



# TE OHU KAIMOANA

## ANNUAL PLAN 2020/21

This annual plan provides iwi with an overview of Te Ohu Kaimoana's work covering the period 1 October 2020 to 30 September 2021







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# KARAKIA

WHAKATAKA TE HAU KI TE URU

WHAKATAKA TE HAU KI TE TONGA

KIA MĀKINAKINA KI UTA

KIA MĀTARATARA KI TAI

KIA HĪ AKE ANA TE ATĀKURA

HE TIO

HE HUKA

HE HAUHU

TĪHEI MAURI ORA





# OUR BOARD



**Rangimarie Hunia**  
Chair  
*Ngāti Whātua*



**Tā Mark Solomon**  
Deputy Chair  
*Ngāi Tahu,  
Ngāti Kuri*



**Selwyn Parata**  
Director  
*Ngāti Porou*



**Paki Rawiri**  
Director  
*Waikato,  
Ngāpuhi*



**Pahia Turia**  
Director  
*Ngā Wairiki Ngāti  
Apa,  
Whanganui,  
Ngā Rauru,  
Ngāti Tūwharetoa*



**Bella Takiari-Brame**  
Director  
*Waikato-Tainui,  
Ngāti Maniapoto*



**Alan Riwaka**  
Director  
*Te Āti Awa*



**Kim Skelton**  
Alternative Director  
*Te Ātiawa,  
Taranaki,  
Ngāti Raukawa ki te  
Tonga*



**Maru Samuels**  
Alternative Director  
*Ngāi Te Rangi,  
Te Rarawa,  
Ngāi Takoto*





# INTRODUCTION

Te Ohu Kaimoana is the trustee of Te Ohu Kai Moana Trustee Limited and the Maori Commercial Aquaculture Settlement Trust (known as Takutai Trust).

In relation to the fisheries settlement, Te Ohu Kaimoana is the agent of Mandated Iwi Organisations (MIOs) recognised under the Maori Fisheries Act 2004. We work closely with Mandated Iwi Organisations, Asset Holding Companies, customary kaitiaki, collective Māori fisheries settlement entities (Moana New Zealand, Sealord Group Ltd, Te Wai Māori Trust and Te Pūtea Whakatupu Trust) to ensure iwi, hapū and whānau can access the opportunity that our traditional fisheries provides.

In relation to the aquaculture settlement, Te Ohu Kaimoana assists the Crown and iwi to enter regional aquaculture agreements that provide settlement assets that meet the Crown's obligations. We also assist Iwi Aquaculture Organisations to agree allocation of settlement assets between them.

This plan sets out our focus and work programme for the period 1 October 2020 to 30 September 2021. This plan has been developed within the context of the 2017 Māori Fisheries Strategy which has the vision that the on-going Tiriti/Treaty Partnership between iwi and the Crown is given effect through development of fisheries-related legislation, policies and arrangements that recognise and respect the rangatiratanga of iwi over their traditional fisheries, and enable iwi to pursue their aquaculture aspirations.

This plan represents a transition from our 2017-2020 plan, Te Ara Taupuhipuhi, to our revised draft five-year plan which, as a result of the challenges posed by the current global pandemic, remains subject to approval by iwi.

In order to achieve the vision of the Māori Fisheries Strategy, Te Ohu Kaimoana recognises it must act as an agent for iwi to bring about positive long-term change to systems which deny iwi rangatiratanga and choice in how their traditional fisheries are managed and accessed.

This will necessarily involve ongoing participation and advisory services in existing Government fisheries systems while simultaneously considering new national approaches to fisheries management which build on our existing rights-based system and align with our central philosophy of Te Hā o Tangaroa kia ora ai tāua.





It also means that Te Ohu Kaimoana will work collaboratively with the Crown to improve the existing processes that deliver the Crown's obligations to iwi for aquaculture, establish better delivery mechanisms for the settlement of obligations for new aquaculture, and develop the capability and capacity of iwi to directly participate at all levels in aquaculture. Our work here will be underpinned by the development of a comprehensive Māori Aquaculture Strategy.

Te Ohu Kaimoana will work with iwi and key stakeholders to achieve our priorities under four key themes of:

1. Leadership, collaboration and communication
2. People development and Capacity
3. Policy development and operational performance
4. Te Hā o Tangaroa and rights protection

Iwi have invested into Te Ohu Kaimoana to build our collective skillset to the point where Mandated Iwi Organisations now have the largest fisheries and aquaculture policy team outside of Government.

This plan sets out how Te Ohu Kaimoana will apply our research and policy thinking, political and public communications and outreach, and where required initiate legal action to uphold iwi Tiriti/Treaty guarantees and protect the iwi relationship with Tangaroa.

Noho ora mai rā,



**Rangimarie Hunia**

Chair

Te Ohu Kaimoana





## VISION

Mandated Iwi Organisations collectively lead the development of Aotearoa's marine and environmental policy affecting fisheries management through Te Ohu Kaimoana as their mandated agent.

## MISSION

The ongoing Tiriti/Treaty Partnership between iwi and the Crown is given effect through development of fisheries-related legislation, policies and arrangements that recognise and respect the rangatiratanga of iwi over their traditional fisheries.

## VALUES

Rangatiratanga | Ngākau Tapatahi | Whanaungatanga

## STRATEGIC OUTCOMES AND GOALS

1. All Māori fisheries settlement entities work collectively to advance and improve Māori fisheries and achieve positive outcomes for iwi and Aotearoa in a manner that is publicly understood.
2. Iwi have access to a strong pool of talented and skilled Māori fisheries commercial and non-commercial expertise.
3. Empowering Māori fisheries policy (commercial and non-commercial) is informed by tikanga Māori and practical 'on the ground' realities and experience of customary and commercial fishers. Our fisher's commercial and non-commercial practices respect tikanga as well as the empowering policy and legal framework which underpin Māori fisheries rights.
4. The Māori world view, guarantees of Te Tiriti o Waitangi and the 1992 Fisheries Settlement are understood and respected by Government, the New Zealand public and international audiences. A Māori worldview and Tiriti/Treaty rights are fully incorporated into New Zealand's marine management policies.



# TE OHU KAIMOANA AND TAKUTAI TRUST

## STRATEGIC GOALS

### LEADERSHIP, COLLABORATION AND COMMUNICATION

ACTIVITY

1

All Māori fisheries and aquaculture settlement entities work collectively to advance and improve Māori fisheries and aquaculture and achieve positive outcomes for iwi and Aotearoa in a manner that is publicly understood.

ACTIVITY

2

Te Ohu Kaimoana will promote the work and stories of the Trust, Iwi Aquaculture Organisations and Māori owned aquaculture companies

### PEOPLE DEVELOPMENT AND CAPACITY

ACTIVITY

3

Iwi have access to a strong pool of talented and skilled Māori fisheries commercial and non-commercial expertise.

### POLICY DEVELOPMENT AND OPERATIONAL PERFORMANCE

ACTIVITY

4

Empowering Māori fisheries policy (commercial and non-commercial) is informed by tikanga Māori and practical 'on the ground' realities and experience of customary and commercial fishers. Our fisher's commercial and non-commercial practices respect tikanga as well as the empowering policy and legal framework which underpin Māori fisheries rights.

### TE HĀ O TANGAROA AND RIGHTS PROTECTION

ACTIVITY

5

A Māori world view guarantees of Te Tiriti o Waitangi and the 1992 Fisheries Settlement are understood and respected by Government, the New Zealand public and international audiences. A Māori worldview and Tiriti/Treaty rights are fully incorporated into New Zealand's marine management policies.

ACTIVITY

6

The Crown's settlement obligations provided for in the Maori Commercial Aquaculture Settlement Claims Act are delivered in a timely manner and in the form that meets the aspirations of iwi.





# SUCCESS INDICATORS

## IWI SATISFACTION

Mandated Iwi Organisations and Iwi Aquaculture Organisations are satisfied that Te Ohu Kaimoana as trustee of the Te Ohu Kai Moana Trust and the Takutai Trust provides a valuable and necessary service and delivers services in a way which meets their needs. Te Ohu Kaimoana has established an annual iwi satisfaction survey which is included as part of the Annual Report.

## 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. Iwi are satisfied with the form and timing of delivery of the Crown's aquaculture settlement obligations.

## PERFORMANCE AND MAINTENANCE OF VALUE

Te Ohu Kaimoana's services have previously been delivered within the Board-mandated spending rule of a maximum of 4% of total investment portfolio returns which maintain and grow the real value of Iwi funds held in trust in the event of future distributions. For 2020/21 year, the Te Ohu Kaimoana Board have approved increasing the spending rule of 4% to 4.6% of total investment portfolio returns. The increased approved expenditure is for Te Ohu Kaimoana to manage biodiversity on behalf of iwi (passed at the Special General Meeting held on the 2nd December 2020) and to fund additional FTE's in legal and communications area.

Unbudgeted projects requiring capital expenditure above \$1m per project must be approved by a Special General Meeting of Mandated Iwi Organisations.



# BUDGET 2020/21 FINANCIAL YEAR

## INCOME

In FY20/21 Te Ohu Kaimoana is expected to generate total income of \$5.6m from the following sources:

Income	FY18/19 Actual	FY19/20 Budget	FY20/21 Budget
Portfolio income	3,264,441	3,426,645	3,573,977
ACE Income	477,828	497,751	464,653
MPI funding for the Takutai Trust	596,522	632,906	682,443
Moana New Zealand Ltd dividend	2,075,990	-	-
Other income	509,791	606,105	845,755
<b>Total income</b>	<b>6,924,572</b>	<b>5,163,407</b>	<b>5,566,828</b>

## EXPENSES

Te Ohu Kaimoana (including Takutai) will have expenses of \$6.1m for the year in the following key areas:

Expenses	FY18/19 Actual	FY19/20 Budget	FY20/21 Budget
Staffing	1,837,324	1,981,843	2,742,866
Legal	248,955	440,500	558,000
Consultancy	761,234	709,100	911,604
Directors fees	357,581	392,500	392,500
Te Kāwai Taumata	28,200	-	9,400
Quota related fees	282,585	283,551	300,696
Infrastructure, overheads and other costs	1,106,899	1,355,913	1,230,503
<b>Total expenses</b>	<b>4,622,778</b>	<b>5,163,407</b>	<b>6,145,569</b>





## CAPITAL EXPENDITURE

Capital expenditure of \$150k has been allocated for FY20/21 year to cover planned replacement of computer and office seating configuration.

## DETAILED BUDGET BREAKDOWN

The following table provides greater detail regarding the key areas of income and expenditure for the FY20/21 year:

Income	FY20/21 \$	\$
Portfolio income	3,573,977	-
ACE income	464,653	-
MPI funding for the Takutai Trust	682,443	-
Moana New Zealand Ltd dividend	-	-
Other income	845,755	-
Subsidiary cost recoveries	-	820,755
MATC's	-	-
Other income	-	25,000
<b>Total income</b>	<b>5,566,828</b>	



Expenses	Total Cost	Sub-Total	Breakdown
Staffing costs	2,742,866		
Legal	558,000		
Allocation - Fisheries			25,000
Allocation - Takutai			28,000
Protect Takutai			55,000
Kermadec Ocean Sanctuary			75,000
Dolphin TMP			20,000
28N Rights			25,000
Managing biodiversity			240,000
Draft legislation			40,000
<b>Litigation general</b>			-
Fish stocks			50,000
<b>Consultancy</b>	911,604		
Management settings		37,860	
28N rights			20,000
Cost recoveries			12,860
Cameras			5,000
<b>Fish stocks</b>		5,000	
<b>Managing effects on fishing</b>		15,000	
RMA Pollution			5,000
<b>Spatial management</b>			5,000
<b>Climate change</b>			5,000
<b>Managing effects of fishing</b>		5,000	
<b>Customary fishing</b>			
Support customary fishing		9,600	
<b>Mana motuhake strategy</b>		150,000	
<b>Allocation - fisheries</b>		138,000	
<b>Allocation - takutai</b>		156,500	
Northland			3,360
Auckland			12,145
Waikato West			7,500
Waikato East			13,400
Bay of Plenty			81,000
Wellington			450
Malborough			38,645

Expenses	Total Cost	Sub-Total	Breakdown
Transitional advisory			80,000
<b>Protect takutai</b>		67,500	
Open ocean settlements			22,000
Iwi Aquaculture Forum			8,000
GLM9			3,500
Transitional advisory			33,500
<b>Investment</b>		183,625	
<b>Communications</b>		119,500	
Auditors			39,500
Political strategy			65,000
Customer satisfaction survey			15,000
<b>Relationships</b>		24,519	
Director fees	392,500		
Te Kāwai Taumata	9,400		
Quota related fees and levies	300,696		
Infrastructure, overhead and other costs	1,230,503		
Infrastructure			500,880
Travel and accommodation			313,418
National and regional hui			128,500
Administration			91,419
Sponsorship/koha			11,500
Reporting and communication			184,786
<b>Total Expenses</b>	<b>6,145,569</b>		

## ASSUMPTIONS

Key assumptions used in constructing the budget are:

### Income

- Earnings from Investments are limited to 4% spending rule of income generated from an opening Capital base of \$92m. 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 0.5%, an average of the four quarters over for September 2021 year) for a total minimum return of 5.0%. 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 New Zealand Ltd dividend for year ending 30 September 2021 expected to be paid out to iwi.



- 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 subsidiary cost recoveries and FOT administration fee.

### Expenses

- FY20/21 salaries and wages at \$2.74m (FY19/20 budget \$1.98m) includes 5.93 FTE increase in subsidiaries (recovered partially through other income).
- Te Kāwai Taumata costs are required in FY20/21 year as Tā Mark Solomon's 8-year term finishes in February 2021.
- Infrastructure, overhead and other costs includes travel and accommodation, reporting and communication, koha, national and regional hui and administration.
- Consultancy assumption includes resourcing for Te hā o Tangaroa strategy.
- Communications expense includes auditors, political strategy, and iwi satisfaction survey.
- Legal expense assumption includes possible litigation on Kermadecs, managing biodiversity (role of the RMA and Fisheries Act), fish stocks including PAU 5B, review of the Maori Fisheries Act and other matters which may not occur.
- 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 2019 \$	Budget 30 Sept 2020 \$	Budget 30 Sept 2021 \$
Current assets	Note			
Cash and cash equivalents		5,351,383	2,768,297	4,769,579
Investments in associates		107,160,000	107,160,000	106,579,456
Work in progress		2,935	-	-
Receivables & prepayments		242,109	50,000	50,000
<b>Total current assets</b>		<b>112,756,427</b>	<b>109,978,297</b>	<b>111,399,035</b>
Non-current assets				
Property, plant & equipment	3	649,059	696,085	600,647
Investment portfolio	4	93,020,286	91,925,147	91,466,988
Quota		20,344,075	19,782,899	17,493,432
<b>Total non-current assets</b>		<b>114,013,420</b>	<b>112,404,131</b>	<b>109,561,067</b>
<b>Total assets</b>		<b>226,769,847</b>	<b>222,382,428</b>	<b>220,960,102</b>
Liabilities				

Expenses		Actual 30 Sept 2019 \$	Budget 30 Sept 2020 \$	Budget 30 Sept 2021 \$
Current liabilities				
Payables and accruals		660,472	100,000	100,000
Assets allocated but not yet distributed		-	-	-
Total current liabilities		660,472	100,000	100,000
Net assets		226,109,375	222,282,428	220,860,102
Equity trust capital (Retained earnings)				
Trust capital (retained earnings)		85,209,879	81,969,331	81,390,591
Maintenance reserve (CPI and .05% growth each year)	4	5,976,616	8,026,479	8,797,680
AFL income shares and redeemable preference shares		101,712,631	101,712,631	101,712,631
Total trust capital and retained earnings		192,899,126	191,708,441	191,900,902
Maori Fisheries Act 2004 classified reserves - yet to be allocated				
Quota to be allocated	2	20,160,103	19,598,899	17,309,460
AFL shares held in trust for iwi	2	5,445,346	5,445,346	4,866,819
Te Wai Māori Trust Settlement		1,000,000	-	-
AFL dividend held in Trust for Iwi	2	867,622	867,622	950,857
Māori Authority Tax Credits - non allocated iwi shares	2	595,483	595,435	561,444
Global Fisheries Scholarship Trust	1	1,164,825	997,725	1,164,525
Cash top up for quota shortfall for iwi	2	398,947	462,825	344,560
Cash to iwi	2	615,911	606,135	550,308
Funds held in trust		2,962,012	2,000,000	3,211,227
		33,210,249	30,573,987	28,959,200
Equity		226,109,375	222,282,428	220,860,102

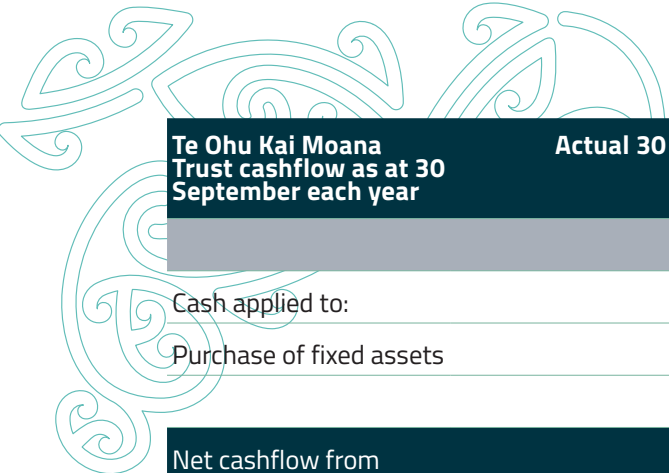


## BALANCE SHEET ASSUMPTIONS

Global Fisheries Scholarship - spend equals interest earned	1
Includes holdings of non-allocated iwi shares - Te Whānau Apanui & Ngāti Tama and coastline disputes (assume Ngāti Tama transfer in 2021)	2
Replacement of computer equipment and furniture purchase	3
CPI @ 0.5% + Growth @ 0.5% = 1% capital maintenance (Est 12 trailing quarterly portfolio value \$93m). Have not taken into account market volatility	4

## CASHFLOW

Te Ohu Kai Moana Trust cashflow as at 30 September each year	Actual 30 Sept 2019 \$	Budget 30 Sept 2020 \$	Budget 30 Sept 2021 \$
Cashflow from operating activities cash provided from:			
Receipts from sale of ACE	478,828	497,751	464,653
Refund of Māori Authority Tax Credits	367,498	-	-
Receipts from ACE round disputes	713,536	500,000	500,000
AFL dividend received for Te Ohu Kaimoana	1,712,710	-	-
AFL dividend received for Iwi	114,067	-	-
Other	1,875,190	493,105	945,000
Total cash provided from	5,261,829	1,490,856	1,909,653
Cash applied to:			
Payments to suppliers and employee	4,102,881	4,228,204	5,629,867
Net cash (outflow) from operating activities	1,158,948	(2,737,348)	(3,720,214)
Cash flows from investing activities			
Cash provided from:			
Cash drawdown from joint investment portfolio	2,500,000	3,426,645	3,573,974



Te Ohu Kai Moana Trust cashflow as at 30 September each year	Actual 30 Sept 2018 \$	Budget 30 Sept 2019 \$	Budget 30 Sept 2020 \$
	2,500,000	3,426,645	3,573,974
Cash applied to:			
Purchase of fixed assets	262,631	50,000	150,000
Net cashflow from investing activities	2,237,369	3,376,645	3,423,974
Cashflows from financing and trust capital activities			
Cash applied to:			
Distributions to associated trusts	1,015,293	1,000,000	-
Distributions to iwi	659,000	500,000	747,830
Net cashflow from financing activities	(1,674,293)	(1,500,000)	(747,830)
Net increase/(decrease) in cash and cash equivalents	1,722,024	(860,703)	(1,044,070)
Opening cash	3,629,359	3,629,000	5,813,649
Cash and cash equivalents held at year end	5,351,383	2,768,297	4,769,579



Te Ohu  
**Kaimoana**

