		348,693
MATC's		308,000
Other income		33,000
Total Income	7,385,966	

Expenses	Total Cost	Sub-Total	Breakdown
Staffing costs	1,939,852		
Legal	602,349		
Drafting Legislation			50,000
Allocation - Fisheries			45,000
Allocation - Takutai			80,302
Protect Takutai			12,000
Kermadec Ocean Sanctuary			140,000
Legal Counsel			107,547
Litigation General			
TTR			60,000
Fish Stocks			50,000
Contingent litigation			50,000
Other			7,500
Consultancy	835,652		
Management Settings		45,000	
28N Rights			45,000
Managing effects of fishing		43,000	
MPA's			21,000
International Study			22,000
Customary Fishing		26,100	
Authorisations			26,100
Allocation - Fisheries		109,750	
Allocation - Takutai		317,302	
Northland			33,500
Waikato West			16,500
Bay of Plenty			33,000
Marlborough			69,000
Tasman			8,000
Canterbury			4,002
Southland			3,000
Amendments to MCAC's			16,500
Review New Space Plan			101,500
Transitional Advisory			32,300
Protect - Takutai		21,000	
Draft Legislation		16,000	
Allocation Fisheries			

Investment		107,500	
Communications		150,000	
Auditors			40,000
Political Strategy			60,000
PR, design, video, digital support			40,000
Customer satisfaction survey			10,000
Directors Fees	376,996		
Te Kawai Taumata	21,900		
Quota Related Fees and Levies	304,186		
Infrastructure, Overhead and other costs	1,310,199		
Infrastructure		395,659	
Travel and Accommodation		360,720	
National and Regional hui		230,300	
Administration		103,480	
Scholarships		19,320	
Sponsorship/Koha		18,000	
Reporting and Communication		182,720	
Total Expenses	5,391,134		

Assumptions

Key assumptions used in constructing the budget are:

Income

- Earnings from Investments limited to 4% spending rule of income generated from an opening Capital base of \$86m. It is conservatively assumed the Capital base will increase in size by 0.5% plus CPI. Note - minimum targeted investment returns are set at 4.5% plus inflation (forecast 1.7%, an average of the four quarters over for September 2019 year) for a total minimum return of 6.2%. Surplus funds achieved over minimum return are reinvested to maintain and grow the value of the fund over time;
- Crown contribution to Takutai funding based on management assessment;
- Share transfer not expected to occur before the end of the year. Moana NZ Ltd dividend income reduces when shares transfer to Iwi following amendments to Māori Fisheries Act 2004;
- ACE Income is based on current holdings, although coastline agreements may require the allocation and transfer of assets during the year, which may have an impact on the overhead recoveries from the ACE rounds.
- Other income includes conference income (based on current year actuals), subsidiary cost recoveries and Māori Authority Tax Credits; and FOT administration fee.

Expenses

- FY18/19 salaries and wages at \$1.94m (FY17/18 budget \$1.88m);
- Director fees increased due to two alternate directors having been appointed;
- Te Kawai Taumata will meet to appoint two new directors as Jamie Tuuta and Hinerangi Raumati will have served two full terms on the 1st July 2019;
- Infrastructure, Overhead and Other Costs includes travel and accommodation, reporting and communication, scholarships and koha, national and regional hui and administration;
- Consultancy assumption includes assistance with fisheries protection;
- Communications expense includes auditors, political strategy, PR and design work and customer satisfaction survey;
- Legal expense assumption includes possible litigation on Kermadecs, TTR, Fish stocks including PAU 4, contingent litigation funds and other matters which may not occur;
- The Māori Fisheries Conference will provide a break even result;
- Scholarships expenses are higher for FY19 as we have allowed for a Global Fisheries scholar for 2019. The scholarship will be administered by Moana New Zealand Limited. Te Ohu Kaimoana will continue to hold the trust funds as part of the portfolio and pay scholarship funds to Moana New Zealand Limited. Westport Deep Sea fishing school scholarships have been retained but Te Ohu Kaimoana will no longer receive a 50% contribution from Te Pūtea Whakatupu.
- Reporting and communication includes strategy to address fisheries Māori rights issues reactively and pro-actively depending on the issues at hand.

Balance sheet

Assets		Actual 30 Sept 2018 \$	Forecast 30 Sept 2018 \$	Budget 30 Sept 2019 \$
Current Assets	Note			
Cash and cash equivalents		6,722,305	2,319,806	2,138,233
Investments in associates	1	107,157,983	107,157,983	106,579,104
Work in progress		176,061	-	-
Receivables & prepayments		148,176	150,000	100,000
Total Current Assets		114,204,526	109,627,789	108,817,337
Non Current Assets				
Property, plant & equipment	5	48,925	458,904	752,531
Investment Portfolio	6	85,494,318	88,942,002	91,226,820
Quota	1 & 2	24,861,549	21,277,428	14,759,537
Total Non Current Assets		110,404,793	110,678,334	106,738,887
Total assets		224,609,319	220,306,123	215,556,224

Liabilities				
Current Liabilities				
Payables and accruals		685,000	150,000	100,000
Assets allocated but not yet distributed		3,584,121	-	-
Total Current Liabilities		4,589,204	150,000	100,000
Net Assets		220,020,115	220,156,123	215,456,224
Equity Trust Capital (Retained Earnings)				
Trust Capital (Retained Earnings)		78,274,605	80,304,499	82,299,331
Maintenance Reserve (CPI and .05% Growth each year)		2,265,168	4,128,978	5,976,617
AFL Income Shares and Redeemable Preference Shares		101,712,631	101,712,631	101,712,631
Total Trust Capital and Retained Earnings		182,252,404	186,146,108	189,988,578
Maori Fisheries Act Classified Reserves - Yet to be allocated				
Quota to be Allocated	1 & 2 & 4	21,303,586	21,303,586	14,785,695
AFL Shares Held in Trust for Iwi	1 & 4	5,445,346	5,445,346	4,866,473
Te Wai Māori Trust Settlement		3,000,000	2,000,000	1,000,000
AFL Dividend held in Trust for Iwi	1 & 4	624,779	753,555	702,240
Māori Authority Tax credits - non allocated iwi shares	1 & 4	543,648	570,964	524,820
Global Fisheries Scholarship Trust	3	1,044,865	1,072,627	1,039,130
Cash Top Up for Quota Shortfall for Iwi	1 & 2 & 4	495,806	505,722	484,795
Cash to Iwi	1 & 4	595,987	601,130	564,492
Funds Held in Trust		4,713,693	1,757,085	1,500,000
		37,767,710	34,010,015	25,467,646
Equity		220,020,115	220,156,123	215,456,224

Assumptions FY 2019

Ngāti Tama Population allocated	1
Northern FMA8, Ngai Tai and Motiti Island Coastline allocated	2
Global Fisheries Scholarship - spend equals interest earned	3
Holdings of non-allocated iwi shares - Te Whānau Apanui	4
Assets include digitisation of files, rebuild of Ikanet and replacement of computer equipment	5
CPI @ 1.625% + Growth @ 0.5% = 2.125% capital maintenance (Est 12 trailing quarterly portfolio value \$82m). Have not taken into account market volatility	6

Cashflow

Te Ohu Kai Moana Trust Cashflow As At 30 September Each Year	Actual 30 Sept 2016 \$	Forecast 30 Sept 2017 \$	Budget 30 Sept 2018 \$
Cashflow from Operating Activities			
Cash provided from:			
Receipts from sale of ACE	591,000	531,000	518,000
Refund of Maori Authority Tax Credits	373,000	308,000	308,000
Receipts from ACE Round disputes	803,000	370,000	500,000
Other	962,000	502,000	627,000
Total Cash provided from	2,729,000	1,711,000	1,953,000
Cash applied to:			
Payments to suppliers and employee	4,125,000	5,486,000	4,336,000
Net cash (outflow) from Operating Activities	(1,396,000)	(3,775,000)	(2,383,000)
Cash flows from investing activities			
Cash provided from:			
Cash drawdown from Joint Investment Portfolio	1,300,000	1,800,000	2,000,000
AFL dividend for Te Ohu Kaimoana	1,647,000	1,932,000	1,760,000
AFL dividend received for Iwi shares held in trust	110,000	155,000	123,000
Insurance claim on earthquake	180,000	100,000	490,000
	3,237,000	3,987,000	4,373,000
Cash applied to:			
Purchase of fixed assets	201,000	258,000	390,000
	201,000	258,000	390,000

Net cashflow from investing activities	3,036,000	3,729,000	3,983,000
Cashflows from Financing and Trust Capital Activities			
Cash applied to:			
Distributions to associated trusts	1,072,000	1,270,000	1,033,000
Distributions to lwi	32,000	3,086,000	749,000
Net cashflow from Financing Activities	(1,104,000)	(4,356,000)	(1,782,000)
Net Increase/(Decrease) in Cash and Cash equivalents	536,000	(4,402,000)	(182,000)
Opening cash	6,186,000	6,722,000	2,320,000
Cash and cash equivalents held at year end	6,722,000	2,320,000	2,138,000

2018/19 Work programme

Fisheries: Allocation

Establish/Develop

Objective 1: Assist Iwi gain/retain MIO status and transfer population-based assets where relevant by 30 September 2019

- Work with Ngāti Tama (North Island) and Te Whānau-ā-Āpanui to help them gain MIO status by 30 September 2019; and
- Assist Iwi to transition their Post Settlement Governance Entity (PSGE) to a new MIO where required.

Objective 2: To allocate and transfer remaining settlement assets

- Assist Iwi to resolve coastline claims on remaining settlement assets by 30 September 2019. The process will be supported by facilitation services and other consultants (survey); and
- To assist Iwi to reach allocation agreements on eel quota or determine allocation under s 148 of the Māori Fisheries Act by 30 September 2019.

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

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

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

- Manage October 2018 and April 2019 ACE rounds; and

- Sell ACE on behalf of Iwi in dispute over coastline allocations and hold proceeds in dispute under s 152 of the Māori Fisheries Act.

Objective 5: Allocate and transfer funds on trust

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

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

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

Fisheries policy

Management settings

Objective 1: Improve managing and reporting the overall catch

- Influence on creating a more efficient process for managing the overall catch and/or the commercial catch in key fisheries; and
- Continue engagement in electronic reporting and global position reporting and policy discussion regarding the potential use of on-board cameras.

Objective 2: Develop efficient policy tools for fisheries management

- Continue developing and promoting a solution to legacy fisheries management issues: 28N rights, use of deemed values, shelving and landings/discards policies; and
- Represent and provide input to the marine amateur fishers working group in order to ensure best available information is understood and developed with the assistance of Te Ohu Kaimoana.

Fish stock management

Objective 3: Protect Māori settlement interests through continuous engagement in fish stock kōrero

- Provide an ongoing central hub of expertise and technical support to Māori representatives elected to industry bodies so that Māori are positioned to take pivotal leadership roles in CSOs and SREs or, where agreed by Iwi, undertake those roles directly on behalf of Iwi;
- Continue working with affected Iwi correcting the allocation in SNA7 fishery and piloting new approaches for realising the potential of this fishery;
- Support Iwi to develop and implement fisheries plans to protect the settlement interests;
- Continue engagement in AGMs, working groups, industry meetings and other relevant meetings of different fish stocks for efficient fish stock management; and
- Continue ensuring that Māori interests are protected, and Iwi are well informed on matters affecting them in commercial, customary and recreational sectors.

Managing effects of fishing

Objective 4: Develop efficient mechanisms to manage effects of fishing while ensuring the Maori fishing interests are protected:

- Continue influencing the development of different approaches to ensure the protection of sealions, Hector and Māui dolphins, seabirds and sharks while ensuring Māori fishing interests are secured.

Objective 5: Continue ensuring sustainability in fisheries while ensuring the Maori fishing interests are protected:

- Continue promoting improved approaches for ensuring sustainability in accordance with the purpose of the Fisheries Act 1996. This includes increased focus on meeting environmental principles;
- Complete an analysis of the impact of marine protected area establishment and the allocation of access for recreational and sports fishing on Māori Treaty Rights.

Managing effects on Māori fisheries

Objective 6: Protect Māori fishing rights from access threats

- Ensure settlement rights are respected and not reduced except where by agreement with relevant settlement entities. This includes involvement in:
 1. The Resource Management Act and Fisheries Act interface to ensure that access to fishing is not unnecessarily restricted;
 2. Involvement in Marlborough district plan; and
 3. Engagement in Trans-Tasman Resources appeal.
- Ensure settlement rights are respected and not reduced except where by agreement with relevant settlement entities and participate in all precedent setting initiatives that would reduce access for fishing or aquaculture including involvement in:
 1. Kermadec Ocean Sanctuary; and
 2. Marine Protected Areas proposals, including Campbell Island, South-East MPA and Seachange2.

Customary Fishing

Objective 7: Ensure efficient, balanced and current management of customary fishing rights

- Continue engaging in discussions around s 186 of the Fisheries Act and mātaihai establishments, including Cape Runaway mātaihai application, to ensure efficient management of customary interests and that customary interests are upheld and developed with Industry; and
- Continue re-developing the on-line reporting system for authorisation management so that MIOs can support kaitiaki to improve reporting for customary catch. This includes development workshops and supported training around the updated system.

Aquaculture

Regional settlements and allocation

Objective 1: Facilitate discussions between Iwi Aquaculture Organisations (IAOs) on the allocation of settlement assets, and discussions between IAOs and the Crown on satisfying further settlement obligations in the Northland region:

- Facilitate discussion between IAOs and the Crown on the extent and form of further settlement assets derived from the Crown's settlement obligations as a result of coastal permit applications for new species new space in the Northland region;
- Facilitate discussions between IAOs on the allocation of new space settlement assets, including IAOs making settlement allocation entitlement claims under Schedule 1 of the Act, or the use of the dispute resolution processes for allocation (including possible Māori Land Court processes) by September 2019¹;
- Facilitate discussions between IAOs on the allocation of pre-commencement space assets by September 2019.

Objective 2: Facilitate discussions between IAOs and the Crown on satisfying settlement obligations in the Waikato (West) region, and discussions between IAOs on the allocation of settlement assets:

- Facilitate discussions between IAOs and the Crown on the extent and form of new space settlement assets derived from the Crown's settlement obligations in the Waikato (West) region and progress toward a regional agreement between the IAOs, Crown and Te Ohu Kaimoana by September 2019.

Objective 3: Facilitate discussions between IAOs on the allocation of settlement assets, and discussions between IAOs and the Crown on satisfying settlement obligations in the Bay of Plenty region:

- Facilitate agreement on allocation of Bay of Plenty pre-commencement space and new space assets by working with IAOs and have them agree to a model for allocation of assets, with that agreement recorded in a Memorandum of Understanding signed by IAOs by March 2019;
- Facilitate discussions between IAOs and the Crown on the extent and form of new space settlement assets derived from the Crown's settlement obligations in the Bay of Plenty region and progress toward a regional agreement between the IAOs, Crown and Te Ohu Kaimoana by September 2019².

Objective 4: Facilitate discussions between IAOs on the allocation of settlement assets in the Wellington region:

- Facilitate discussions between Wellington regional IAOs on the allocation of pre-commencement space assets by March 2019.

Objective 5: Facilitate the allocation of settlement authorisations to jointly owned iwi companies in the Tasman region:

- Assist IAOs to complete an allocation agreement for settlement authorisations in the Tasman AMA subzones to jointly owned Iwi asset holding companies;

^{1 & 2} Northland and Bay of Plenty – coupled with this are the necessary legislative amendments to the Māori Commercial Aquaculture Claims Settlement Act to empower Te Ohu Kaimoana to allocate assets to Iwi Aquaculture Organisations (IAOs) where not all IAOs in the region are able or willing to sign an allocation agreement (similar to the provisions in the Maori Fisheries Act 2004).

- Complete handover of information to directors of joint Iwi asset holding companies by March 2019.

Objective 6: Facilitate discussions between Iwi on the form of additional settlement assets created in the Marlborough region:

- Assist IAOs to agree the form of additional settlement assets created if the relocation of NZ King Salmon space is approved by the Minister of Fisheries (using his s360 RMA powers) and assisting IAOs to agree a method of allocation for those assets by September 2019.

Objective 7: Facilitate the allocation of settlement assets to IAOs derived from the Canterbury regional new space settlement:

- Allocate and transfer those assets to IAOs by March 2019.

Objective 8: Facilitate discussions between IAOs and the Crown on satisfying settlement obligations in the Southland region, and discussions between IAOs on the allocation of settlement assets:

- Facilitate discussions between Ngāi Tahu and the Crown to sign a new space regional agreement between the IAOs, Crown and Te Ohu Kaimoana by February 2019.

Objective 9: Assist IAOs and the Crown to agree the value and form of additional new space settlement assets where applicable

- Participate in the statutory review of the Minister's New Space Plan for Aquaculture, including facilitating discussions between IAOs and Iwi where the actual space consented in a 5-year period exceeds that which was forecast in the national forecast models, and confirmed through regional settlements. (e.g. approval of the NZ King Salmon relocation, additional mussel space in Western Firth, Te Ohu Kaimoana will assist Iwi in the affected region to agree on both the amount and the

form of any further settlement assets from the Crown);

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

Objective 10: Review the Minister's New Space Plan for aquaculture

- Develop with the Crown a reforecast of expected new space for all species in each region to 2035. This will involve direct engagement with IAOs on how the review of the plan will affect their region. This will also include an analysis of the data in the settlement valuation models, and the development of further valuation models for new species by September 2019. Reconciliation of the new space forecast and valuation model inputs may result in adjustments to regional settlements.

Objective 11: Transition

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

Objective 12: Meet other statutory requirements:

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

Objective 13: Maintain ongoing relationship with MPI officials to:

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

Aquaculture policy

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

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

Objective 2: Amendments to the Maori Commercial Aquaculture Claims Settlement Act 2004

- Promote amendments to the Settlement Act to provide for an additional mechanism to assist Iwi to reach agreement on the allocation, and transfer, of aquaculture settlement assets. This will involve technical engagement with Crown officials, and possible further consultation with IAOs. The amendments to the Act will ensure the legislation is fit for purpose and provides a full range of options for allocation. This work is expected to continue until 2020.

Māori Fisheries Act Review Implementation

Objective 1: Ensure legislative changes endorsed by Iwi are reflected in final changes to the Māori Fisheries Act during 2018-19 before introduction to the House

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

Objective 2: Ensure related statutory documents are consistent with Iwi requirements and legislative amendments during 2018-19

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

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

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

Governance and management services

Objective 1: Governance of settlement entities:

- Meet ongoing annual statutory obligations under the Act in relation to Moana New Zealand, Te Wai Māori and Te Pūtea Whakatupu.

Objective 2: Relationship building and reporting:

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

Objective 3: Investment and portfolio management:

- Minimum target return for the portfolio is 4.5% plus CPI after all management fees but not including advisor fees;
- Annual drawdowns for operational expenditure are targeted to be no more than average of 4% of the previous 3 years of the total portfolio investment fund attributable to Te Ohu Kaimoana;
- Continue to transition the diversified portfolio agreed under the Statement of Investment Objectives and Policies (SIPO); and
- Manage available cash-flows to meet the needs of the organisation.

Objective 4: Corporate Resources and Infrastructure:

- Provide the tools, resources and environment to enable the organisation to meet the goals and objectives that have been agreed;
- Digitisation of Te Ohu Kaimoana's key documents;
- Establish processes to cover the succession planning of at-risk roles and skill sets; and
- Continue to review key policies and procedures to ensure Te Ohu Kaimoana operates effectively and efficiently.

Te Ohu
Kaimoana

The logo graphic consists of three stylized, overlapping wavy lines in shades of teal and blue, positioned below the word 'Kaimoana'.