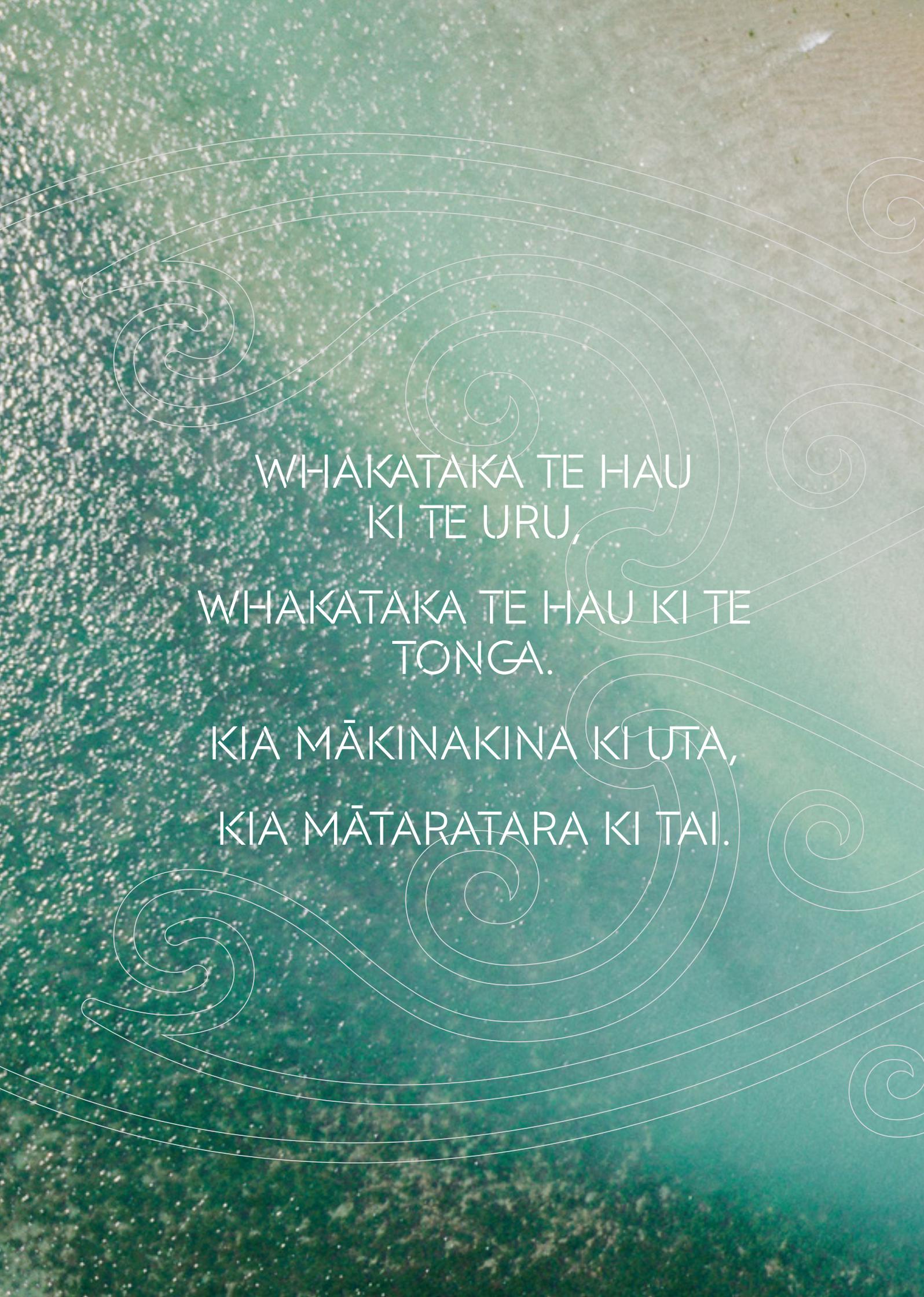




KA ORA
KI TAI
KA HUA
KI UTA



WHAKATAKA TE HAU
KI TE URU,

WHAKATAKA TE HAU KI TE
TONGA.

KIA MĀKINAKINA KI UTA,
KIA MĀTARATARA KI TAI.

NGĀ IHIRANGI / CONTENTS

01

HE MIHI

KA ORA KI TAI,
KA HUA KI UTA

6—Our Board

8—Chairman's Foreword

12—Chief Executive's Report

18—He Aituā – Hon Koro Wetere

02

HE PAINGA

TE HĀ O TANGAROA
KIA ORA AI TĀUA

22—Te Hā o Tangaroa Kia Ora Ai Tāua

28—Representing Māori interests abroad

29—He kitenga anamata

30—Stakeholder satisfaction survey 2018

03

HE HUA

TINO KAI, TINA ORA
TE KŌPŪ

38—Report against the Annual Plan

50—Coastline Agreements

51—Te Wai Māori Trust Report

56—Te Pūtea Whakatupu Trust Report

59—Moana New Zealand Report

04

HE KOUNGA

E HOA MĀ! INĀ TE ORA
O TE TANGATA

64— Financial Statements

132— Minutes of the Te Ohu Kai Moana Trustee
Limited Hui-ā-Tau/Annual General Meeting 2018

136— Hui-ā-Tau/Annual General Meeting –
Agenda 2019

An aerial photograph of the ocean with a vibrant green and blue color palette. Overlaid on the water are several white, stylized decorative swirls that resemble traditional Maori or Polynesian patterns. The text is centered in the middle of the image.

KA ORA KI TAI,
KA HUA KI UTA

An aerial photograph of the ocean with white-capped waves. A large, white, stylized graphic overlay, resembling a traditional Maori koru or a stylized wave, is centered on the image. The text 'HE MIHI' is written in white, uppercase letters across the middle of the graphic.

HE MIHI

OUR BOARD



Jamie Tuuta

Chairman

Ngāti Mutunga, Ngāti Tama,
Te Āti Awa, Taranaki Tūturū



Ken Mair

Director

Whanganui, Ngāti Tūwharetoa,
Ngāti Raukawa



Paki Rawiri

Director

Waikato, Ngāpuhi



Tā Mark Solomon
Deputy Chair
Ngāi Tahu, Ngāti Kuri



Hinerangi Raumati-Tu'ua
Director
Ngāti Mutunga, Waikato Tainui



Selwyn Parata
Director
Ngāti Porou



Rangimarie Hunia
Director
Ngāti Whātua



Kim Skelton
Alternate Director
Te Atiawa, Taranaki, Ngāti Raukawa
ki te Tonga



Pahia Turia
Alternate Director
Ngā Wairiki, Ngāti Apa, Whanganui,
Ngā Rauru and Ngāti Tūwharetoa

CHAIRMAN'S FOREWORD



Poua ki runga

Poua ki raro

Poua ki tāmōre more nui nō papa

Poua ki tāmōre more nui nō rangi

He rongō he aio

Tēnā tawhito pou ka tū

E kore e uea

E kore e unuhia

E kore e hinga

E kore e wharara

Tēnei te pou ka tū, e hai!

Whakaangi atu ai taku manu nei kia tiu ki mārakiraki, kia hoka ki mātongatonga kia rere ki te uru, kia topa ki te rāwhiti, kia tau ki ngā pou e whā o te motu. Kei ngā mātārae, ngā pātaka iringa o te kupu rāua ko kōrero kua riro ki ō tua whakarere, tēnei te whakaaraa atu i a koutou i roto i ēnei tāinga kōrero, kia mihia kia tangihia i roto i te wā iti nei. Kia ea te wāhanga ki a koutou matū atu ki te ōrokotīmatanga i whānau mai ai koutou otirā anō tātou te tangata.

Kei ngā maunga whakahī e taumarumarū ai i ngā iwi o te motu, kei ngā awa riporipo e rere kau nei ki te moana, kei ngā hikanga mātua me ngā uruwaka o te motu tēnā koutou i ngā tini āhuatanga o te wā.

Kati, nei rā te takapou kōrero ka hora. E takoto ake nei ngā nekeneketanga me ngā nukunukutanga

o ngā tini kaupapa o te tau kua pahure nei hei whakararotanga mā koutou. Kei te ū mātou ki o tātou tikanga me ngā tūmanakotanga o te kaupapa o Te Ohu Kaimoana kia ora a tai kia hua a uta. Ā, e pono ana mātou ki te kōrero nei, e kore hoki e taea he mate nō te iwi kotahi.

Summary of 2017/18

The Board of Te Ohu Kaimoana are proud to present this year's report into the activities of Te Ohu Kaimoana and related Fisheries Settlement Entities for the period 1 October 2017 to 30 September 2018, a year of change and resetting of relationships.

The 2017/18 year began with a change in government and an opportunity to reset what had unfortunately become a combative and litigious relationship with the Crown. With the change in government, Te Ohu Kaimoana was pleased to note the appointment of a dedicated Minister of Fisheries in the form of the Hon Stuart Nash in October 2018. Minister Nash quickly met with Te Ohu Kaimoana in November where we discussed matters set out in our briefing to him and, encouragingly, he accepted our invitation to regularly meet with the Te Ohu Kaimoana Board.

This engagement has proved positive and we have been able to develop a direct, honest and open dialogue with the Minister on the full range of fisheries matters. While there remain important differences of opinion, these regular meetings allow kanohi ki te kanohi communication at the highest level.

Through this dialogue we were advised early of the Minister's intention to establish Fisheries New Zealand (FNZ) as a separate directorate within the Ministry for Primary Industries (MPI) and were

invited to participate in the launch. As the only non-Crown speaker at the launch of Fisheries New Zealand, Te Ohu Kaimoana expressed our hope for an improved partnership between the new government and Iwi to realise the promise of Te Tiriti o Waitangi regarding fisheries and marine management.

In addition to meeting with Minister Nash, the Board has been active in developing relationships with the Minister for Māori-Crown Relationships the Hon Kelvin Davis, Minister for the Environment the Hon David Parker, Minister of Conservation the Hon Eugenie Sage, and Minister of Māori Development the Hon Nanaia Mahuta.

These ministers' portfolios have the potential to adversely impact on our fisheries rights if portfolio issues are not considered adequately by the ministers or Te Ohu Kaimoana. Building stable relationships with the Government and across other political parties will therefore remain an important aspect of our role.

Strategy

Throughout the year the Board reflected on our three-year strategy Te Ara Taupuhupuhi and the importance of the Māori world view informing all aspects of our work with Iwi and advice to the Government. Our work is underpinned by the concept of *Te Hā o Tangaroa kia ora ai Tāua – the breath of Tangaroa sustains us*, with key supporting principles of Whakapapa, Tiaki, Hauhake and Kai.

Te Hā o Tangaroa kia ora ai Tāua recognises that Māori have a relationship with Tangaroa that is fundamental to our identity and existence. Our relationship with Tangaroa was confirmed by Te Tiriti o Waitangi and is the true source of our rights and responsibilities as kaitiaki.

Legislative Change

Te Ohu Kaimoana has fulfilled its obligation to request the Minister of Fisheries to promote amendments to the Māori Fisheries Act, which would be required to implement the decisions made by Iwi about the governance of the Te Ohu Kaimoana Group. We understand the matter is now being considered by the Minister and proposed to be included as part of a legislative reform process.

We will continue to advocate for the iwi-mandated changes to be passed as quickly as possible. We also continue to advise Iwi to communicate their desire for the Government to implement these changes directly to the Minister.

Governance

Te Ohu Kaimoana retains responsibility for governance oversight of Te Pūtea Whakatupu Trust, Te Wai Māori Trust and Aotearoa Fisheries Limited (trading as Moana New Zealand) and the year in review saw governance changes within a number of these organisations.

In July 2018 we welcomed Pahia Turia (Ngā Wairiki – Ngāti Apa, Whanganui, Ngā Rauru and Ngāti Tūwharetoa) and Kim Skelton (Te Ātiawa – Taranaki and Ngāti Raukawa ki te Tonga) as alternate directors on the board of Te Ohu Kaimoana. Both Pahia and Kim have been heavily involved in Māori governance and are well known in Māori fisheries circles. Their skills, experience and commitment will be needed in the years ahead. Both Kim and Pahia's appointments have been made with an eye to succession given that myself, Hinerangi Raumatitū'ua and Ken Mair will retire from the Board during 2019.

Te Pūtea Whakatupu welcomed two new directors in December 2017 with Yvonne (Evie) O'Brien (Ngāti Awa, Ngāti Pūkiao, Ngāti Ranginui) and Kate Cherrington (Ngāti Hine, Ngāti Wai, Kapotai and Ngāpuhi) replacing outgoing directors, Rangimarie Hunia and Willie Jackson. Te Pūtea Whakatupu is now well placed to implement its strategic plan introduced by the previous board.

In August 2018, Te Ohu Kaimoana also began a search for new directors for Moana New Zealand. In October 2018 the Board appointed Jason Witehira (Ngāpuhi) and Greg Summerton (Ngāi Tahu) following an extensive recruitment process which attracted many extremely high-quality candidates. They will succeed Craig Ellison who resigned in July 2018, and Rachel Taulelei who did not seek reappointment. Te Ohu Kaimoana sincerely thanks Craig and Rachel for their exceptional leadership and contributions around the Moana New Zealand Board table and looks forward to the positive contribution that Greg and Jason will make in leading Moana New Zealand.

Rights Protection

Both the Labour-New Zealand First coalition agreement and Labour-Greens confidence and supply agreement referenced the intent to progress a no-take Ocean Sanctuary in Fishery Management Area (FMA10). The Crown's present Kermadec Ocean Sanctuary Bill seeks to deny Māori a relationship with QMA10 without consent and Te Ohu Kaimoana began discussions with Minister Kelvin Davis and Minister David Parker to reset the relationship and develop a more constructive way forward on this matter. We await further discussion on this point.

Unfortunately, legal action was required to protect the erosion of Māori settlement interests in PAU 4, 5B and 7 through the activation of historical 28N Rights. While this was an interim success in delaying the trigger of 28N rights in these stocks for the forthcoming year, work needs to continue to find a resolution to the overall issue. A working party has been established to find a solution which protects Iwi rights and respects the interests of 28N Right Holders.

During the year Te Ohu Kaimoana joined with Te Rūnanga o Ngāti Ruanui Trust, Te Kāhui o Rauru and a number of other groups to appeal the Environmental Protection Authority's decision allowing Trans-Tasman Resources Limited (TTR) to mine 50 million tonnes of iron sand from the deep-sea floor off the coast of Pātea in Taranaki. This collaborative effort saw a successful result in the High Court in August for Iwi and the environment, but this matter promises to be fought out again with TTR recently confirming it will lodge a fresh appeal.

In early September Te Ohu Kaimoana participated as a non-official member of the New Zealand delegation to the United Nations to consider a new international agreement on Biodiversity Beyond National Jurisdiction (BBNJ). This proposed global Treaty seeks to determine how marine biodiversity in international waters should be managed in the future. As the 'Kermadec Ocean Sanctuary' issue clearly demonstrated, events which have their genesis overseas can potentially adversely affect Māori rights and interests in Aotearoa if we are not active participants in these discussions. Te Ohu Kaimoana is working with Ministry of Foreign Affairs and Trade (MFAT) officials to ensure that Iwi perspectives form a fundamental part of New Zealand's response to this issue.

Conclusion

It is clear that fisheries face increasing challenges which will only become harder as time passes. Commercial fisheries in particular and the Quota Management System which underpins it continue to face challenges from environmental and recreational lobby groups seeking to advance their own agendas.

Increasing concerns over climate change and environmental management will underpin more demands for no-take Marine Protected Areas and stronger regulation on commercial operators to change commercial fishing practice. Te Ohu Kaimoana supports necessary change where required on the basis of science-based evidence.

Increasingly strident demands from recreational lobby groups for a greater allocation of fish will inevitably clash with the rights of commercial quota owners – including Māori – requiring greater dialogue and leadership than ever before. While we remain cognisant that many individual Māori are avid recreational fishers, Te Ohu Kaimoana is clear that the full range of Māori customary rights, commercial rights and recreational interests must be protected.

Noho ora mai rā,



Jamie Tuuta
Chairman
Te Ohu Kaimoana

CHIEF EXECUTIVE'S REPORT



Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atākura
He tio
He huka
He hau hu
Tihei mauri ora

Ka rere ngā mihi ki a koutou ngā iwi o te motu, tēnā koutou katoa. Ka utaina atu ngā kupu mihi me ngā poroporoaki ki te hunga kua ngaro atu nei ki te kāhui kore i te tau kua pahure ake nei. Nō reira, koutou kei te pō e moe. Ko mātou ēnei e takatū tonu nei, e kōkiri tonu nei i ngā mahi ki te ao tūroa nei hei painga mō Tangaroa me ngā iwi o te motu.

Nei rā ngā ringa hāpai o tō tātou kaupapa e mihi atu nei ki a koutou. Nō reira tēnā koutou katoa.

Summary of 2017/18 year

2017/18 was the first year of our three-year strategic plan Te Ara Taupuhpuhi and brought significant change for Te Ohu Kaimoana as an organisation including new staff, a revised work programme and a new home. It also proved to be an extremely busy year following the election of a new Labour-NZ First coalition government that has a confidence and supply agreement with the Greens, and the creation of Fisheries New Zealand as a standalone directorate within the MPI. Change was a clear theme for the year.

Financial Performance

Total operating revenue from all sources for 2017/18 amounted to \$11.04m (2016/17: \$11.96m) with the investment fund contributing \$6.74m (2016/17: \$7.83m). This equates to an investment fund return of 8% for the year.

Total operating expenditure for 2017/18 amounted to \$3.7m (2016/17: \$3.9m) after cost recoveries from associated entities including the Māori Commercial Aquaculture Settlement Trust, Te Wai Māori Trust and Te Pūtea Whakatupu Trust.

Strategy

2017/18 represented the completion of the first year of our three-year plan – Te Ara Taupuhupuhi, which focused on the following four key areas: reorganising Te Ohu Kaimoana for the future, growing positive relationships with Iwi and key stakeholders, developing and responding to initiatives to protect Māori rights, and completing our statutory duties.

Staffing and Reorganisation

We farewelled two longstanding employees over the 2017/18 year – Peter Whittington and Simon Karipa. Peter Whittington finished as a part-time contractor with us in March, bringing to a close a 25-year involvement with the organisation while Simon (Ngāti Apa, Te Atihaunui a Pāpārangi and Ngāti Hauti) left his position as our General Counsel in April to take up the position of General Manager for Ngāti Apa ki te Rā Tō Trust in Te Tau Ihu.

We also briefly farewelled Laws Lawson, who finished as an employee of Te Ohu Kaimoana in December 2017, before welcoming him back as a consultant in January 2018.

In addition, we welcomed several new staff:

- › Kim Drummond – Kūrae Moana/Fisheries and Aquaculture Policy Manager
- › Joshua Baller – Tai Pari/Policy Analyst
- › Kiri Morgan (Kuku Airani) – Tai Timu/Graduate Analyst
- › Tamar Wells – Tai Timu/Graduate Analyst
- › Peter Van Kampen (Ngāitai, Te Upokorehe, Ngāti Manu, Ngāti Rōngo o Mahurangi, Ngāti Kahungunu and Mangaia (Kuku Airani)) – Tai Timu/Graduate Analyst
- › Horiana Irwin-Easthope (Ngāti Porou, Ngāti Kahungunu and Rakaipaaka) – Kūrae Ture/General Counsel
- › José Bucoy – Tai Kaute/Finance Assistant
- › Bede Dwyer – Tai Kōrero/Senior Communications Advisor
- › Monique Holmes (Te Ātiawa and Ngāti Toa Rangatira) was also briefly with us over the 2017/18 summer while completing an internship that was co-sponsored by Te Ohu Kaimoana and Victoria University of Wellington.

Our new team quickly got down to the business of learning about the settlement, establishing relationships with Iwi and Crown agencies and getting involved in the deep end of fisheries management. We are very pleased with the progress the team has made in a short period of time and note that Te Ohu Kaimoana has one of largest fisheries policy units outside of government.

Relationships

Our team has actively met with Iwi around the country in their various areas of responsibility, particularly during the 2018 sustainability rounds.

To ensure the team has a clear understanding of the Deed of Settlement and that it is a key focus of our work, we met with Tā Tipene O'Regan who provided a history of the Māori fisheries settlement and the origins of Te Ohu Kaimoana. We were privileged to be allowed so much of Tā Tipene's time and are very grateful for his insights and wisdom.

A highlight for the second quarter of the 2017/18 year was the Māori Fisheries Conference themed around Tangaroa-ā-mua: Future Māori Fisheries. As a lead in to the conference, a half day workshop was held with a dual focus around aquaculture and improving environmental performance of capture fisheries. The conference was followed by the annual hui-ā-tau. Both the workshop and the conference were fully subscribed, and there was a good attendance by Iwi at the hui-ā-tau.

We also launched our inaugural stakeholder satisfaction survey in September to Mandated Iwi Organisations (MIOs), Recognised Iwi Organisations (RIOs) and Asset Holding Companies (AHCs). The aim of the survey is to provide our stakeholders with an opportunity to help shape and direct Te Ohu Kaimoana, and for Te Ohu Kaimoana to hold itself accountable to the needs of our stakeholders.

The establishment of FNZ was seen as a positive step for improving fisheries management and Te Ohu Kaimoana staff have undertaken regular engagement with our Crown counterparts. In line with the Māori Fisheries Strategy we have advocated for co-development of future fisheries policy in the spirit of partnership underpinning

Te Tiriti o Waitangi. While FNZ has sought a more constructive relationship with Te Ohu Kaimoana than existed previously, a full partnership and Te Tiriti-based co-development approach to fisheries policy still remains some way off at this time.

Te Ohu Kaimoana has also been active in developing policy relationships with the Department of Conservation, Crown-Māori Relations Unit, Ministry for the Environment, and more latterly the Ministry of Foreign Affairs and Trade. Each of these agencies has demonstrated its own approach, with some being more open to advice and collaboration than others. While frustrating at times our team has set a good foundation of developing robust relationships with our Crown counterparts.

Policy Responses

A key focus for us in the fourth quarter of the year was working with Iwi to understand the implications arising from changes in fish stock abundance and preparing advice on fisheries management settings. This primarily involved responding to 32 individual proposals developed by FNZ. This was the largest single sustainability round in over a decade. Key stocks included tarakihi, pāua, koura, southern bluefin tuna and tuna (eels).

In relation to tarakihi, we developed and supported an Iwi working group to evaluate and promote options for addressing the latest fishery assessment information in the lead up to FNZ's proposals being released. This working group – comprised of Iwi, Moana New Zealand and fishing industry representatives – addressed concerns regarding the sustainability of tarakihi stocks and, despite tight timeframes, developed a management strategy with partners that was provided to FNZ in advance of the October 2018 sustainability round.

This plan is designed to rebuild tarakihi stocks over time and was accepted by the Minister of Fisheries over other more severe options which could have seen tarakihi catches cut by up to 60%.

The compressed timeframe within which we needed to respond put pressure on our ability to consult with Iwi on policy matters as we would have preferred, and this has been raised as an issue with FNZ particularly as increased stock assessments are expected to become the norm.

We've also facilitated the formation of a Tuna Working Group for the Rangitaiki River catchment comprised of Ngāti Whare, Ngāti Manawa, Tūhoe and Ngāti Awa. The working group agreed upon and produced a draft harvest strategy framework which has been endorsed by industry. The framework feeds into Iwi led work protecting and improving the habitat and passage of tuna, includes a five-year rāhui on all fishing within the Rangitaiki River catchment and involves the development of a research and monitoring program.

Towards the end of the year we facilitated a coming together of Iwi, Moana New Zealand and Sealord to consider information regarding lower reported catches in certain parts of the hoki fishery. At this hui Iwi made clear that the wellbeing of the fishery should come first, and protective measures should be put in place where required. Following this hui industry announced collective action to proactively reduce hoki catches on the West Coast of the South Island by 20,000 tonnes and a number of other measures designed to protect this fishery.

At a more strategic level work has also been ongoing in relation to advancing discussions with the Crown on the proposed Kermadec Ocean Sanctuary, developing a fair resolution

to 28N Rights and advancing shelving as a legislatively mandated fisheries management tool. As highlighted in the Chairman's report, we have also been working closely with MPI officials to advance the amendments to the Maori Fisheries Act 2004. More detail on progress against our 2017/18 annual plan follows this report.

Fisheries Allocation

There was limited fisheries allocation activity during the year. We transferred settlement quota to Te Aupōuri, Ngāi Takoto and Ngāti Kuri arising from the Te Hiku coastline agreement executed in September 2017 for the area between Waimimiha and the mid-point of the Rangaunu Harbour. We also transferred settlement quota to Raukawa ki Te Tonga as a result of the 2014 coastline agreement with Ātiawa ki Whakarongotai for 3kms of coastline between Kukutauaki and the agreed boundary point between the two Iwi with fisheries settlement assets transferred to Ngāti Raukawa ki te Tonga being the only exception.

As detailed in our 2018/19 annual plan, we will be devoting additional resources to our allocation work programme to try and complete as much of the outstanding fisheries allocation matters as soon as possible.

Aquaculture

Allocation of aquaculture settlement assets was a significant focus for much of the year, resulting in the transfer of assets to Iwi Aquaculture Organisations (IAOs) in Marlborough, Tasman and Canterbury.

In June, we were able to transfer assets totaling over \$30m to all 9 Iwi with interests in the Marlborough Aquaculture region.

Throughout the year, we worked with all eight Tasman IAOs to assist them to sign an allocation agreement to provide for the allocation and transfer of the Tasman aquaculture settlement assets from Te Ohu Kaimoana to the IAOs. We also assisted the IAOs to have their boards pass resolutions to establish nine jointly owned companies to hold the Tasman aquaculture settlement assets, those assets being authorisations for the 20% representative space identified in each of the eight Aquaculture Management Area subzones in Tasman and Golden Bays. Of those companies, eight are asset holding companies for each of the authorisations, and there is one management company to undertake work on their behalf. This work was completed in September.

Also in September, a Canterbury Regional Agreement was executed. Through that Agreement, the Crown provided two authorisations to develop water space in Lucas Bay, Akaroa Harbour. On the same day, an Allocation Agreement for the allocation and transfer of the Canterbury aquaculture settlement assets was executed in favour of Ngāi Tahu.

We have advanced proposals to amend the Maori Commercial Aquaculture Claims Settlement Act 2004 to overcome unintended barriers created within the present legislation. These amendments will be required to ensure timely allocation of aquaculture settlement assets currently withheld from nearly half the IAOs that can receive aquaculture settlement assets.

Further detail on progress on all aquaculture matters can be found in our report against the annual plan.

Looking to the Future

The changes implemented by government over the past year are expected to continue at pace with consultation expected on the future of commercial fisheries management policies and new regulation. This will require even greater engagement with FNZ to ensure that any proposals to strengthen fisheries practice do not unintentionally undermine the fisheries settlement.

Fisheries – customary, commercial and recreational – remain a politically fraught area with the potential for significant inter-sectoral conflict. The possibility for conflict ultimately arises from different expectations on what allocations each sector should be entitled to.

As the only group with interests across all three fisheries sectors, Iwi are well placed to lead improved dialogue to improve collective fisheries management generally – however this will require stronger leadership and greater communication between and across sectors. Looking forward, we are considering how Te Ohu Kaimoana can assist Iwi to take a constructive lead in this key area.

On behalf of the Te Ohu Kaimoana team I would like to thank Iwi for their support and feedback over the past year. We look forward to continuing working with you.

Noho ora mai rā,



Dion Tuuta
Te Mātārae
Te Ohu Kaimoana





HE AITUĀ

Hon Koro Wetere (1935–2018)

Ka mōhio mai koutou kei raro i te kapua pōuri matou Te Ohu Kaimoana. Kua hinga te tōtara nui o Aotearoa, o Ngāti Maniapoto, o Tainui hoki.

Te Ohu Kaimoana paid tribute earlier this year to the Hon Koro Wetere, a former Commissioner of the Treaty of Waitangi Fisheries Commission who helped devise the formula for distribution of more than \$700 million of fisheries settlement assets to Iwi.

Hon Koro Wetere, who passed away in June aged 83, served as a Commissioner from his appointment in 2000 until 2011. During that time, Mr Wetere was among the Commissioners who oversaw the completion of the allocation method to Iwi after more than 10 years of legal and political wrangling.

In the 1980s, as the Minister of Māori Affairs under the fourth Labour Government, Mr Wetere was responsible for introducing the Treaty of Waitangi Amendment Bill into Parliament, which when passed allowed for Māori to make claims under the Treaty extending back to 1840. Prior to the amendment, Māori were only able to make claims against Crown actions that had occurred after 1975.

Te Ohu Kaimoana Chairman Jamie Tuuta said Mr Wetere's work as a Parliamentarian, a Minister

and a Commissioner ultimately culminated in the distribution of hundreds of millions of dollars in fisheries assets to Iwi. "For some Iwi still, those who have yet to complete their Treaty claim with the Crown, the money they receive from the Māori Fisheries Settlement makes up a significant, and sometimes the only, part of their tribe's income. Mr Wetere's contribution to Māori as well as Iwi economic development was all-encompassing."

In April 2016, Mr Wetere was included in a media conference line-up of Māori Knights and Dames who opposed the former National Government's move to establish the Kermadec Ocean Sanctuary, which will wipe out Māori fishing rights obtained through the Fisheries Settlement if it comes into being. Mr Wetere was unable to travel to Wellington for the media conference for health reasons and instead made his contribution via video link from Hamilton.

Te Ohu Kaimoana will be forever indebted to the work carried out by Mr Wetere. His portrait now hangs alongside the photo of Tā Archie Tairaroa in the boardroom of Te Ohu Kaimoana.





TE HĀ O TANGAROA
KIA ORA AI TĀUA

An aerial photograph of a coastline, showing waves breaking onto a sandy beach. The water is a mix of green and brown, and the sand is a light tan color. Overlaid on the image is a decorative white line pattern consisting of several large, stylized, swirling shapes that resemble traditional Maori or Polynesian motifs. The text 'HE PAINGA' is centered in the middle of the image, within the decorative pattern.

HE PAINGA

WHAKAPAPA

Māori descend from Tangaroa and have a reciprocal relationship with our tupuna

The concept of “Te Hā o Tangaroa Kia Ora Ai Tāua” underpins the work of Te Ohu Kaimoana.

This statement means “*the breath of Tangaroa sustains us*” and refers to the ongoing Māori relationship with Tangaroa – including his breath, rhythm and bounty.

Recognising our ongoing interdependent relationship acknowledges the Māori worldview that humanity is descended from Tangaroa and all children of Ranginui and Papatuanuku. We are part of the ongoing cycle of life.

The concept of ‘Te hā o Tangaroa kia ora ai tāua’ is underpinned by whakapapa, tiaki, hauhake and kai.

Whakapapa recognises that when Māori (and by extension Te Ohu Kaimoana as an agent of Iwi) are considering policy affecting Tangaroa we are considering matters which affect our tupuna – rather than a thing or an inanimate object.

TE H
TANG
KIA
AIT

TIAKI

Māori have an obligation to care for Tangaroa, his breath, rhythm and bounty, for the betterment of Tangaroa and for the betterment of humanity as his descendants

HAUHAKE

Māori have a right and obligation to cultivate Tangaroa, including his bounty, for the betterment of Tangaroa (as a means of managing stocks) and support Tangaroa's circle of life

Ā
O
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A

We recognise that as descendants of Tangaroa, Iwi Māori have the obligation and responsibility to Tiaki – care for our tupuna so that Tangaroa may continue to care and provide for Iwi.

Our right and obligation of hauhake (cultivation) is underpinned by our tiaki obligations and responsibilities to Tangaroa. Ultimately our right to kai – to enjoy the benefits of our living relationship with Tangaroa and its contribution to the survival of Māori identity – depends upon our ability to Tiaki Tangaroa in a meaningful way.

Te Hā o Tangaroa underpins our purpose, policy principles and leads our kōrero every time we respond to the Government on policy matters. It is important to us that the Government understands the continuing importance of Tangaroa and recognises the tuhonotanga that Maori hold as his uri.

All decisions and advice offered by Te Ohu Kaimoana on fisheries is underpinned by this korero to ensure the sustainability of Tangaroa's kete for today and our mokopuna yet to come.

KAI

Māori have a right to enjoy their whakapapa relationship with Tangaroa through the wise and sustainable use of the benefits Tangaroa provides to us





Tangaroa

Tangaroa is the God of the Sea and everything that connects to the sea. He is the divinity represented through Hinemoana (the ocean), Kiwa (the guardian of the Pacific), Rona (the controller of the tides – the moon) and the connection with other personified forms of the Great Divine. For some tribes, he is also the overlord for all forms of water, including freshwater and geothermal as well as saltwater.

Tangaroa is also the God of carving and has an association to tāmoko. When we talk about Tangaroa as Māori, we also mean his multiple roles including these key art forms and his relationship to freshwater as the overlord of all water though freshwater would normally sit under the mana of Parawhenuamea.

Te Hā

Te Hā means, breath and to breathe. Te Hā o Tangaroa represents the voice of Tangaroa, including the roar of the ocean, the crashing of waves on the beach and rocks, the voice of the animals in and above the ocean and of the wind as it blows over the ocean, along the coast and the rocks and through the trees that stand along the shoreline. This is the voice of Tangaroa specifically and through our whakapapa to Tangaroa, we as humanity, we as tangata whenua are the human voice for Tangaroa.

When Tangaroa breathes it is recognised through the ebb and flow of tide and the magnetism of the moon. This magnetism is recognised as the kaha tuamanomano (the multitudinal rope of the heavens). Therefore, we must also be mindful of the lunar calendar when working with Tangaroa and his various modes.





REPRESENTING MĀORI INTERESTS ABROAD

So, what is BBNJ, what has it got to do with Iwi interests in Aotearoa, and why did we send someone halfway around the world to talk about it?

BBNJ is about the conservation and sustainable use of marine biodiversity in areas beyond countries' national jurisdiction. Nearly two-thirds of the world's oceans lie outside any country's national jurisdiction. These areas contain unique ecosystems such as seamounts, hydrothermal vents and cold-water corals populated by an estimated 2 million yet-to-be identified species.

We use some species directly, particularly fish, and others can be impacted indirectly by human activities. Some species are highly migratory and swim through areas within and beyond national jurisdiction, including eels, sharks, seabirds, and marine mammals. The international community is discussing ways in which marine biodiversity in international waters should be managed in the future.

As Māori now well know, conversations had overseas can adversely affect the rights of Iwi in Aotearoa. At a meeting at the United Nations

Te Ohu Kaimoana Chairman Jamie Tuuta travelled to New York in September, as a non-official member of the New Zealand delegation that participated in discussions on a new international agreement on Biodiversity Beyond National Jurisdiction (BBNJ) at the United Nations.

with Pew Environment Group in 2015, The Right Honourable John Key gave then US Secretary of State, John Kerry, an undertaking to create a 600,000 sq km no-take marine protected area outside of the Kermadec Island Marine Reserve.

This undertaking was in conflict with hard-fought Māori fishing rights owned by all Iwi in that part of Aotearoa's Exclusive Economic Zone. The 'Kermadec Ocean Sanctuary' issue clearly demonstrated to Māori and Te Ohu Kaimoana that events which have their genesis overseas can adversely affect Māori rights and interests in Aotearoa, and the ability of Māori to fulfil their role as kaitiaki. Jamie's attendance was in a ground-floor capacity to help ensure that Māori rights and interests, and our obligations as kaitiaki, were considered in the formation of this treaty and these discussions.

Te Ohu Kaimoana considers that mātauranga Māori should form a fundamental basis for the future of these types of international agreements and that incorporating it could help ensure that Māori and world-wide indigenous rights are protected from the beginning of these conversations.

HE KITENGA ANAMATA

“Those who do not learn history are doomed to repeat it.” These were some of the thoughts that crossed my mind as I read over reports about BBNJ on the flight to New York.



I recollected sitting alongside Tā Mark Solomon and Ken Mair and holding a press conference to take a stand against the Crown’s proposed establishment of the Kermadec Ocean Sanctuary. A kaupapa that had its genesis in New York.

The first day of the conference was both interesting and surreal. We sat and listened to nation states regarding their views and opinions on BBNJ. It was difficult not to notice the tensions in the room between global and regional approaches, and feel the realisation that Aotearoa is just one voice among many in this conversation.

In typical New Zealand fashion, the words pragmatic and practical would have well described our approach and the perspective we offered during our kōrero. It seemed to have resonated well with a large number of states who were looking for achievable and practical compromises, among some nations and states who held some very steadfast positions.

Many delegations including our own, reiterated that there was a need to ensure that decisions relating to Areas Beyond National Jurisdiction (ABNJ) did not interfere with the rights of coastal states. While it is evident that there are many challenges to overcome, it was also noticed that as progress was being made through conversation, enthusiasm grew alongside that, as did attendees attitudes towards the possibility of collective progression.

It is likely that the formation of a treaty frame may be drawn up in February, with two further meetings to take place between March and April, and August of next year. There were a number of positive comments made about the New Zealand delegation’s role at the conference, and also that our delegation included a broader scope than just government officials.

STAKEHOLDER SATISFACTION SURVEY 2018

In September this year, Te Ohu Kaimoana contracted UMR Research to launch our inaugural annual stakeholder satisfaction survey.

The purpose of conducting the survey was to provide us with measures of our performance against the expectations of Mandated Iwi Organisations (MIOs), Recognised Iwi Organisations (RIOs), Asset Holding Companies (AHCs) and against our own values and expectations as an organisation.

It's a way for us to be accountable and transparent with the people who matter. More than anything, the survey is designed to help us better understand your needs and to improve the services we provide now and into the future.

The survey was sent to 165 stakeholders and representatives, with 55 (33%) people completing the survey.

How we want to be seen by our stakeholders:

- › Key voice for MIOs, RIOs and AHCs
- › Protector of intergenerational fishing rights
- › Accountable, reliable and responsible partner
- › Connector of values and visions
- › Valuable collaborator
- › Kaitiaki of Māori fisheries management
- › Key player in increasing the capacity of Māori to participate in recreational, customary and commercial fishing

What we wanted to know from our stakeholders:

- › What's working well
- › What areas are there for improvement
- › Levels of satisfaction
- › Levels of knowledge
- › Stakeholder experiences and relationship management
- › Engagement experiences (responsiveness)
- › Communications experiences and methods
- › Perception of our management of Iwi interests and rights
- › What role we could play in the future
- › Trust and confidence placed in us

What's going well

98%

Almost all respondents (98%) declared that they know 'a lot' or 'a fair amount' about Te Ohu Kaimoana and its role.

82%

A clear majority of respondents said Te Ohu Kaimoana does well representing a collective Iwi view when responding to the Government (82%) and does well protecting the interests of Iwi (76%).

89%

Almost 9 in 10 respondents said the staff are knowledgeable (89%) and Te Ohu Kaimoana does a good job of representing Māori fishing interests to the Crown (87%).

78%

Over three quarters said Te Ohu Kaimoana provides sound policy advice (78%), is responsive to the concerns and aspirations of MIOs and AHCs (75%), and protects and enhances the Deed of Settlement (75%).

Where we need to improve

Just under two thirds (62%) were satisfied with Te Ohu Kaimoana's performance.

Better communication and integrating/respecting Māori values and people were the two main areas respondents mentioned when asked what Te Ohu Kaimoana could improve on.

Satisfaction with the amount of te reo Māori used by Te Ohu Kaimoana was low compared to the helpfulness and amount of communication. However, over a third declared a neutral view on this matter.

The statement 'Ensuring that the benefits of the Fisheries Settlement are realised by Iwi' recorded low applied ratings compared to other tested statements. This may suggest that there is lack of communication between the clients and Te Ohu Kaimoana on this issue. This is further enforced by respondents wanting better communication when asked what areas Te Ohu Kaimoana should focus on to improve its services.

Respondents were slightly less likely to agree that Te Ohu Kaimoana values their input (60%).

There were a few mentions of helping smaller Iwi, providing more technical information/expertise and providing more transparency.

A slightly lower percentage of respondents agreed that Te Ohu Kaimoana is successful in influencing Government policy to protect and enhance the fisheries settlement assets (58%).

Where to from here

For us to become the organisation that our stakeholders need us to be, we had to ask tough questions and face our shortcomings. Overall, we were pleased with the results of the survey, but recognise that we still have work to do. We are thankful to those who had the time to complete the survey as your feedback helps shape our strategy, our focus and keeps us accountable.

We have the unique advantage of having stakeholders that are very knowledgeable of our role and it is our aim to live up to the high expectations you hold. Our immediate focus sits with what we can do to improve the moderate level of satisfaction recorded for Te Ohu Kaimoana's performance, which at 62% suggests that there is room for improvement.

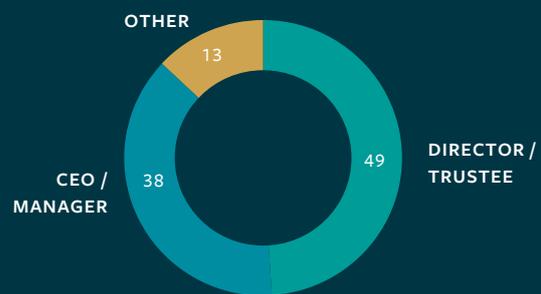
Two of the factors that shone through were the need for better communications and integrating/respecting Māori values and people. These are two areas we are currently focusing on by improving the quality and professionalism of our communications and implementing a satisfaction survey to open dialogue with our stakeholders. We have also incorporated and applied our Māori world view piece to open all of our kōrero with Government.

Demographics of respondees

Organisation type



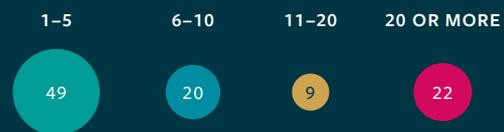
Position in organisation



Number of employees in fisheries or aquaculture



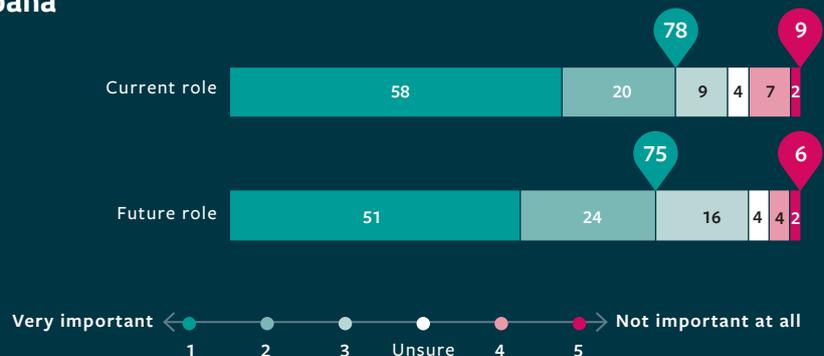
Organisation size



Importance of Te Ohu Kaimoana



How important is the current and future role of Te Ohu Kaimoana to your organisation?

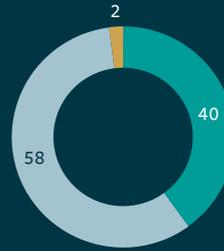


Knowledge



How much would you say you know about Te Ohu Kaimoana and its role?

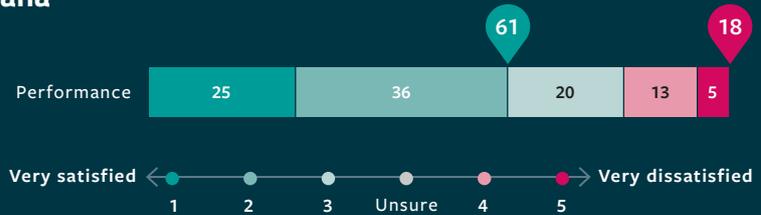
- A lot
- A fair amount
- Not that much
- Nothing at all



Satisfaction with Te Ohu Kaimoana



Overall, how satisfied are you with the performance of Te Ohu Kaimoana?



Areas for improvements



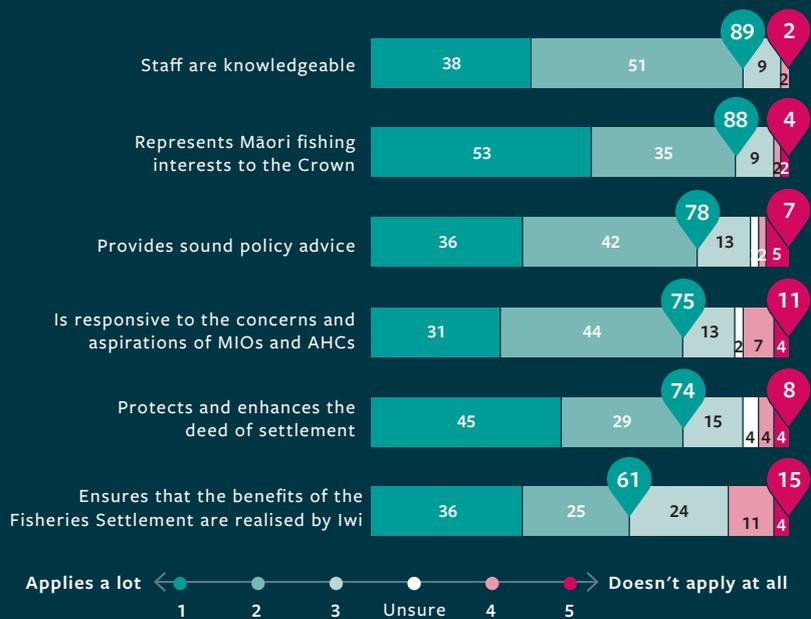
If there was one area Te Ohu Kaimoana should focus on to improve its services, what would it be?



Perception towards Te Ohu Kaimoana



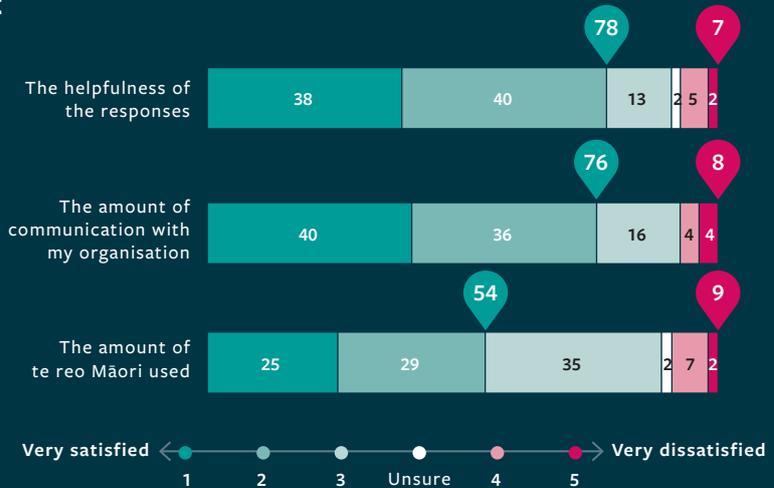
From your own experience, and thinking about the last year, how much do the following statements apply to Te Ohu Kaimoana?



Satisfaction with engagement



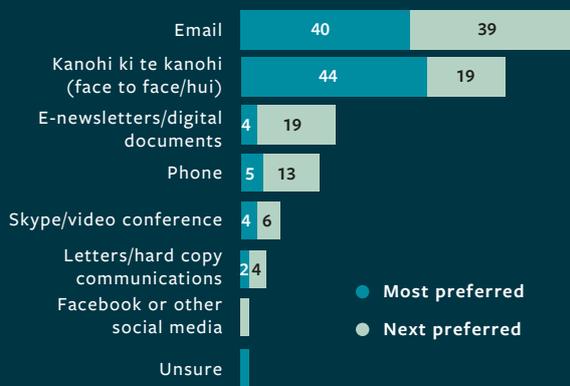
Thinking about engagement and communication with Te Ohu Kaimoana, how satisfied are you with the following statements?



Preferred methods of communication/communication frequency



What is your most/next preferred method of communication with Te Ohu Kaimoana



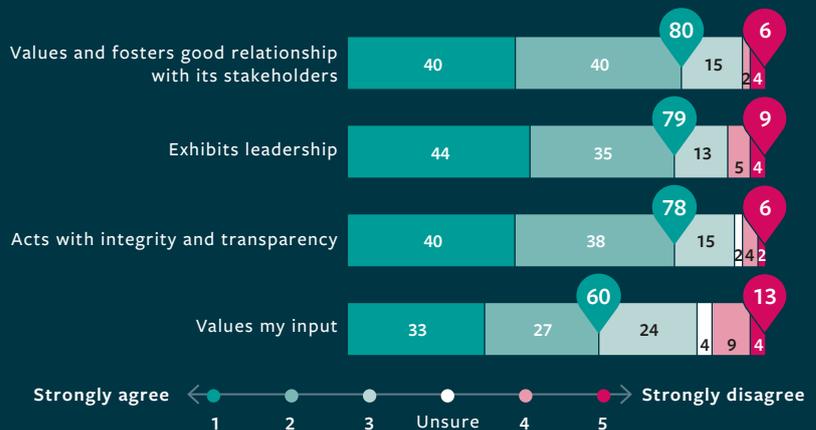
In the last year about how often have you contacted Te Ohu Kaimoana?



Relationship attributes



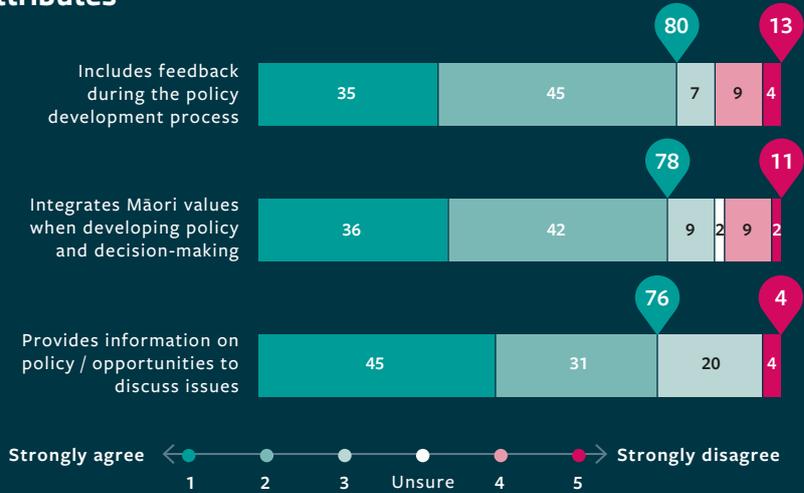
Thinking about the relationship, trust and confidence with Te Ohu Kaimoana, how much do you agree that Te Ohu Kaimoana...



Policy and decision making attributes



When making decisions and developing policy positions, how much do you agree that Te Ohu Kaimoana...



Interest and rights of iwi attributes



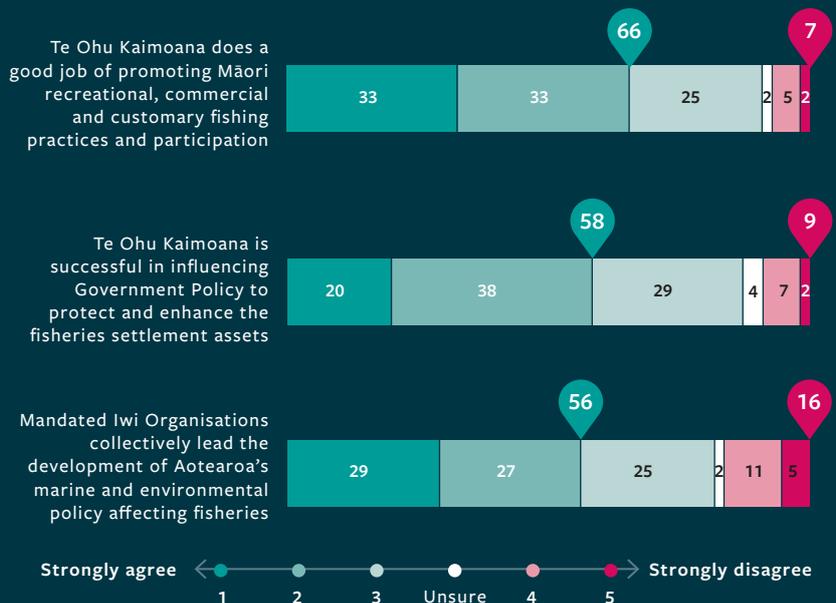
Thinking about the interests and rights of Iwi, how well does Te Ohu Kaimoana do...



Statement agreement



How much do you agree with the following statements...



An aerial photograph of a coastline, showing waves breaking onto a sandy beach. The water is a mix of green and blue, while the sand is a warm, golden-brown color. Overlaid on the image is a series of white, thin, curved lines that form a decorative pattern of spirals and waves, reminiscent of traditional Maori art. The text is centered in the middle of the image.

TINO KAI,
TINA ORA
TE KŌPŪ



HE HUA

REPORT AGAINST THE ANNUAL PLAN

- > Fisheries Allocation
- > Fisheries Policy
- > Aquaculture Allocation
- > Aquaculture Policy
- > Complete Statutory Duties

> Fisheries Allocation

Objective

01

Assist Iwi gain/retain MIO status and transfer population-based assets where relevant by 30 September 2018

- > We have been working with Te Rūnanga o Ngāti Tama on ratification of a Mandated Iwi Organisation (MIO) for Ngāti Tama (Taranaki) and will continue to assist Ngāti Tama to progress MIO status in FY19.
- > We have requested that Te Whānau-ā-Apanui provide us with regular updates outlining their progress towards establishing a MIO.
- > We are working with the Office of Treaty Settlements to assist Te Rūnanga o Ngāti Whātua to transfer their MIO status to their future Post Settlement Governance Entity (PSGE).

Objective

02

To allocate and transfer remaining settlement assets

- › We transferred fisheries settlement quota shares to Te Hiku Iwi in accordance with the coastline agreement reached between Te Rarawa, Te Aupōuri, Ngāti Kuri and Ngāitakoto in September 2017.
- › We transferred fisheries settlement quota shares to Raukawa ki te Tonga, in accordance with a coastline agreement reached with Te Ātiawa ki Whakarongotai in 2014.
- › Wellington Iwi have agreed to participate in a mediation process to resolve their coastline dispute. This process will be carried out in FY 2018-19.
- › We have continued to assist Manawatū Iwi to develop a process for resolving their coastline dispute. This work will continue in FY 2018-19.
- › We have explored using our powers under section 148 of the Act to allocate and transfer longfin eel/shortfin eel for Quota Management Areas 20 and 21. All Iwi in LFE/SFE20 have agreed to Te Ohu Kaimoana transferring the quota shares based on the 2001 Census data. The transfer of LFE/SFE20 shares will occur once a binding agreement is signed by the relevant MIOs.

Objective

03

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

- › In Quarter 2 we received an application to determine a coastline dispute in accordance with section 181. We declined to determine the dispute and have worked closely with the relevant Iwi to develop a process to resolve the dispute. If the dispute resolution process does not resolve the coastline dispute between the parties, we will refer the dispute to the Māori Land Court in accordance with section 182(4).

Objective

04

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

- › We completed the October 2017 and April 2018 ACE rounds. We have a number of historical disputes that we deal with each October ACE round. A new dispute was raised for the April 2018 ACE round, which we dealt with in accordance with section 152 of the Act.

Fisheries Allocation

Objective

05

Allocate and transfer funds on trust

- › An ongoing piece of work is the continuous review of funds held on trust and the status of disputes. We were able to transfer \$2 million from the funds held in trust to the Te Hiku Iwi arising from the coastline agreement reached between Te Rarawa, Te Aupōuri, Ngāti Kuri and Ngāitakoto.

Objective

06

MIO and Te Ohu Kaimoana compliance with the requirements of the Māori Fisheries Act

- › We are engaged with three MIOs for which issues of compliance with the requirements of the Maori Fisheries Act 2004 have arisen. We are involved in different processes with each Iwi to resolve these compliance issues.

Fisheries Policy

Objective

01

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

- › We need to have a better understanding of, and input into, the international context if we are to protect and enhance Māori fishing rights. With this in mind, we had discussions with the Ministry of Foreign Affairs and Trade (MFAT) about the effect of international negotiations on Treaty rights, and were subsequently invited to join the New Zealand delegation for the first session of an Intergovernmental Conference. The purpose of the conference was to develop a new United Nations treaty on the conservation and sustainable use of marine Biodiversity Beyond National Jurisdiction (BBNJ). This relates to areas outside our Exclusive Economic Zone (EEZ). The invitation was accepted, and the conference was attended by our Chairman, Jamie Tuuta.

Fisheries Policy

Fisheries Policy Objective 01 cont.

- › We have been actively engaged in the work of the South Pacific Regional Fisheries Management Organisation (SPRFMO). Australia and New Zealand (through MFAT, MPI and Department of Conservation (DOC)) have been negotiating a new Conservation Measure that will impact on New Zealand's access to fishing grounds on the High Seas within the SPRFMO area. The fisheries under scrutiny include the straddling stock (area outside the EEZ) component of the Orange Roughy 7A fishery, of which Iwi and Sealord collectively own around 50% of the quota shares. Te Ohu Kaimoana has been invited to be considered for inclusion on the New Zealand negotiation team. The makeup will be determined by the Minister of Foreign Affairs in mid-December.
- › Both BBNJ and SPRFMO have linkages back to the International Convention on Biodiversity. New Zealand has been a signatory to the Convention since 1993, and momentum is now building towards a new global framework for protecting biodiversity (on land, freshwater and sea) scheduled to be in place in 2020. During 2019, in the run up to negotiations on the new framework, the Government will revise the New Zealand Biodiversity Strategy. It is important for Iwi and Te Ohu Kaimoana to influence this process so that the negotiating position the Government takes to the international negotiations in 2020 is consistent with the Crown's Treaty obligations.
- › We worked with Moana New Zealand to facilitate a hui on PauaMAC2's proposal to subdivide PAU2. Iwi that attended the hui voted against the proposal and Moana New Zealand subsequently communicated to PauaMAC2 that they do not support it. However, Iwi representatives have agreed that further discussions need to be had about the management of PAU2. We are working with Moana New Zealand to facilitate another hui to discuss the various issues affecting management of PAU2.
- › We formed a working group with Iwi and Moana New Zealand to address sustainability concerns arising from a recent assessment of the East Coast tarakihi stock (now considered to form a single stock that is currently managed across four Quota Management Areas (QMAs)). The working group collaborated with Fisheries Inshore New Zealand and Southern Inshore Fisheries Management to develop a tarakihi management strategy. Our industry partners provided a copy of the strategy to FNZ in advance of the October sustainability round. The strategy provided a management response to the problems that have arisen from the latest stock assessment, while ensuring the sustainability of both the stock and the fishers who rely on it. The Minister subsequently implemented elements of the strategy but chose to reduce catch through TACC reductions, rather than endorse the shelving of ACE.
- › We responded to FNZ's review of sustainability measures for 32 fish stocks for the 1 October 2018 fishing year. The stocks reviewed included East Coast tarakihi, North Island longfin eels, PAU5B and southern bluefin tuna.
- › We responded to the Minister's decision to increase the TACC in PAU5B – which would have triggered 28N rights in the fishery – by filing legal action, alongside Te Rūnanga o Ngāi Tahu. We gained an interim order to prevent the proposed TACC increase in PAU5B.

Fisheries Policy

Fisheries Policy Objective 01 cont.

- › We attended Deepwater Group stakeholder and science meetings to gain further knowledge on the status of the hoki stock and the inputs into the stock assessment model. At a stakeholder meeting in August, skippers expressed concern over the abundance of hoki, particularly on the west coast of the South Island. This was in direct contrast to the stock assessment science which did not indicate a sustainability issue. Te Ohu Kaimoana relayed this information to MIOs and facilitated a hui with Iwi representatives at which Sealord explained the issue from their perspective. Sealord then went into industry negotiations for shelving arrangements and operational procedures for the 2018/19 fishing year. Te Ohu Kaimoana was also a participant in those negotiations.
- › We responded to FNZ's consultation of the PAU₄ Fisheries Plan and also responded to FNZ's separate reviews of recreational management measures in PAU₃, PAU₇ and CRA₅. These reviews were significant in that they dealt with measures that could keep the recreational catch within the allowance set.
- › We continued to facilitate discussions between the Rangitaiki tuna steering group and industry, to address spatial conflict in the fishery. A draft strategy framework was agreed to by Rangitaiki Iwi on 10 July and was subsequently endorsed by industry. Te Ohu Kaimoana worked with Rangitaiki Iwi and industry to implement the agreement and progressed the development of a research and monitoring program.
- › Te Ohu Kaimoana staff participated in a range of industry and government forums and processes in order to protect and enhance Iwi settlement interests. These include Seafood New Zealand; Deepwater Group (DWG); National Rock Lobster Management Group (NRLMG); Fisheries Inshore New Zealand (FINZ); the Hawkes Bay Marine and Coastal Group (HBMAC); MPI forums for Highly Migratory Species (HMS); science working groups; Sustainable Seas; and the Commercial Fisheries Forum (CFF) – where all seafood Sector Representative Entities (SREs) meet to enhance collaboration across the commercial sector.
- › We responded to FNZ's proposed amendments to the regulations to support the introduction of electronic and position reporting (note that the potential for cameras will be considered separately). Our response highlighted that, while we are supportive of the proposal to improve the timeliness and accuracy of reporting, we consider that FNZ's planned implementation process is neither realistic nor sensible. We recommended that FNZ take further advice on regulatory change management and that a joint working group (comprised of Te Ohu Kaimoana and SREs) be established with the mandate to finalise the implementation plans for digital monitoring and agree the associated policy issues.
- › Due to competing work programme commitments, we have not made any further progress on the development of a case study of models for a collective Māori approach to commercial fisheries management.
- › Te Ohu Kaimoana met with the Primary Production Select Committee to discuss progress with building on the Treaty Settlement for fisheries. Our response set out a dual aspiration of Iwi working together to improve economic returns and working collaboratively to improve the management of our fisheries. In terms of the latter, we emphasised the importance of fisheries plans as a key tool for Iwi and other users of fisheries resources.

Objective

02

Management of customary fishers

- › We've worked on the redevelopment of the IkaNet online customary reporting system and are transitioning away from the current model. We've contracted a new provider for the system and have worked with them to scope the rebuild of the system. The current system will be shut down in January 2019.
- › We await FNZ's decision on the rohe moana applications lodged by lower North Island and top of the South Island Iwi. If approved, the applications will form a key part in establishing multiple Iwi deepwater pātaka systems which will be administered through the IkaNet online reporting system. We expect a decision by the end of the year.
- › Due to resourcing constraints, no further work was able to be completed on the development of a Customary Fisheries Strategy. We are considering how to best approach this work.

Objective

03

Protect Māori fishing rights from access threats

- › We have become a member of the Hawke's Bay Marine and Coastal (HBMAC) Group. The HBMAC Group is made up of various interest groups and focuses on regional issues encompassing a mountain to sea ecosystem approach. The Hawke's Bay Regional Council is actively involved and provides information about catchments and sediment loading into the marine environment. There is potential for the Sustainable Seas Challenge (the Challenge) to provide research for this area as an input to the HBMAC Science Roadmap.
- › We engaged with the Motu Ihupuku/Campbell Island Marine Reserve review. We hosted the review team to discuss their analysis of the available data and expect to be providing a formal response to follow up recommendations later in 2019.
- › We had a series of engagements with MPI as they develop proposals for improving New Zealand's fisheries management system for the consideration of Cabinet. Our advice has included ideas on how we could build on the progress made under the Quota Management System (QMS), and additional steps that should be taken to improve the integrity of the Total Allowable Catch (TAC) so that it can be more effective in controlling total catch, particularly in shared fisheries. We are somewhat disappointed that the focus of FNZ continues to be on the management of the Total Allowable Commercial Catch (TACC), and is being overly influenced by lobbying, rather than policy analysis underpinned by evidence that ensures problems/opportunities are correctly identified.

Fisheries Policy

Fisheries Policy Objective 03 cont.

- › Other elements of our fisheries management system were also under scrutiny during the year. One of the key themes being promoted concerns a concept known as Ecosystem-Based Management (EBM), which is closely linked to the development of Marine Protected Area networks (MPAs). We have commissioned two projects to help us understand the relevance of these concepts to Aotearoa. The first involves improving our understanding of the whakapapa Iwi have to Tangaroa, and the role Tangaroa has to play in providing sustenance for humanity. The second involves an international review of both the establishment and success of EBM/MPAs worldwide. As an interim step the policy position we are promoting is one of disengaging from the idea of applying EBM pending clarification of what it means in practice, and we continue to emphasise the utility of the Fisheries Act 1996 in providing for sustainable utilisation of fisheries resources.
- › We provided legal advice to the Minister of Fisheries (the Minister) regarding his obligations to review the allocation of the TAC in the (Snapper 7) SNA7 fishery. This obligation arises because the Minister has made an allowance for the recreational catch that exceeds the highest catch estimates by some margin, due in part to his officials relying on preliminary rather than final estimates of catch. The allocation of the TAC also raises policy issues in relation to Iwi expectations post Settlement. Our policy position is that the recreational catch was effectively capped at the time of the Settlement. The Minister has indicated he will await updated catch estimates (due in 2019) before deciding whether or not to review the allocation of the TAC.
- › Following a request by the Patuharakeke Te Iwi Māori Trust Board (endorsed by Ngāti Whātua), we submitted against an application by New Zealand Refining Ltd to dredge 3.7 million m³ of silt material from the Whangarei harbour as part of their port operations.
- › We contributed to the review of the Hector's and Māui dolphin Threat Management Plan. The review is ongoing.
- › We responded to the Environment Select Committee on the threat posed by plastics to marine life.
- › A collaborative effort in August saw a successful result in the High Court for Iwi and the environment with the High Court quashing the Environmental Protection Authority's Decision-Making Committee's (DMC) decision allowing Trans-Tasman Resources Limited (TTR) to mine 50 million tonnes of iron sand from the deep-sea floor, off the coast of Pātea in Taranaki. The activity would have seen 45 million tonnes of waste sediment discharged into 65 km² of Taranaki waters over the next 35 years.
- › We responded to an application by oil and gas company OMV for a marine discharge consent in the EEZ off the Taranaki coast. The application was the first of a more substantial set of applications that have since been lodged.
- › The Chairs (of both Te Ohu Kaimoana and Te Wai Māori), Chief Executive and managers met with Hon Kelvin Davis and the Environment Ministers (including Associates) to discuss the priorities we identified in our Briefing to Incoming Ministers in late 2017. Following that meeting we have re-engaged with government officials about Rangitāhua (the Kermadecs) in an attempt to resolve the impasse that surrounds the establishment of an Ocean Sanctuary over this area. This mahi is ongoing.

Aquaculture Allocation

Objective

01

Facilitate allocation agreements for pre-commencement assets, and:

Objective

03

Facilitate new space agreements and agreement on allocation of those assets

- › We continued to engage with Bay of Plenty Iwi to develop an allocation methodology for the aquaculture settlement assets we currently hold on their behalf, in anticipation of the Maori Commercial Aquaculture Claims Settlement Act 2004 being amended to enable that process to be completed.
- › The Canterbury New Space Regional Agreement was executed. Through this agreement, Iwi have received two authorisations to develop aquaculture space in Lucas Bay, Akaroa Harbour as well as approximately \$1.2 million in Crown financial assistance monies to assist with the costs of applying for resource consents to develop the space. An allocation agreement for those assets was also executed.
- › Marlborough IAOs approved and signed an Allocation Agreement to allocate the Marlborough aquaculture settlement assets. We allocated and transferred the Marlborough aquaculture assets (totalling \$30,233,681.72) to all nine Marlborough Iwi.
- › The Bay of Plenty Regional Council received a coastal permit (resource consent) application for a large mussel farm development off the Ōpōtiki coast. This is the first aquaculture development in the Bay of Plenty to be applied for since January 2011 and it triggered a two-year timeframe within which the Crown needs to enter into a New Space Regional Aquaculture Agreement with Bay of Plenty Iwi. We facilitated a preliminary discussion between Bay of Plenty Iwi and the Crown, and will continue to work with both parties to achieve a Regional Agreement ahead of the statutory deadline of November 2019.
- › Te Rūnanga o Ngāi Tahu and FNZ officials continued their search to identify suitable settlement space in the Southland region. We continued to assist Ngāi Tahu and the Crown where appropriate. The statutory deadline for this regional settlement is February 2019, but that date can be extended by agreement between Iwi and the Crown.
- › The Waikato Regional Council has received coastal permit applications for mussel spat catching off the western coast of Waikato (which is treated as a different region to the eastern coast of Waikato under the Maori Commercial Aquaculture Claims Settlement Act 2004). We participated in a preliminary discussion between Waikato West Iwi and the Crown and will continue to work with both parties to achieve a Regional Agreement before the end of 2019.

Aquaculture Allocation

Aquaculture Allocation Objective 01 & 03 cont.

- › We continued to engage with Wellington region Iwi about the assets currently held on their behalf. This work is ongoing.
- › An allocation agreement between all Northland Iwi was not possible. We continued discussions with Northland IAOs about the use of Schedule 1 of the Maori Commercial Aquaculture Claims Settlement Act 2004 to achieve allocation for Iwi who wish to claim a portion of the assets we hold on their behalf. This work is ongoing.

Objective

02

Assist Iwi to agree representative space in each of the Tasman region Aquaculture Management Areas (AMA) subzones with the applicants for those subzones and reach allocation agreements between all Iwi of the region by 31 December 2017

- › We completed the allocation of the settlement space in each of the eight subzones in Tasman and Golden Bays to companies jointly owned by all Tasman Iwi. We engaged with the directors of the joint companies in order to facilitate a handover of information to them.

Objective

04

Assist Iwi and the Crown to agree the value and form of additional new space settlement assets where applicable

- › We continued to work with Marlborough IAOs – primarily through an Iwi Working Group – to facilitate engagement with New Zealand King Salmon (NZKS) about the proposal that the Minister use powers under section 360A of the Resource Management Act 1991 to alter the Marlborough Resource Management Plan to enable the relocation of particular salmon farms. The Minister has requested feedback from Marlborough IAOs on the Marlborough Salmon Farm Relocation Advisory Panel's recommendations before he makes any decision. If the Minister does decide to relocate particular salmon farms, it will create a significant additional new space settlement obligation for salmon farm space in the Marlborough region and Iwi have indicated that their preference will be authorisations for space at the same time. We continue to facilitate meetings between the Iwi Working Group and NZKS representatives to explore whether a common approach can be agreed.

Aquaculture Allocation

Aquaculture Allocation Objective 04 cont.

- › In order to assist with the expected discussions, NZKS sponsored staff from Te Ohu Kaimoana and Iwi representatives to attend an international conference in Norway during June on best practice for salmon farming. As part of the trip, attendees also gained practical experience from viewing a functional Norwegian salmon farm.
- › In late 2017, the Northland regional council received two applications for mussel spat-catching off 90-mile beach. If the applications are consented, this will create significant additional settlement obligations on the Crown to Northland Iwi. Mussel spat was not included in the 2014 New Space settlement forecasts, so we have begun working with MPI on a process to forecast the actual and anticipated development of mussel spat catching across all regions, and then on an exercise to value those Crown's settlement obligations. We are also working with Northland Iwi to decide the form of assets they would like to take in satisfaction of the Crown's obligations.

Objective 05

Amendments to the Maori Commercial Aquaculture Claims Settlement Act 2004

- › We met twice with MPI officials to discuss the rationale behind our proposal to amend the Māori Commercial Aquaculture Claims Settlement Act 2004. Ensuring this proposal is adopted by the Minister will be a primary focus throughout FY 2018–19, given it is necessary to ensure allocation of aquaculture settlement assets that are currently withheld from nearly half the IAOs that can receive aquaculture settlement assets.

Objective 06

Provide input into review of the Minister's New Space plan

- › MPI and Te Ohu Kaimoana jointly commissioned Bruce Cardwell of Aquaculture Direct to review the valuation inputs (productivity, costs, wharf prices etc) used in the new space valuation models built in 2014 to determine the value of the space (and the Crown's settlement obligation) in each region. Bruce has also been contracted to provide the inputs for a new valuation model for mussel spat catching that we will be working with Ernst & Young (EY), MPI and Aquaculture Direct to create.

Aquaculture Allocation

Objective

07

Assist iwi organisations to become IAOs

- › We became aware that, due to a legislative oversight, one MIO lost their IAO status when their MIO status was transferred to a new entity through the passage of their settlement legislation. We rectified this situation and the new entity was recognised as the IAO for the relevant Iwi.

Aquaculture Policy

Objective

01

Protect the interests of iwi in aquaculture by collaborating with iwi, the aquaculture industry and government to identify and address any threats to aquaculture

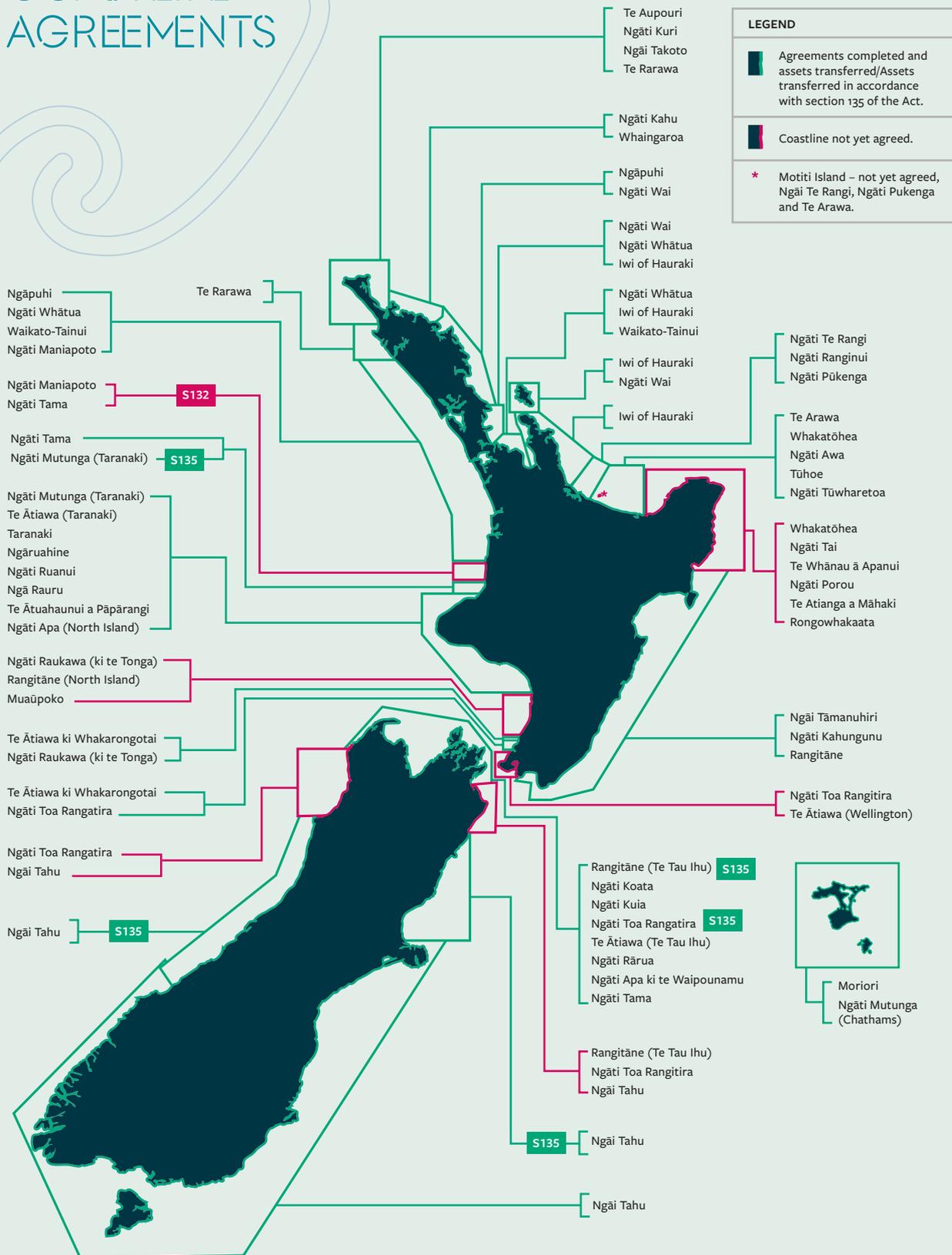
- › Te Ohu Kaimoana continued to participate as a director, and support Harry Mikaere as an Iwi director, on the Board of Aquaculture New Zealand. Staff attended the Aquaculture New Zealand Conference.
- › FNZ consulted on a proposal to change the TAC for Green Lip Mussel 9 (GLM9). During the consultation period, Te Hiku Iwi raised several issues about the practices of spat harvesters on 90 Mile Beach (which involves multiple bulldozers in the surf zone). Spat taken from within GLM9 supplies most of the spat used for mussel farming in New Zealand and so it is a particularly important resource to the aquaculture industry. We offered our support for a working group of Iwi interests – those involved in aquaculture development, quota owners and those who have associations with 90 Mile Beach – to coordinate an acceptable management procedure and beach protocol that can then be supported by wider aquaculture and quota owning interests and agreed with the harvesters. Both Aquaculture New Zealand and the Minister made reference to the importance of this at the Aquaculture Conference held in Blenheim. This work will continue as a matter of priority in FY 2018–19.

Complete Statutory Duties

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

- › We engaged with MPI officials over the proposals to amend the Māori Fisheries Act 2004 to ensure officials have sufficient understand of the Iwi agreements and the reports provided to the Minister.
 - › We will continue to engage with officials as a matter of priority during 2018/19.
-

COASTLINE AGREEMENTS



TE WAI MĀORI TRUST REPORT

He reo tō te wai

He reo anō tō te tangata

Kotahi tonu whakapapa,
whakakotahitia!

Water has its language

As too do our people have theirs,

Both born of one whakapapa, united!

Te Wai Māori Trust (Te Wai Maori) plays an important role in the Māori Fisheries Settlement. This report details the work of Te Wai Māori for the 2017/18 financial year.

Our Kaupapa

To advance Māori interests in freshwater fisheries through:

- › Undertaking or funding research, development and education;
- › Promoting the protection and enhancement of freshwater fisheries habitat;
- › Promoting the establishment of freshwater fisheries; and
- › Using resources to bring direct and indirect benefits to Māori in respect of their freshwater fisheries interests.



Board changes

In August 2018, Dion Tuuta resigned as an alternate director on the Te Wai Māori Board. Historically, the CEO of Te Ohu Kaimoana has been appointed as an alternate director, however, his resignation allows him to provide effective oversight of the management of the Trust and enable a succession plan for new directors to be developed and implemented.

Strategic Issues

Te Wai Māori considers it is critical that the agreements entered into between Māori and the Crown as part of the Fisheries Settlement are recognised and upheld, and not undermined by Crown processes, and inadequate planning and engagement. The Fisheries Settlement affects all Iwi, and should be protected through appropriate management of fisheries and fisheries habitat, under relevant legislation.

Over the past 12 months Te Wai Māori has responded to a number of consultations by the Crown on freshwater fisheries matters:

■ Conservation (Indigenous Freshwater Fisheries) Amendment Bill

During 2018, the Department of Conservation (DOC) consulted on the proposed Conservation (Indigenous Freshwater Fisheries) Amendment Bill (the Bill). DOC's stated goal is to "clean up" the regulation-making provisions while revoking older mechanisms within the Freshwater Fisheries Regulations 1983.

Te Wai Māori prepared a draft response to the proposed amendments and circulated it to Iwi for comment, providing a final response to the Environment Select Committee in October 2018. Te Wai Māori was concerned about: the rushed consultation on the Bill (originally DOC intended to skip consultation); failure to address regulatory uncertainty and jurisdictional overlap with the Fisheries Act 1996, and lack of provision for partnership with Iwi and hapū in relation to freshwater fisheries. Further, Iwi noted in their

feedback that the proposed Bill does nothing to give effect and recognition to existing Iwi Environmental Plans. The Chair will present the Te Wai Māori response to the Committee in early 2019.

■ Review of whitebait management

Te Wai Māori has begun working with DOC officials on their initial review of whitebait management. Initially, Te Wai Māori staff engaged with Iwi through pānui to outline the structure of the review and seek feedback on initial recommendations. Feedback on management solutions was mixed, however, there was broad support for Te Wai Māori's participation in the review process and the proposal for Te Wai Māori to form a group of Māori freshwater fisheries experts to provide advice on this kaupapa. DOC has assured us that Te Wai Māori will receive a draft of the review paper and be able to provide input. The draft is scheduled to be ready for review by Te Wai Māori in late 2018-early 2019 and staff will engage with Iwi prior to taking a final position. Te Wai Māori remains concerned that consultation with Iwi by DOC is inadequate. We will continue to push DOC to engage properly and provide support to Iwi where necessary.

■ Fisheries New Zealand consultation on changes to the TAC and TACC for North Island eel stocks

Te Ohu Kaimoana and Te Wai Māori staff worked extensively with Iwi on Fisheries New Zealand's (FNZ) review of sustainability measures for all North Island longfin (LFE) and shortfin (SFE) eel stocks. FNZ consulted on two options for the TAC and TACC limits for longfin eels (LFE). Following consultation with Iwi, Te Ohu Kaimoana/Te Wai Māori supported keeping the TAC and TACC at current levels for LFE in quota management area (QMA) 21 while supporting the proposed reductions for all other North Island QMAs. Further, staff proposed redistributing the non-commercial parts of the TAC to increase the customary share in all QMAs except for QMA 20. Te Ohu Kaimoana and Te Wai Māori supported the

only proposed option for SFE – retaining the TAC and TACC at current levels. The Minister ultimately decided to reduce the TAC and TACC for longfin in all North Island QMAs and retain the non-commercial TAC at current levels.

Te Mana o Ngā Tuna

At the 2017 Tuna Conference in Whanganui, there was discussion on how the status of tuna should be better acknowledged, valued, and more effectively provided for locally and nationally according to our indigenous world view. The conference agreed that there is a need to explore innovative solutions to preserve the future for tuna. This year Te Wai Māori staff have been researching and analysing legal and policy mechanisms to enhance the status of longfin tuna, including the establishment of a national body for tuna, amendments to the Wildlife Act and the Resource Management Act and legal personhood for tuna.

Piharau/Kanakana

Te Wai Māori has supported the Piharau/Kanakana working group by facilitating meetings with MPI/MFE/DOC officials and assisting in drafting a strategy to address some of the information gaps identified in the Te Wai Māori publication “Understanding Taonga Freshwater Fish Populations in Aotearoa New Zealand”. A desktop study on examples of awareness programmes and international lamprey restoration strategies and plans has also been completed.

Wai Ora Fund

The Wai Ora Fund supports projects from Iwi and Māori groups from around the country that contribute to the management and protection of freshwater fisheries and their habitats. To date Te Wai Māori has supported 35 projects through the fund, distributing more than \$1.4 million.

This year Te Wai Māori received 24 applications to the Wai Ora Fund, the most since the fund’s inception. For the 2018 Te Wai Māori made \$250,000 available and agreed to fund six projects. As with previous years, some of the applications

were from groups that have applied for or received funding from Te Wai Māori previously, as well as many new applicants.

As a result of a review of the Wai Ora Fund during 2018, the Board adopted changes to the policies and application form which will be implemented ahead of the 2019 funding round. The changes to some of the policies provide greater clarity on what Te Wai Māori will and will not fund, and the changes to the application form should make it easier for applicants to provide the necessary information for their applications. The Te Wai Māori board also agreed to the establishment of an additional fund specific for small projects, which will commence from 2019.

Wai Ora funded project receives international award

The Wai Ora Fund has supported the work of the Whangawehi Catchment Management Group on the Mahia Peninsula to restore the Whangawehi River catchment. This project has involved the protection of 13km of river, tributaries, wetlands and the planting of 160,000 native trees. This project is marae-led, based on kaitiakitanga and mātauranga Māori. In March 2018, the Whangawehi Catchment Management Group was a finalist in the community category of the New Zealander Of The Year Awards, and in October 2018, the group won the Pacific category of the Asia Pacific International River Prize Awards.

WAI2358 and Resource Management Toolkit

Over the past 12 months Te Wai Māori has continued to support Te Pou Taiao by contributing to its legal costs to participate in the Wai 2358 (National Freshwater and Geothermal Resources Inquiry) inquiry.

Te Wai Māori also provided funding to the Freshwater Iwi Advisors Group (FIAG) to assist them to deliver a toolkit to hapū, Iwi and Maori authorities which demonstrates how to change policy and rules in regional and district plans and enable the desired changes as much as possible within the current regulatory framework.

Groups that received Wai Ora funding during the 2017/2018 Financial Year

Group and region	Project	Te Wai Māori support
Te Arawa Lakes Trust (Rotorua)	The Lake Okataina Taonga Fisheries Project is a joint collaboration between Te Arawa Lakes Trust (lake bed owners) and Ngāti Tarawhai Iwi Trust (local hapū) to undertake a Cultural Health Assessment using Te Arawa tikanga and lake-specific cultural indicators. The project identifies koura as a key indicator species to assess the health of the lake. The baseline koura assessment uses traditional Tau Koura methods on Lake Okataina.	\$56,030
Ngā Hapū o Tutaekuri (Hawkes Bay)	The Waitangi Wai Mauri project aims to create a large wetland on an area owned by Hawkes Bay Regional Council at Waitangi Estuary, where the Tutaekuri, Ngaruroro and Clive Rivers converge.	\$60,000
Te Whenua Tōmuri Trust (Taranaki)	This project aims to assist hapū and marae by resourcing, training and mentoring them in environmental monitoring and sustainable management. The funding will support the trust to hold four wananga with schools, the community and experts on issues such as freshwater and sustainable land management, waste minimisation, maara kai, permaculture, rongoa etc	\$12,080
Tūwharetoa Māori Trust Board (Taupo)	The purpose of the project is to better understand koura and koura habitats in Lake Taupo in order to enhance the customary harvest of koura in the Ngati Tūwharetoa rohe. This involves identifying healthy koura populations in the lake by understanding size and abundance, eating quality/safety, koura disease, reproductive stages, and identifying habitat for potential translocation.	\$36,830
Te Kotahitanga o Te Āiawa Trust (Taranaki)	The project is aimed at restoring and revitalising the habitats of taonga species along the Waiwhakaiho river catchment. The project is part of a much larger project by Te Āiawa to understand the changes that have happened in the Waiwhakaiho catchment, and the effects those changes have had on mahinga kai. It involves a collation of historical information on landuse change, habitat modification, fisheries management and mātauranga Māori.	\$44,863
Whangawehi Catchment Management Group (Mahia)	The Whangawehi Catchment Management Group is a community initiative based in Mahia. The purpose of this project is to enhance a 40ha network of wetlands on private land, which plays a key role in improving water quality in the Whangawehi stream. Enhancement of water quality and habitat in the catchment is a key objective for the Kaiuku Marae Trustees.	\$20,000

Victoria University Intern Partnership Programme

Te Wai Māori and Te Ohu Kaimoana formed a partnership with Victoria University of Wellington which saw Monique Holmes (Ngāti Toa Rangatira, Te Ātiawa) placed with Te Wai Māori for 12 weeks. During this time, Monique produced and presented a report to the board on “Māori management of freshwater and associated fisheries”. The first part of her report outlines the Māori worldview of freshwater and freshwater taonga, exploring concepts such as mauri and whakapapa. The second part explores Māori ‘management’ of freshwater and freshwater taonga, discussing tikanga and other actions and how components of the relationship between Māori and freshwater inform them.

Regional Council Scorecard

During the year, Te Wai Māori completed a desktop review of Regional Council freshwater management plans and governance structures to assess whether different Regional Councils provide for Iwi/hapū involvement in decision making and planning processes. A report was completed for each Regional Council throughout the country and has informed our annual work programme.

Financial Performance

Total operating revenue for the financial year amounted to \$1.81m (2017: \$2.06m). This year the investment fund performed well providing \$1.81m (2017: \$2.04m) for the year – a return of 8%.

Total operating expenditure for the year amounted to \$731,000 (2017: \$904,000).

Ngā mihi,



Ken Mair
Chair

TE PŪTEA WHAKATUPU TRUST REPORT

E rau rangatira mā me ngā māreikura o ngā iwi o te motu, e ngā maunga whakahii tēnā ra koutou katoa.

Ka tika me mihi ki o rātou kua rongu atu ki te karanga o Ihoa, hoki wairua e, hoki wairua e. Rātou ki a rātou, tātou ngā kanohi ora ki a tātou tēnā tātou katoa.

It has been my pleasure and privilege to Chair Te Pūtea Whakatupu Trustee Ltd (the Trust) along with my directors Evie O'Brien and Kate Cherrington.

Summary of 2017/18 year

With the committed leadership of our Board the Trust has completed its first year in the implementation of *Te Rautaki*. *Te Rautaki* is our five-year strategy that clearly outlines the new direction of the Trust to create further opportunities to meet the objectives we presented last year.

This year saw the piloting of services against all four Whaingā;

1. Te Whaingā Tuatahi Nga Uri Whakatupu – Future Proofing the Next Generation for the 22nd Century.
2. Te Whaingā Tuarua Nga Ako – Mentoring and Governance Training for Māori.
3. Te Whaingā Tuatoru Te Honongatanga Ki Nga Rangi Hou – New Blue Sky Horizons Through Innovation and Research for Māori Engagement and Growth.
4. Te Whaingā Tuawha Te Ture Whakahaere – Transforming the Trust through legislative change.



The Trust is proud to have partnered with Te Pūtahitanga o Te Waipounamu, Te Pou Matakana, Moko Foundation, Intugen Ltd, KPMG, Aiko Consultants, Baked Design, Solmedia, Victoria University and the Federation of Māori Authorities to create some amazing opportunities that really set the scene for an exciting year.

An update on Te Rautaki

The Trust launched the pilots of the numeracy and literacy services into West Auckland, South Auckland and Christchurch. Ninety tamariki and their whānau were recipients of this new funding and investment. The piloting of these services was important as we set a clear strategy in future proofing the next generations.

Aligned to this, the Trust commissioned KPMG to complete an external report to justify the drawdown to ensure sustainability and reach of the numeracy and literacy services to our tamariki. We appreciated the expertise and professional findings of the report that presented clear justification for the Trust to take the bold step to drawdown an additional \$5m over years two to four of *Te Rautaki* in this area.

In partnership with Victoria University and the Federation of Māori Authorities, the Trust launched Hei Rata Whakaruruhau, a Māori Pre-Governance Programme that engaged 22 taitamariki in an intensive and comprehensive governance training programme in Wellington. These taitamariki are now inducted members into the Te Pūtea Whakatupu Alumni.

The *Te Pūtea Whakatupu* Alumni now has 268 taitamariki from across Aotearoa all who are doing some amazing work in their chosen professional fields, from commercial investment bankers, to farmers, to recognised young leaders both nationally and internationally. Some have started their own business and others have just started in large

accounting and law firms. The Trust has also been supporting the alumni into key roles and walking alongside them as they develop their professional capacity. This has also created the opportunity to celebrate some of their personal milestones also, such as birthdays, the arrival of new pēpi, engagements, marriages and even their overseas journeys. It has been very humbling for the Trust to be part of the alumni's lives.

We are proud to have supported six of our alumni to attend last year's Māori Fisheries Conference, last year's Te Ohu Kaimoana Group AGM and 12 members to attend the Federation of Māori Authorities Annual Conference. These are fixtures on our calendar as we build our suite of events to support our alumni to attend.

This year saw the Trust partner with the Moko Foundation in their *Hawea Vercoe Māori Leadership Programme* and supported 128 taitamariki to attend Rangatahi Summits across Tāmaki and Tai Tokerau. This programme was established with the vision to connect rangatahi with opportunities. It is spearheaded by New Zealander of the Year Dr Lance O'Sullivan.

Operational highlights and looking forward

This year was a significant year for the Trust as we tested the implementation of *Te Rautaki*. We took a considered and measured approach, and we extend our appreciation to our General Manager Karleen Everitt for her commitment as she worked directly with our partners to get the work done. We operate a very lean entity to ensure that we invest in creating more opportunities for Māori through *Te Rautaki*.

There are a number of highlights that have set a very strong platform for next year. It is a very exciting time for the Trust as we will begin to scale up on the investment across all four Whaingā and also work directly with the team at Te Ohu Kaimoana as we move forward into year two of *Te Rautaki*.



The Hei Rata Whakaruruhau programme involves 22 emerging Māori leaders between 18–35 years of age and is provided in partnership with Te Pūtea Whakatupu Trust and the Federation of Māori Authorities.

Next year we will be launching a new platform in how we connect with Māori who may or may not gain benefit or opportunity from their hapū or Iwi. And we will also be launching a new funding and investment package that will be aimed at taitamariki and small Māori organisations that work in this space.

Conclusion

The hoe that sits at the very front of our vision “*To Transform Whanau For the 22nd Century*” is in the hands of every member of our Trust, both in our Board and operations. We are all committed to the direction, pathway and speed in which our waka is navigating its way through our course ahead.

On behalf of my Board I wish to extend our appreciation to the Chair of Te Ohu Kaimoana Jamie Tuuta for his stewardship and leadership. We acknowledge the support of the Board of Te Ohu Kaimoana as we set our strategy in place.

I also wish to express our appreciation of the Te Ohu Kaimoana Te Mātārae Dion Tuuta and his

team for their guidance and support to our Board and our General Manager. We have enjoyed a strong relationship with Te Ohu Kaimoana and look forward to working more closely with them as we track further along Te Rautaki.

The words of Tā Himi Henare “*kua tawhiti kē to haerenga mai, kia kore e haere tonu, tino nui rawa ou mahi kia kore e mahi nui tonu*”, speak loudly at this time. We have still so much more to do and this is only the beginning.

Mauri ora,

Norm Dewes
Chairman
Te Pūtea Whakatupu Trustee Ltd

Our people, our performance

It's been another year full of challenges for Moana New Zealand, with the Company becoming more aligned it is now in a better position to realise its true potential. People are the greatest asset and the pleasing performance Moana New Zealand reported is strongly attributed to the people who work hard every day to return a dividend to Iwi.

Having turned the focus from building solid infrastructure to being more market focused in the recent year, Moana New Zealand has done what it said it would do and finished the year on plan.

Moana New Zealand is pleased to report a net profit after tax of \$21.4 million for the year ended 30 September 2018. Finishing the year at 100% of plan, this is up 11% on last year's profit of \$19.3 million.

The dividend of \$8.6 million has been declared from the profit for the period to September 2018, in accordance with the Company's dividend policy and as set out in the Maori Fisheries Act. Payment was made to Iwi shareholders in December. This brings the total dividends to its shareholders since Moana New Zealand's inception in 2004 to \$95.1 million, including the special distribution of \$30 million in 2012.

Moana New Zealand saw increased profit contribution from Sealord which was up on last year, due to having a better catch year, stronger pricing and additional cost reductions on administration. The strong contribution from Port Nicholson Fisheries was also up on last year due to timing of catch and sales increase but an improvement in pricing and quality was also observed.

Moana New Zealand is now seeing the benefits post the Moana One project with their people working closer together than ever before. The project is now delivering on the desired outcome of collectivisation, transparency and visibility and is now embedded in the way its people operate. The more functional structure has also enabled portfolio selling which is starting to pay off.

MOANA NEW ZEALAND REPORT



Consistency is key

Moana New Zealand acknowledges that it works with a finite resource and by knowing this there is a responsibility not only to its shareholders but also to the resource; a responsibility of achieving maximum value from the products it harvests. Each fish is harvested and handled with a lightness of touch so it can be delivered in premium condition to its consumers; both domestically and internationally.

The quality of product that Moana New Zealand continues to deliver is proudly brought to customers by hard working employees at all points throughout the supply chain – harvesting, processing and presentation to the consumer.

Moana New Zealand continues to do a lot in this space to create greater value but continues to encourage innovation and opportunity. A few examples of how Moana New Zealand continues to deliver on its achievements are:

- › Securing the Ready to Eat (RTE) contract pack for three million packs per year into the United States of America.
- › Moana New Zealand has previously experienced challenges getting natural canned abalone into the Chinese market but after some persistence and strong customer relationships this product has now been successfully introduced and accepted in China.
- › Infrastructure investment in Ruakaka with the new water refrigeration project that went live in March has reduced mortality rates and growth rates have recovered to a promising level.
- › The Fin Fish division will be using new packaging for tray-packed fish fillet under the Moana brand. This packaging is made of responsible and renewable ingredients and Moana New Zealand is the first to market to supply pre-packed seafood in the world-first barrier tray.
- › The Oyster business has also seen a lift in live volumes and the successful introduction to innovative offline supermarkets China.



Focus on sustainability

Moana New Zealand has a deep sense of responsibility and respect for kaimoana and kai ora, honouring the taonga it has been entrusted with. Taking a long term view in everything it does, Moana New Zealand works in harmony with nature to ensure the sustainability of our fisheries for future generations.

The Sustainability Working Group plays an integral role in how Moana New Zealand goes about our business in a way that cements the right to operate within its communities into the future.

The Sustainability Strategy 2.0 was launched last year and the Sustainability Working Group has continued to deliver on the five key projects. A few examples of how Moana New Zealand continues to deliver on its achievements are:

- › **Māui dolphin commitment** – by continuing to collaborate with WWF-New Zealand and Sanford Moana New Zealand ensures Māui-safe fishing in the rare dolphins' habitat along the west coast of the North Island.
- › **Responsible fishers** – Moana New Zealand completed the second part of training under the Responsible Fisheries Awareness Programme, delivering it to all of its inshore contract fishers.



- › **Ecosystem Services Review** – in September Moana New Zealand conducted the first round of stakeholder meetings around the Whangaroa Harbour in the far North where the Company has its largest oyster farm. The feedback was overwhelmingly positive and supportive for Moana New Zealand to continue to the next stage of understanding what effects the surrounding environment and activities have on the harbour.
- › **Understanding our carbon footprint** – Moana New Zealand continues its commitment to reducing its impact on climate change by understanding what its carbon footprint is. Moana New Zealand has now established a baseline and is working to set reduction targets.
- › **Branded Blue Abalone** – ASC Certification – once again Moana New Zealand's Blue Abalone facilities in Ruakaka passed its audit to retain certification for being a responsible aquaculture producer. The Aquaculture Stewardship Council certification is recognised worldwide as the 'gold standard'.



Kua tu mai a Tokatu

The highly anticipated brand new deep sea fishing vessel, Tokatu, arrived into Nelson in June and was formally acknowledged at a special ceremony at Sealord wharf in November. Tokatu, meaning a *sheltering bulwark against strong seas*, is the first brand new deep sea vessel in a NZ owned fleet for over 20 years, and at 81.75 metres long and 4,706 gross tonnage she is the largest.

Tokatu is powered by a nine-cylinder Rolls-Royce engine, and is equipped with the latest equipment and technologies, including PSH, to support sustainable fishing. It has capability to fish 20,000 metric tonnes a year and is designed to fish all of Sealord's species.

While the vessel arrived in June, the formal ceremony was delayed until November to enable the Tokatu to begin commissioning in the hoki season. While work continues on the commissioning of the factory, the Tokatu has demonstrated ability to find and catch fish second to none and is a welcome addition to the Sealord fleet.

Whaimutu Dewes
Chairman
Moana New Zealand



E HOA MĀ! INĀ TE
ORA O TE TANGATA



HE KOUNGA



FINANCIAL STATEMENTS

Contents

- 65— Te Ohu Kai Moana Group
 - 105— Te Ohu Kai Moana
Trustee Limited
 - 114— The Māori Commerical
Aquaculture Settlement
Trust (Takutai Trust)
-



TE OHU KAIMOANA GROUP

Financial Statements

For the Year Ended 30 September 2018

Contents

67—Statement of Comprehensive Revenue and Expense
68—Statement of Changes in Equity
69—Balance Sheet
70—Statement of Cash Flows
72—Reconciliation of Net Surplus to Cash Flow from Operating activities
73—Notes to the Financial Statements
103—Auditor’s Report

Te Ohu Kai Moana Group

The Trustee for Te Ohu Kai Moana is:

Te Ohu Kai Moana Trustee Limited

Registered Office:

Level 4, The Woolstore – Professional Centre
158 The Terrace
Wellington 6140
NEW ZEALAND

Purpose of Te Ohu Kai Moana

The purpose of Te Ohu Kai Moana is to advance the interests of iwi individually and collectively, primarily in the development of fisheries, fishing, and fisheries-related activities to ultimately benefit the members of iwi and Maori generally; further the agreements made in the Deed of Settlement; assist the Crown to discharge its obligations under the Deed of Settlement and the Treaty of Waitangi; and contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement.

Activities of Te Ohu Kai Moana and associated trusts and entities

The activities of the Te Ohu Kai Moana Trust are governed by Te Ohu Kai Moana Trustee Limited (the Trustee), the corporate trustee for Te Ohu Kai Moana Trust.

Te Ohu Kai Moana Trustee Limited also acts as the corporate trustee for the Takutai Trust (the Māori Commercial Aquaculture Settlement Trust), established under the Māori Commercial Aquaculture Claims Settlement Act 2004. The purpose of the Takutai Trust is to receive aquaculture settlement assets from the Crown or regional councils, allocate and transfer aquaculture settlement assets to Iwi Aquaculture Organisations; hold assets pending their allocation to iwi; determining allocation entitlements; facilitating iwi to be recognised as Iwi Aquaculture Organisations and other matters relating to the Aquaculture Settlement.

At the Special General Meeting on 4 June 2015, iwi voted unanimously to have all shares held by Te Ohu Kai Moana Trust in Aotearoa Fisheries Limited (AFL) trading as Moana New Zealand transferred to iwi. At the March 2016 Hui-a-Tau it was agreed the Redeemable Preference Shares (“RPS”) would be converted to ordinary shares and transferred to iwi with the other shares held by Te Ohu Kai Moana. These decisions by iwi have effectively changed the status of these assets from being assets of Te Ohu Kai Moana, in its own right, to assets being held for distribution to iwi in the same manner that other assets are held as part of the reserves detailed in the balance sheet under Maori Fisheries Act and Other Reserves. Although these changes are to be implemented upon future enactment of amendments to the Maori Fisheries Act Te Ohu Kai Moana’s investment in AFL and RPS were reclassified to assets held for distribution to Iwi.

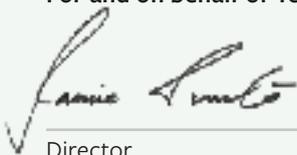
The Trustee appoints the directors of AFL, Te Putea Whakatapu Trustee Limited (TPWT) and Te Wai Maori Trustee Limited (TWMT).

Te Putea Whakatapu Trust and Te Wai Māori Trust annual reports are available on Te Ohu Kai Moana’s website.

Financial Reporting of Te Ohu Kai Moana and associated trusts and entities

This Annual Report is distributed to mandated iwi organisations, representative Maori organisations, recognised iwi organisations, as defined in the Maori Fisheries Act 2004, and the members of Te Kawai Taumata. It is also available in digital format and can be downloaded from our website at www.teohu.maori.nz.

For and on behalf of Te Ohu Kai Moana Trustee Limited (the Trustee)



Director



Director

28 November 2018

Date

Statement of Comprehensive Revenue and Expense
For the Year Ended 30 September 2018

	NOTES	Group 2018 \$'000	Group 2017 \$'000
Operating revenue from:			
Te Ohu Kai Moana Trust activities	3	1,655	1,510
ACE round disputes held in trust	5c	552	833
Gains on investment portfolio	9	6,746	7,835
Dividend Received – AFL		1,932	1,647
Dividend received from AFL and held in trust for iwi		129	110
Māori Authority Tax Credits received and held in trust for iwi	8(ii)	27	23
TOTAL OPERATING REVENUE		11,041	11,958
Operating expenditure	4	3,718	3,978
NET OPERATING SURPLUS		7,323	7,980
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,323	7,980

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes on pages 73 to 102.

Statement of Changes in Equity

For the Year Ended 30 September 2018

	Trust Capital	AFL Income Shares – Te Ohu	MFA reserves – Note 5 (a)	GFS Trust – Note 5 (b)	ACE Round disputes – Note 5 (c)	Total
	\$'000	\$'000	\$'000	‘\$000	\$'000	\$'000
Balance at 1 October 2017	80,539	101,713	32,009	1,045	4,713	220,019
Net surplus and other comprehensive income for the year	7,323	-	-	-	-	7,323
Total comprehensive income for the year	7,323	-	-	-	-	7,323
Transfers to/(from) Reserves	(795)	-	166	77	552	-
Transactions with beneficiaries:						
Settlement assets allocated to iwi	-	-	(53)	-	(2,452)	(2,505)
Distributions to or on behalf of associated trusts	-	-	(1,000)	(5)	-	(1,005)
Balance at 30 September 2018	87,067	101,713	31,122	1,117	2,813	223,832

	Trust Capital	AFL Income Shares – Te Ohu	MFA reserves – Note 6 (a)	GFS Trust – Note 6 (b)	ACE Round disputes – Note 6 (c)	Total
	\$'000	\$'000	\$'000	‘\$000	\$'000	\$'000
Balance at 1 October 2016	73,634	101,713	36,468	1,018	3,896	216,729
Net surplus and other comprehensive income for the year	7,980	-	-	-	-	7,980
Total comprehensive income for the year	7,980	-	-	-	-	7,980
Transfers to/(from) Reserves	(1,075)	-	143	99	833	-
Transactions with beneficiaries:						
Allocated to beneficiaries	-	-	(3,584)	-	-	(3,584)
Settlement assets allocated to iwi	-	-	(18)	-	(16)	(34)
Distributions to or on behalf of associated trusts	-	-	(1,000)	(72)	-	(1,072)
Balance at 30 September 2017	80,539	101,713	32,009	1,045	4,713	220,019

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 73 to 102.

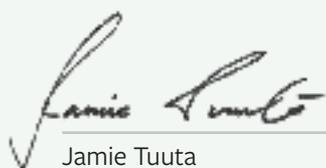
Te Ohu Kai Moana Group

Balance sheet

As at 30 September 2018

	NOTES	Group 2018 \$'000	Group 2017 \$'000
EQUITY			
Trust capital and retained earnings		87,067	80,539
Assets held for distribution to iwi reserves		101,713	101,713
Māori Fisheries Act and other classified reserves	5	35,052	37,767
TOTAL EQUITY		223,832	220,019
Represented by:			
CURRENT ASSETS			
Cash and cash equivalents		3,629	6,722
Receivables & prepayments	6	1,319	172
Assets held for distribution to iwi	8	107,160	107,160
Total Current Assets		112,108	114,054
NON CURRENT ASSETS			
Property, plant & equipment	13	473	225
Financial investments	9	90,440	85,494
Quota shares	10	21,436	24,862
Total Non Current Assets		112,349	110,581
TOTAL ASSETS		224,457	224,635
CURRENT LIABILITIES			
Payables and accruals	11	625	1,032
Māori Fisheries Act Assets allocated but not transferred	12	-	3,584
Total Current Liabilities		625	4,616
NET ASSETS		223,832	220,019

For, and on behalf of, the Trustee, who approved and authorised these financial statements on 28 November 2018.



Jamie Tuuta
Chairman



Hinerangi Raumati-Tu'ua
Director

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 73 to 102.

Te Ohu Kai Moana Group

Statement of Cash Flows

For the Year Ended 30 September 2018

	NOTES	Group 2018 \$'000	Group 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from:			
Receipts from sale of ACE		556	591
Refund of Māori Authority Tax Credits		417	373
Receipts from ACE Round disputes		567	803
AFL dividend received for Te Ohu Kai Moana		1,932	1,647
AFL dividend received for Iwi share held in trust		129	110
Other		176	1,142
		3,777	4,666
Cash applied to:			
Payments to suppliers and employees		4,677	4,125
Net cash inflow/(outflow) from operating activities		(900)	541
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from:			
Cash drawdown from Joint Investment Portfolio		1,800	1,300
		1,800	1,300
Cash applied to:			
Purchase of fixed assets		326	201
		326	201
Net cash inflow from Investing Activities		1,474	1,099

Statement of Cash Flows

For the Year Ended 30 September 2018

	NOTES	Group 2018 \$'000	Group 2017 \$'000
CASH FLOWS FROM FINANCING & TRUST CAPITAL ACTIVITIES			
Cash applied to:			
Distributions to associated trusts		1,005	1,072
Distributions to iwi		2,662	32
Net cash outflow from Financing Activities		(3,667)	(1,104)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,093)	536
Opening cash and cash equivalents brought forward		6,722	6,186
CASH AND CASH EQUIVALENTS HELD AT YEAR END		3,629	6,722
Represented by:			
CASH AND CASH EQUIVALENTS HELD AT YEAR END		3,629	6,722

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 73 to 102.

Reconciliation of Net Surplus to Cash Flow from Operating Activities

For the Year Ended 30 September 2018

	NOTES	Group 2018 \$'000	Group 2017 \$'000
Net Operating Surplus		7,323	7,980
Add / (Deduct) non-cash items:			
Depreciation		76	22
Gains on financial investments		(6,746)	(7,835)
		(6,670)	(7,813)
Movements in working capital items:			
Increase/(Decrease) in receivables & prepayments		(1,148)	29
Decrease/(Increase) in payables & accruals		(405)	345
		(1,553)	196
Net cash inflow/(outflow) from Operating Activities		(900)	541

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 73 to 102.

Notes to the Financial Statements

For the Year Ended 30 September 2018

Note 1 – Reporting Entity

Te Ohu Kai Moana Trust (the “Trust”) was established under the Maori Fisheries Act 2004 (the Act). The Te Ohu Kai Moana Group (the “Group”) consists of the Trust and its subsidiary, Charisma Developments Limited (“CDL”).

In accordance with the Act, the purpose of the Trust is to advance the interests of iwi, individually and collectively, in the development of fisheries, fishing, and fisheries-related activities in order to:

- (a) ultimately benefit the members of iwi and Māori generally;
- (b) further the agreements made in the Deed of Settlement;
- (c) assist the Crown to discharge its obligations under the Deed of Settlement and the Treaty of Waitangi; and
- (d) contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement.

As a result of the review of the Maori Fisheries settlement entities, undertaken during 2014 and 2015, as required by the Act, iwi have resolved to make changes to the governance of the entities reviewed. The reviewer presented his report in March 2015. Recommendations from the review were considered by iwi at a special general meeting held on 4 June 2015. At that meeting iwi resolved to make significant changes to the governance arrangements established under the Act, requiring a new business model to be developed for Te Ohu Kai Moana, the transfer of Te Ohu Kai Moana’s voting and income shares in Aotearoa Fisheries Limited to iwi, and a simpler process for Māori

commercial entities to trade their settlement assets with each other. Changes are also required to the governance of all other entities reviewed.

Proposals for the future structure of the Group were presented to iwi for agreement at the Hui-a-Tau in March 2016. At that meeting iwi deferred a decision on the future funding of Te Ohu Kai Moana and instead resolved to carry out an independent review of the funding models considered by Te Ohu Kai Moana and to report back for a decision at a special general meeting. Iwi did support Te Ohu Kai Moana’s recommendation that the Redeemable Preference Shares (“RPS”) held by Te Ohu Kai Moana should be cancelled, converted into ordinary shares and distributed to iwi at the same time as the voting and income shares. At the Special General Meeting held on 31 August 2016 iwi agreed that the appropriate funding model was one that would enable surpluses, identified within Te Ohu Kai Moana, to be distributed to iwi if they were not needed to fund the ongoing operations of the Trust.

On the 14 September 2017 at a Special General meeting, Mandated Iwi Organisations voted overwhelmingly in support of both the Te Ohu Kaimoana Māori Fisheries Strategy and Te Ara Taupuhpuhi 3-Year-Plan. This plan did not include any surpluses to be distributed to iwi.

A report, setting out the resolutions agreed by iwi and detailing amendments required to the Act to implement the changes, was prepared and delivered to the Minister of Primary Industries on 30 September 2016.

Draft amendments were sent to Minister for Primary Industries on 28 August 2017. In early September 2018 the Ministry of Primary Industries provided additional advice to the Minister proposing that the draft legislation amendments proceed. A draft cabinet paper was circulated to relevant Ministers for comment. The draft legislation is now in the political process and Te Ohu Kai Moana will continue to advocate for the iwi-mandated changes to be passed as quickly as possible.



Te Ohu Kai Moana Group

Te Ohu Kai Moana's interest in AFL (income shares and voting shares) was previously recognised as an investment in associate applying the equity accounting method. The Redeemable Preference Shares (RPS) were previously recognised by Te Ohu Kai Moana at their face value. Due to the resolutions passed by iwi Te Ohu Kai Moana's interest in AFL and the RPS were reclassified to assets held for distribution to iwi and have been recognised at the lower of their carrying amount and fair value less cost to sell. Changes have also been made to separately disclose, within Group equity, the interest in AFL, now held for distribution to iwi. To clearly identify these assets have changed classification and acknowledging the future distribution to iwi being dependent on the enactment of legislative amendments, they have not been included within the Maori Fisheries Act and other classified reserves section. Income shares in AFL held on behalf of iwi yet to be mandated continue to be included in the Maori Fisheries Act reserves section in equity.

The trust is domiciled in New Zealand.

Equity Transferred – 29 November 2004

On and from 29 November 2004, the Appointed Day, all existing undertakings, assets and liabilities of the Treaty of Waitangi Fisheries Commission were vested in Te Ohu Kai Moana Trustee Limited, acting as trustee of Te Ohu Kai Moana Trust.

Note 2 – Summary of Significant Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity, financial position and cash flows have been established and consistently applied:

a) Statement of compliance and basis of preparation

(i) Statement of compliance

The Group financial statements are presented in accordance with the Maori Fisheries Act 2004

and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with Public Benefit Entity ("PBE") standards. The financial statements have been prepared in accordance with Tier 2 PBE standards Reduced Disclosure Regime.

(ii) Measurement base

The financial statements have been prepared on a historical cost basis, except for other financial assets held at fair value through profit or loss and assets held for distribution to iwi recognised at the lower of carrying amount and fair value less cost to distribute.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

b) Changes in accounting policy and disclosures

There have been no changes in the accounting policies for the year ended 30 September 2018. All accounting policies and disclosures are consistent with those applied by the Group in the previous financial year.

c) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty surrounding these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of a particular asset or liability in future periods.

In the process of applying the accounting policies, management has made the following significant judgments:

(i) Interest in Aotearoa Fisheries Limited.

At the Special General Meeting on 4 June 2015, iwi voted unanimously to have all shares held by

Te Ohu Kai Moana Group

Te Ohu Kai Moana in Aotearoa Fisheries Limited (AFL) trading as Moana New Zealand transferred to iwi. At the March 2016 Hui-a-Tau it was agreed the RPS should be converted to ordinary shares and transferred to iwi with the other shares held by Te Ohu Kai Moana. These decisions by iwi have effectively changed the status of these assets from being assets of Te Ohu Kai Moana, in its own right, to assets being held for distribution in the same way that other assets are held as part of the reserves detailed in the balance sheet under Maori Fisheries Act and Other Reserves. As these assets are now held for distribution to iwi they are recognised at the lower of carrying amount and fair value less cost to distribute. Management has exercised judgement in determining the fair value less cost to distribute in relation to these assets as at 30 September 2018.

(ii) Classification of Maori Fisheries Act Reserves

Te Ohu Kai Moana Trust holds in trust settlement assets for iwi under the Act. In accordance with the Act iwi are entitled to a share of those settlement assets upon achieving the status of a mandated iwi organisation (MIO) and subsequently on reaching coastline and harbour agreements with neighbouring iwi. Until MIO status is achieved the Trust has no obligations to make settlements under the Act.

Management has concluded it is appropriate to classify the settlement assets as Trust equity until an iwi becomes entitled to receive them. Settlement assets allocated to an iwi are re-classified to liabilities until actual transfer of ownership occurs.

(iii) Quota Shares

The Trust tests quota shares held by it, either in its own right or in trust for iwi, for impairment on an annual basis. For the purpose of testing assets for impairment the Trust appoints external valuers to determine the fair value of all quota shares held at balance date. A valuation requires making various assumptions about the future including estimating

present values of future cash flows by applying an appropriate discount rate to the cash flows receivable from the ownership or use of an asset. An impairment exists when the carrying value of an asset exceeds its fair value.

d) Basis of Consolidation

Subsidiaries are entities in which the Trust has the capacity to control the financing and operating policies to obtain ownership benefits. The financial statements comprise the Trust and its subsidiary – Charisma Developments Limited (CDL). CDL is an asset holding company only and does not trade. Its assets are the RPS and a small amount of research quota. Both items have been incorporated into the Group's financial statements.

e) Equity and Reserves

Equity is split into three sections to separately identify the equity accumulated in the Trust, the assets in AFL being held for distribution as a result of iwi resolutions following the MFA s114 review and the reserves the Trust is required to maintain in accordance with the Act, or other agreements or deeds, until the assets are allocated and transferred to mandated iwi organisation's (MIOs), their asset holding companies, or the beneficiaries identified in the other agreements or deeds.

The Act requires that the cash to iwi set aside under s137 (1) (d) accumulates earnings attributable to it. Interest is attributed on a monthly basis at the interest rate applicable to funds held at call.

f) Allocation and Transfer of Assets to Iwi per the Maori Fisheries Act 2004

Distributions of assets through allocation and transfer to mandated iwi organisations or their asset holding companies are recorded at the carrying value of the applicable asset in the financial statements.

Assets allocated, but not transferred, are classified as liabilities in the Balance Sheet.

g) Taxation

The Trust and CDL are registered as charitable organisations with the Department of Internal Affairs and are therefore treated as exempt from income tax.

h) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated inclusive of GST.

i) Financial Assets and Liabilities

(i) Receivables

Trade receivables are classified as loans and receivables, which generally have standard commercial terms of trade, and are recognised and carried at original invoice amount less an allowance for amounts assessed to be uncollectable. Collectability of trade receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectable are written off when identified.

(ii) Financial Investments

The Group classifies its financial investments at fair value through profit and loss as the Group invests in these financial assets with a view to profiting from their total return in the form of interest or increases in the fair value.

Gains and losses arising from changes in the fair value of financial investments are recognised in the statement of comprehensive revenue and expense in the period in which they arise.

The Group has classified its financial investments as level 2 in the fair value hierarchy.

(iii) Payables

Trade payables are classified as financial liabilities measured at amortised cost with settlement of payments being on normal commercial terms.

j) Assets held for distribution to iwi

Assets held for distribution to iwi are recognised at the lower of their carrying amount and fair value less cost to distribute. The costs to distribute are the incremental costs directly attributable to the distribution.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the assets are available for immediate distribution in their present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of classification.

Assets held for distribution are presented separately as current assets in the balance sheet.

k) Intangible Assets

Quota shares have an indefinite useful life and generate economic benefits beyond one year. Quota shares are held at deemed cost and tested annually for impairment. Any adjustments made to recognise impairment are reported in the statement of comprehensive revenue and expense.

Quota shares held by the parent are held by the Group for and on behalf of iwi. They are not able to be sold by the Group.

New Zealand Units (NZUs) issued as part of the compensation to quota owners under the Fishing Allocation Plan allowed for in the Climate Change Response Act 2002 are held as intangible assets at a deemed cost of nil.

l) Impairment

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount

Te Ohu Kai Moana Group

of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive revenue and expense.

m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Group has entered into operating leases for certain fixed assets. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged to the statement of comprehensive revenue and expense in the periods in which they are incurred.

n) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Revenue from Annual Catch Entitlement (ACE) sales

ACE is the annual right to catch a specific amount of a relevant fish stock within the quota management system. ACE is allocated on the first day of the fishing year to the owner of the quota shares from which it is generated.

ACE is sold by the Group to iwi organisations in accordance with section 152 of the Maori Fisheries Act 2004.

Invoices are raised in April and October each year to the relevant iwi organisations upon the commencement of the relevant ACE round. The total amount invoiced is initially accrued as deferred income and subsequently amortised and recognised as income over the twelve months of the respective fishing years.

Proceeds from the sale of ACE to iwi are used to pay government and industry levies and costs incurred by the Group as owner of quota yet to be allocated and transferred to iwi. The balance of ACE sale proceeds contributes towards the costs of administering the ACE rounds and participating in fisheries management organisations.

(ii) Interest Income

Interest income is recognised as the interest accrues using the effective interest method.

(iii) Dividends

Dividend income is recognised when the Trust's right to receive the payment is established. Revenue from dividends are recognised in the year they are declared and receivable.

o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions made in respect of each obligation are based on management's best estimate of the expenditure required to settle the obligation at the reporting date.

p) Employee Benefits

All short term and long term obligations relating to employee legal entitlements including annual leave are accrued and recognised in the balance sheet. The liability is equal to the present value of



Te Ohu Kai Moana Group

the estimated future cash outflows as a result of employee services provided at the reporting date.

Provisions made in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

q) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet are classified as loans and receivables, comprising of cash on hand, call deposits and short-term deposits with an original maturity of three months or less.

r) Statement of Cash Flows

For the purpose of the statement of cash flows, cash consists of cash and cash equivalents as defined above.

The cash flows included in the statement of cash flow are stated on a gross basis.

s) Comparative Figures

Some comparative figures have been reclassified to align with current year disclosure.

Note 3 – Operating Revenue from Te Ohu Kai Moana Trust Activities

	2018	2017
	\$'000	\$'000
Revenue from sale of ACE	556	591
Refund of Māori Authority Tax Credits	410	370
Other	689	549
TOTAL	1,655	1,510

Māori Authority Tax Credits (MATCs)

MATCs represent refunds from Inland Revenue Department (IRD) of Māori Authority Tax Credits attached to dividends and taxable bonus share issues received from Aotearoa Fisheries Limited.

Note 4 – Operating Surplus

Included in the operating surplus before taxation are the following operating expenses:

	NOTES	2018	2017
		\$'000	\$'000
Fees paid to Auditor			
Audit of the financial statements		28	66
Facilities and rental		241	251
Travel and accommodation		202	159
Directors' remuneration	14 (f)	337	381
Remuneration of Te Kaiwai Taumata members		-	8
Employee entitlements		1,852	2,033
Professional services		988	714
External reporting and communication		266	300
Quota related fees and levies		265	372
Administration		101	175
Scholarships		4	9
Depreciation			
Fixtures and fittings		25	4
Leasehold improvements		19	-
Office equipment		2	2
IT hardware		30	16
Costs recovered from associated entities		(642)	(512)
TOTAL OPERATING EXPENDITURE		3,718	3,978

Note 5 – Māori Fisheries Act and Other Classified Reserves

	NOTES	2018 \$'000	2017 \$'000
Māori Fisheries Act reserves	5(a)	31,122	32,009
Global Fisheries Scholarship Trust	5(b)	1,117	1,045
ACE Round disputes held in Trust	5(c)	2,813	4,713
Balance as at 30 September		35,052	37,767

5 (a) Māori Fisheries Act reserves

The Māori Fisheries Act details the amounts set aside for allocation and transfer to iwi and associated trusts. The relevant sections of the Act are included with the name of each reserve in the table below.

	2018	2017
Quota shares to be allocated s140 – s148	21,252	21,304
Aotearoa Fisheries Limited income shares held in trust for iwi – s139	5,445	5,445
Dividend receivable on Aotearoa Fisheries Limited income shares held in trust for iwi – s76(2)	754	625
Māori Authority Tax Credits received held in trust for iwi	571	543
Te Wai Māori Trust capital s137(1)(b) & s103(3)	2,000	3,000
Cash top up for quota shortfall s137(1)(c)	494	496
Cash to iwi s137(1)(f)	606	596
TOTAL	31,122	32,009

5 (a) (i) Te Wai Maori Trust

Under s103(3) of the Act, Te Ohu Kai Moana Trust must pay not less than \$1 million per year, until a total sum of \$20 million has been received by Te Wai Maori Trust, including the \$10 million transferred under s137(1)(b) in October 2009.

5 (a) (ii) Settlement Assets to be allocated

During 2018, no iwi was recognised as a MIO by Te Ohu Kai Moana and therefore no population settlement assets were allocated (2017: 0). No Coastline agreements were completed during the year (2017: 0) and one harbour agreement was completed (2017: 0). Details of assets allocated and transferred are shown in note 12 of this report.

Te Ohu Kai Moana Group

5 (b) Global Fisheries Scholarship Trust

The Global Fisheries Scholarship Trust (GFS) was created in 2008. The funds are invested as part of Te Ohu Kai Moana's investment portfolio and share on a proportional basis the income generated and valuation movements based on the percentage of the total fund held.

Administration is undertaken by Te Ohu Kai Moana Trustee Limited.

	2018	2017
	\$'000	\$'000
Balance as at 1 October	1,045	1,018
Income	77	99
Scholarship costs	(5)	(72)
Balance as at 30 September	1,117	1,045

5 (c) ACE Round Disputes Held in Trust

These funds have arisen from disputes over representation and mandate issues relating to quota lease and annual catch entitlement distribution rounds. The funds are held on deposit awaiting resolution of each dispute. In some cases the amounts cover disputes involving multiple lease and ACE round years.

	2018	2017
	\$'000	\$'000
Balance as at 1 October	4,713	3,896
Income from sale of ACE	569	802
Income from interest	40	74
Administration costs deducted	(57)	(43)
ACE Round Disputes Held in Trust	552	833
Settled disputes distributed	(2,452)	(16)
Balance as at 30 September	2,813	4,713

Te Ohu Kai Moana Group

Te Ohu Kai Moana considers that income derived through the sale of disputed ACE is derived by Te Ohu Kai Moana and is therefore exempt. Te Ohu have received confirmation from Inland Revenue that they do not intend to devote further resources regarding FOTs tax positions in 2013 and later years.

Details of Iwi / Disputes and funds held	2018	2017
	\$'000	\$'000
Southern FMA8 Iwi	1,082	907
Te Rarawa (* 2017:Ngai Takoto, Ngati Kuri, Te Aupouri and Te Rarawa)	185	2,534
Coromandel Scallops	321	320
Whakatohea	157	157
Ngai Takoto	143	143
Motiti Island	266	229
CRA9 Iwi	104	102
Ngai Tahu and Ngati Toa Rangatira	84	84
Te Rarawa	249	123
FMA7 (OYS7C)	38	38
Ngai Tai	82	-
Ngati Kahungunu (Freshwater)	16	16
Ngati Porou/Mahaki/Rongowhakaata	56	33
Rongomaiwahine/Ngati Kahungunu	13	13
Ngai Tahu/Te tau Ihu	6	6
Far North Harbour	4	-
Te Atiawa (Taranaki) (Freshwater)	3	3
ORH7A(Ngai Tahu, Rangitane(Te Tau Ihu) and Ngati Toa Rangatira)	2	2
Ngatgi Pukenga, Ngai Tamanuhiri, Ngati Whare, Ngati Ranginui (Freshwater)	2	2
Total	2,813	4,713

On the 2nd of October 2017 Te Ohu distributed \$2.45m to Ngai Takoto, Ngati Kuri and Te Aupouri arising from the 21 September 2017 Coastline and Harbour Agreement between Ngai Takoto, Ngati Kuri, Te Aupouri and Te Rarawa. The funds for Te Rarawa arising from this Agreement will be held until Te Rarawa is complying with the provisions of their constitutional documents and the Act.

Note 6 – Receivables and Prepayments

	2018	2017
	\$'000	\$'000
Trade receivables	392	77
Insurance settlement claim	407	-
Receivable from Inland revenue – MATC's	437	-
Other receivables	34	25
Prepayments	49	70
TOTAL	1,319	172

Trade receivables are generated from the sale of ACE and recovery of costs from associated entities. Other receivables include goods and services tax receivable at reporting date. Both amounts are recorded at their estimated realisable value.

Prepayments are the unexpired portion of insurances paid in advance of \$49k.

Note 7 – Investment in Subsidiaries

Details of Iwi / Disputes and funds held	Principal Activity	Balance Date	Percentage held	Percentage held
			2018	2017
Charisma Developments Limited	Investment Holding	30-Sep	100%	100%
Te Ohu Kai Moana Portfolio Management Services Limited	Portfolio Management	30-Sep	100%	100%
Te Ohu Kai Moana Custodian Limited	Custodial Services	30-Sep	100%	100%
Te Ohu Kai Moana Development Fisheries Limited	Non-trading	30-Sep	100%	100%
Te Putea Whakatupu Trustee Limited	Trustee	30-Sep	100%	100%
Te Wai Māori Trustee Limited	Trustee	30-Sep	100%	100%

The single share in Te Putea Whakatupu Trustee Limited and Te Wai Māori Trustee Limited is held jointly by the directors of Te Ohu Kai Moana Trustee Limited.

Note 8 – Assets held for Distribution to Iwi

	NOTES	2018 \$'000	2017 \$'000
Te Ohu AFL shares	(i)	81,713	81,713
AFL income shares held in trust for iwi	(ii)	5,447	5,447
Redeemable Preference Shares	(iii)	20,000	20,000
Balance as at 30 September		107,160	107,160

The Act states that the Trust must retain control of 100% of the 125,000 voting shares and 20% of the 250,000 income shares in AFL. The balance of the income shares are to be held in trust for iwi until they are allocated. See (ii) below.

On 4 June 2015 iwi resolved to make significant changes to the governance arrangements established under the Māori Fisheries Act 2004 (the Act), including the transfer to iwi of all shares held by Te Ohu Kai Moana in AFL. A report, setting out the resolutions agreed by iwi, arising from the s114 review, and detailing amendments required to the Act to implement the changes, was prepared and delivered to the Minister for Primary Industries on 30 September 2016. A draft amended Act, enabling the decisions to be implemented, has been subsequently delivered to the Minister by the end of 2016 for consideration and inclusion in the Government’s legislative programme.

(i) Te Ohu AFL shares

Te Ohu Kai Moana’s interest in AFL was previously recognised as an investment in associate applying the equity accounting method. Due to the resolutions passed by iwi Te Ohu Kai Moana’s interest in AFL, including the RPS (see (iii) below), have been reclassified to assets held for distribution to iwi and recognised at the lower of their carrying amount and fair value less cost to distribute as at 30 September 2018.

The amount of equity within the Trust, that represents the carrying value of the assets as at 30 September, has been separated from the Trust capital and retained earnings and disclosed as a separate component of Trust equity.

The timing of the actual distribution to iwi is uncertain due to the need for future legislative amendments to be enacted. However, there is a clear intention to distribute the assets in accordance with the resolutions agreed by iwi.

Refer to Note 1 for further background on this matter.

Te Ohu Kai Moana Group

(ii) AFL income shares held in trust for iwi

	2018	2017
	\$'000	\$'000
AFL Income Shares held in trust	5,447	5,447

The Act required the Trust to hold 80% of the income shares in AFL, received on the Appointed Day, 29 November 2004, for allocation and transfer to iwi. The Trust recorded the investment based on the net asset value of AFL at the Appointed Day.

Up to 30 September 2015 the movement in net assets reported by AFL each year was added to the value of the remaining income shares held in trust in the proportion that the number of shares held relates to the total income shares on issue. These assets continue to be classified within the Māori Fisheries Act reserves section in equity.

As at 30 September 2016 the Trust's share of the change in AFL's net assets is no longer added to the carrying value of the shares held in trust for iwi. The AFL income shares held in trust for iwi are recognised at the lower of carrying amount and fair value less cost to distribute.

The total number of shares held in trust as at 30 September 2018 as follows:

Iwi	Number of	Number of
	shares held in trust	shares held in trust
	2018	2017
	\$'000	\$'000
Te Whanau a Apanui	2,978	2,978
Ngati Tama	354	354
TOTAL	3,332	3,332

The value of assets held in trust for iwi in relation to AFL income shares is:

	2018			2017		
	AFL income share value	Dividends	MATCs	AFL income share value	Dividends	MATCs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Te Whanau a Apanui	4,866	674	509	4,866	559	484
Ngati Tama	579	80	60	579	66	58
Muaupoko	-	-	2	-	-	2
TOTAL	5,445	754	571	5,445	625	544

Te Ohu Kai Moana Group

Refunds of Māori Authority Tax Credits (MATCs) relating to AFL income shares held in trust are accounted for when received from IRD.

(iii) Redeemable Preference Shares (“RPS”)

On 22 December 2004, the Trust received \$20 million face value of RPS issued by AFL Investments Limited (a wholly owned subsidiary of Aotearoa Fisheries Limited) in satisfaction of loans owed by AFL to the Trust. The RPS are supported by a guarantee from and a put option to AFL. The RPS were subsequently transferred to Charisma Developments Limited, a wholly owned subsidiary of the Trust.

The non-interest bearing redeemable preference shares comprise 20 million shares with an issue price of \$1 per share. In the case of liquidation of AFL Investments Limited the RPS will be repaid in priority to other classes of equity in AFL Investments Limited.

The RPS agreement allows the Trust to put the RPS to AFL at any date from 29 November 2011 to 29 November 2019. The redemption price is to be determined through negotiation between the parties, but cannot exceed \$1 per share.

During the 2016 financial period iwi resolved that the RPS held by Te Ohu Kai Moana should be cancelled, converted into ordinary shares and distributed to iwi at the same time as the voting and income shares.

	2018	2017
	\$'000	\$'000
Carrying value at reporting date	20,000	20,000

Under the Trust’s investment structure, Te Ohu Kai Moana Portfolio Management Services Limited (Portfolio Management Services) was established to assume the overall administration and management of the Joint Investment Portfolio for the Trust and its two associated trust entities, Te Putea Whakatupu and Te Wai Māori.

The Directors of Portfolio Management Services are currently members of Te Ohu Kai Moana Trust’s Audit & Risk Committee plus the Chair of Te Ohu Kai Moana Trustee Limited.

The legal title of all investments in the joint portfolio are held in the name of Te Ohu Kai Moana Custodian Limited as custodian. The custodian has no beneficial interest in any of the assets registered in its name.

The Trust shares on a proportional basis the income generated and valuation movements based on the percentage held of the total portfolio.

Note 9 – Financial Investments

	2018	2017
	\$'000	\$'000
Balance as at 1 October	85,494	78,959
Gains on investment portfolio	6,746	7,835
Withdrawals during the year	(1,800)	(1,300)
Balance as at 30 September	90,440	85,494

Note 10 – Quota Shares

	2018	2017
	\$'000	\$'000
Year ended 30 September		
Opening net book amount	24,862	24,862
Allocated to iwi	(3,426)	-
Closing net book amount	21,436	24,862
Deemed cost	21,436	21,436
Net book value	21,436	24,862

Cost is represented by the fair value of the quota parcel vested in the Trust on the 29 November 2004. The original fair value of the quota parcel was determined through an independent valuation process. The parcel remaining as at 30 September 2018 was tested for impairment by having the quota shares valued on 1 October 2018 by two independent valuers.

The market value of the portfolio of the quota shares held ranged from \$24.2 million to \$30.3 million after allowing for costs to sell. As the carrying value of the quota shares held was less than the market value, no impairment has occurred.

Included in the above total is \$184,000 (2017: \$184,000) of quota shares relating to the Trust's participation in development fisheries at reporting date. These quota shares do not form part of the quota shares held in trust for allocation to iwi under the Act.

In September 2010 the Trust received an allocation of 25,628 New Zealand Units (NZUs) as part of the compensation to quota owners under the Fishing Allocation Plan allowed for in the Climate Change Response Act 2002. The NZUs will be allocated to iwi based on their proportionate share of the quota shares held by the Trust as at 24 September 2009. The total balance of NZUs for the Group as at 30 September 2018 is 11,938 units (2017: 11,938 units). No value was ascribed to the NZUs at balance date.

Note 11 – Payables and Accruals

	2018	2017
	\$'000	\$'000
Trade payables	196	706
Employee entitlements	129	205
Income received in advance	60	65
Other payables	239	56
TOTAL	624	1,032

Income received in advance relates to the April 2018 ACE round. All income from the sale of ACE is accrued and amortised over the twelve months of the fishing year. The revenue is then matched to the levies, charges and overhead expenses incurred on a monthly basis. When shares are transferred to iwi during the year, the levies and charges for the remainder of the fishing year are refunded to iwi. The balance of income received in advance is the un-amortised income for the six months from 1 October 2018 to 31 March 2019.

Note 12 – Māori Fisheries Act Assets Allocated but not Transferred

There were no assets allocated but not transferred as at 30 September 2018.

On 30 September 2017, the assets below had been allocated but not transferred to the relevant mandated iwi organisation, asset holding company or iwi listed. These assets were transferred on the 2nd October 2017. Assets allocated but not transferred are classified as liabilities in the balance sheet.

	Quota Shares	Quota Cash Shortfall	Total
2017	\$'000	\$'000	\$'000
Te Urungi o Ngati Kuri Limited	1,127	70	1,197
Te Aupouri Fisheries Mgt Limited	1,127	70	1,197
Ngaitakoto Holdings Limited	1,120	70	1,190
TOTAL	3,374	210	3,584

Note 13 – Property, Plant and Equipment

	Office equipment	Fixture & fittings	IT hardware	IT software	Leashold improvements	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2016							
Cost or Revaluation	115	168	159	63	457	-	962
Accumulated Depreciation	(111)	(155)	(128)	(63)	(457)	-	(914)
Opening Net Book Value	4	13	31	-	-	-	48
Year ended 30 September 2017							
Opening Net Book Value	4	13	31	-	-	-	48
Additions	-	-	23	-	-	177	200
Depreciation Charge	(3)	(4)	(16)	-	-	-	(23)
Closing Net Book Value	1	9	38	-	-	177	225
At 30 September 2017							
Cost or Revaluation	115	168	182	63	457	177	1,162
Accumulated Depreciation	(114)	(159)	(144)	(63)	(457)	-	(937)
Closing Net Book Value	1	9	38	-	-	177	225

Note 13 – Property, Plant and Equipment continued

	Office equipment	Fixture & fittings	IT hardware	IT software	Leashold improvements	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2018							
Opening Net Book Value	1	9	38	-	-	177	225
Additions	3	131	49	-	126	15	324
WIP allocated to asset categories	-	-	-	-	177	(177)	-
Depreciation Charge	(2)	(25)	(30)	-	(19)		(76)
Closing Net Book Value	2	115	57	-	284	15	473
At 30 September 2018							
Cost or Revaluation	118	299	231	63	760	15	1,486
Accumulated Depreciation	(116)	(184)	(174)	(63)	(476)	-	(1,013)
Closing Net Book Value	2	115	57	-	284	15	473

Note 14 – Related Party Disclosure

a) Distributions of settlement assets to iwi

2018	Quota Shares \$'000	Total cash \$'000	Total \$'000
Assets allocated & transferred			
Raukawa ki te Tonga	52	1	53
Total assets allocated & transferred	52	1	53
Assets from previous year allocated but not transferred			
Te Urungi o Ngati Kuri Limited	1,127	70	1,197
Te Aupouri Fisheries Mgt Limited	1,127	70	1,197
Ngaitakoto Holdings Limited	1,120	70	1,190
Total assets allocated & transferred	3,426	211	3,637
2017			
	Quota Shares \$'000	2018 \$'000	2017 \$'000
Assets allocated & transferred			
Ngati Maru	-	18	18
Total assets allocated and transferred	-	18	18

b) Distributions of settlement assets to associated trusts

Te Wai Māori Trust

Te Ohu Kai Moana Trust transferred \$1 million to Te Wai Māori Trust in accordance with the Māori Fisheries Act 2004 Section 103(3) during the year (2017: \$1 million).

c) Revenue from sale of ACE

Each year, ACE generated from the quota shares held by the Trust is sold to iwi and their representative organisations. In the year ended 30 September 2018, \$0.556 million (2017: \$0.591 million) of invoices were issued to related parties for the October 2017/2018 and April 2018/2019 fishing years.



Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure continued

d) ACE round disputes held in trust

Sale of ACE from disputes arising in relation to the October 2017 and April 2018 ACE rounds required ACE to be sold to third parties at market value. Proceeds from these sales, after the deduction of costs, are held in trust for iwi until disputes are resolved.

	2018	2017
	\$'000	\$'000
Balance as at 1 October	4,713	3,896
Income from sale of ACE	569	802
Income from interest	40	74
Administration costs incurred	(57)	(43)
Settled disputes distributed	(2,452)	(16)
Balance as at 30 September	2,813	4,713

Note 14 – Related Party Disclosure continued

e) Payments to Te Ohu Kai Moana Directors

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Te Ohu Kaimoana Board Members	Board	Audit & Risk	Remuneration & Appointments	Portfolio Management Services	2018 Total	2017 Total
Jamie Tuuta (Chairman)	75	-	3	-	78	88
Sir Mark Solomon (Deputy Chairman)	44	3	5	3	55	60
Ken Mair	35	-	-	-	35	38
Hinerangi Raumati-Tu'ua	35	6	-	3	44	54
Rangimarie Hunia	35	-	3	-	38	46
Selwyn Parata	35	-	3	-	38	41
Paki Rawiri	35	-	-	-	35	43
Pahia Turia (alternate)	2	-	-	-	2	-
Kim Skelton (alternate)	2	-	-	-	2	-
	298	9	14	6	327	366
Independent Audit & Risk Committee members and Directors of Portfolio Management Services						
George Crosby	-	1	-	1	2	8
Colleen Neville	-	3	-	3	6	8
Debra Birch	-	1	-	1	2	-
TOTAL	298	14	14	11	337	381

Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure continued

f) Te Ohu Kai Moana Director attendance at meetings

The directors attended the following meetings during the year:

	Appointed	Retired	Board	Audit & Risk	Remuneration	Portfolio Management Services	Total Meetings
Number of meetings held during the year			6	4	5	4	19
Te Ohu Kaimoana Board Members							
Jamie Tuuta (Chair from 22 Dec 15)	1 July 11		5	-	1	-	6
Sir Mark Solomon (Deputy Chair from 22 Dec 15)	14 Feb 13		6	4	5	4	19
Rangimarie Hunia	10 Feb 15		6	-	5	-	11
Ken Mair	23 Nov 11		5	-	-	-	5
Selwyn Parata	1 Dec 15		5	-	5	-	10
Hinerangi Raumati-Tu'ua	1 July 11		6	4	-	4	14
Paki Rawiri	1 Dec 15		4	-	-	-	4
Kim Skelton	31 Jul 18		2	-	-	-	2
Pahia Turia	31 Jul 18		2	-	-	-	2
Independent Audit & Risk Committee members and Directors of Portfolio Management Services:							
George Crosby	4 Jun 13	6 Mar 18	-	-	-	-	-
Colleen Neville	10 Feb 15		-	4	-	4	8
Debra Birch	6 Aug 18		-	-	-	-	-

Note 14 – Related Party Disclosure continued

g) Payments to Te Wai Maori Trustee Limited Directors from Te Wai Maori Trust

	Fees	Appointed	Retired	2018 \$'000	2017 \$'000
Directors					
Ken Mair (Chair)		17 Feb 12		27	22
Miria Pomare		2 Apr 13		13.5	12
Hera Smith		2 Apr 13	2 Feb 17	-	3
Abby Gordon (alternate)		5 Aug 13	1 Dec 16	-	1
Lisa Te HeuHeu		13 Apr 17		13.5	5
Donna Flavell (alternate)		9 May 17		10	3
TOTAL				64	46

h) Payments to Te Putea Whakatupu Trustee Limited Directors from Te Putea Whakatupu Trust

Fees	Appointed	Retired	2018 \$'000	2017 \$'000
Interim Directors (Court Appointed)				
WM Wilson (Chair)	8 Sep 16	1 Mar 17	-	12
RBD Drummond	8 Sep 16	1 Mar 17	-	10
G Mitchell	8 Sep 16	1 Mar 17	-	5
Directors				
Rangimarie Hunia (Chair)	4 Jul 17	27 Nov 17	4.5	5
William Te Aho (Chair)	1 Mar 17	4 Jul 17	-	-
Norman Dewes (Chair) from 28 Nov 17	1 Mar 17		22	7.5
William Jackson	1 Mar 17	24 Oct 17	3	7.5
Tureti Moxon	4 Apr 17	24 Oct 17	-	1
Diane Tuari (alternate)	4 Apr 17		-	-
Yvonne O'Brien	28 Nov 17		11	-
Kate Cherrington	28 Nov 17		13	-
TOTAL			53.5	48

Note: Alternate directors on the Te Putea Whakatupu Board are paid sitting fees. Diane Tuari was not required to attend any board meetings during the year.

Note 14 – Related Party Disclosure continued

i) Payments to Te Kawai Taumata

	2018	2017
	\$'000	\$'000
Te Kawai Taumata		
Iwi Nicholson (kua mate)	-	0.8
Sam Tamarapa	-	0.8
Mark Ngata (Chair)	-	1.2
Kevin Robinson (Deputy Chair)	-	1.0
Heemi Biddle	-	0.8
Puhirake Ihaka	-	0.8
Bill Ruru (kua mate)	-	0.8
Joseph Thomas	-	0.8
Donna Awatere-Huata	-	0.8
Carol Dodd	-	0.8
TOTAL	-	8

j) Subsidiaries, associates and other related parties

The Trust's wholly owned subsidiary, Charisma Developments Limited and all other entities that are established under the Māori Fisheries Act 2004 are considered to be related parties of the Trust.

	2018		2017	
	Income received/ Cost recoveries	Expenses paid	Income received/ Cost recoveries	Expenses paid
	\$'000	\$'000	\$'000	\$'000
Aotearoa Fisheries Limited	84	12	707	-
Sealord Group	1	-	-	-
Te Putea Whakatupu Trust	151	-	324	-
Te Wai Māori Trust	351	-	191	7
Takutai Trust	389	-	554	34
TOTAL	976	12	1,776	41

Note 14 – Related Party Disclosure continued

k) Key management remuneration

			2018	2017
	From	To	Total	Total
	\$'000	\$'000	No.	No.
Salaries and employee benefits	100,001	150,000	4	4
	150,001	200,000	2	1
	200,001	250,000	-	2
	250,001	300,000	1	-
	300,001	350,000	-	1
			7	8

l) Directors' interests

The Trust holds a register of interests for all directors of Te Ohu Kai Moana Trustee Limited and Te Ohu Kai Moana Portfolio Management Services Limited.

As at 30 September 2018, the Directors have the following interests:

JAMIE TUUTA (CHAIRMAN)

- > Te Ohu Kai Moana Custodian Limited (Director)
- > Charisma Development Limited (Director)
- > Aotearoa Fisheries Limited trading as Moana (Director)
- > Taranaki Whanui Limited and subsidiaries (Education PNBST Ltd, The Lodge at Shelley Bay Limited, Shelley Bay Ltd, Lowry Bay Section One Ltd, Port Nicholson Block Properties Ltd, TWL Trust Ltd, RFR General Partner Ltd, White Lines East Ltd Tramways Ltd (Director)
- > Taranaki Iwi Claims Management Limited (Director)
- > Tourism New Zealand Board (Member)
- > Venture Taranaki Trust (Trustee)
- > Te Runanga o Ngati Mutunga (Chair)
- > Ngati Mutunga Investment Charitable Trust (Trustee)

- > Ngati Mutunga Community Development Charitable Trust (Trustee)
- > Maori Television Service (Chair)
- > Te Pakihi o Maru Management Ltd

SIR MARK SOLOMON

- > Oaro M Incorporation (Member)
- > Ngāti Ruanui Holdings (Director)
- > He Toki ki te Rika / ki te Mahi (Patron)
- > Deep South NSC Governance Board (Member)
- > Sustainable Seas NSC Governance Board (Member)
- > Liquid Media Operations Ltd (Shareholder)
- > Te Ohu Kai Moana Portfolio Management Services Limited (Director)
- > Pure Advantage (Trustee)
- > Taranaki Capital Partners (Director)



Te Ohu Kai Moana Group

- › Urban Development Strategy Implementation Committee (Member)
- › Police Commissioners Maori Focus Forum (Member)
- › Post Settlement Advisory Group (Member)
- › Guardian of Kaikoura (Member)
- › Te Korowai o Te Tai o Marokura (Member)
- › Seed Limited (Chairman)
- › Quakecore (Member)
- › Rangitane Holdings Ltd (Board Chairman)
- › Rangitane Investments Ltd (Board Chairmain)
- › Maori Carbon Foundation (Chair)
- › NZCF – Carbon Planting Advisory Ltd (Director)

HINERANGI RAUMATI – TU’UA

- › Aotearoa Fisheries Limited (Director)
- › Te Ohu Kai Moana Portfolio Management Services Ltd (Director)
- › Parininihi ki Waitotara Incorporation (Chair)
- › Parininihi ki Waitotara Farms General Partner Ltd (Chair)
- › Parininihi ki Waitotara Trust (Trustee)
- › Nga Miro Trust (Chair)
- › Port Nicholson Fisheries General Partner Ltd (Director)
- › Taranaki Iwi Holdings Ltd (Director)
- › Koura Inc General Partner Ltd (Director)
- › Venture Taranaki (Board Member)
- › Te Kiwai Maui o Ngaruahine Ltd (Chair)
- › Nga Kai Tautoko GP Ltd (Chair)
- › Te Whakakítenga o Waikato Inc Society (Executive Committee Member)
- › Tainui Group Holdings Ltd (Director)

- › Tax Working Group (Member)
- › Sealord Group Ltd (Director)
- › Kura Ltd (Director)

KEN MAIR

- › Tupoho Investment Ltd (Chair)
- › Tupoho Whanau Trust (Chair)
- › Heeni Investment Company Ltd (Chair)
- › Te Wai Maori Trustee Ltd (Chair)
- › Whanganui Inspire Health Fitness Ltd (Chair)
- › Consultancy Services Aotearoa Ltd (Chair)
- › Whanganui Land Settlement (Chair/Lead Negotiator)
- › Pakaitore Trust (Trustee)
- › Resource Recovery Centre (Chair)

PAKI RAWIRI

- › Ngati Tuwharetoa Asset Holding Company Ltd (Director)

RANGIMARIE HUNIA

- › Manaiakalani Education Trust (Trustee)
- › Tupu Toa Charitable Trust (Co-Chair)
- › Ngati Whatua Orakei Whai Maia Ltd (Chief Executive)
- › Ngati Whatua o Orakei Health Clinic Ltd (Director)
- › Ngati Whatua o Orakei Health & Social Needs Ltd (Director)
- › Orakei Health Services Ltd (Director)
- › Westpac Sustainability Advisory Panel (Panellist)
- › Western Springs College – Ngā Puna o Waiorea (Trustee)

Te Ohu Kai Moana Group

SELWYN PARATA

- › Te Runanganui o Ngati Porou (Chairman)
- › Whareponga Marae (Chairman of Marae Committee & Trustees)
- › Hiruharama Marae (Chairman of Marae Committee & Trustees)
- › Pakihiroa Farms Ltd (Chairman/Director)
- › Ngati Porou Whanui Forests (Director)
- › Pohutu Incorporation (Chairman)
- › Te Matatini (Chairman)
- › NZ Police Commissioner Māori Focus Forum (Member)
- › Iwi Leadership Forum (Member)
- › Pihopatanga o Aotearoa Trust Board (Chairman)
- › Whanau Ora Partnership (Iwi Chairs Representative)
- › Hikurangi Takiwa (Trustee)

KIM SKELTON

- › Te Kotahitanga o Te Atiawa Trust (Trustee)
- › Te Atiawa Iwi Holdings Ltd Partnership (Director)
- › Te Atiawa (Taranaki) Holdings Limited (Director)
- › Greater Wellington Regional Council – Finance, Risk and Assurance Committee (Member)

PAHIA TURIA

- › Te Runanga o Ngā Wairiki/Ngāti Apa (Chair)
- › Te Pou Matakana (Director)
- › Tuhono Ltd (Member)
- › Te Hou Farms Ltd (Chair)
- › Regional Economic Growth Strategy Leadership Group Accelerate 25 (Member)
- › Te Roopu Ahi Kaa, Rangitikei District Council, Iwi Relationship Board (Chair)
- › Te Manu Atatū Māori Business Network (Deputy Chair)

- › Whanganui & Partners Economic Development Agency (Director)
- › Māori Economic Strategy Group, Te Pai Tawhiti (Chairman)
- › Whanganui Chamber of Commerce (Member)
- › National Iwi Chairs Forum, Coordination Group (Member)
- › Taipak Ltd (Director)
- › Appliance Repair Care (Director)
- › JP Global Ltd (Director)
- › Taipak Properties (Director)
- › Taipak Developments Ltd (Director)
- › PART4U Ltd (Director)

GEORGE CROSBY

- › Te Ohu Kai Moana Portfolio Management Services Limited (Director)
- › Guardians of New Zealand Superannuation Fund (Employee)

COLLEEN NEVILLE

- › Te Arawa Group Holdings Limited (Chief Executive Officer)
- › Te Arawa Agribusiness Limited (Director)
- › Te Arawa Forestry Limited (Director)
- › Te Arawa Geothermal Limited (Director)
- › Te Arawa Property Holdings Limited (Director)
- › Te Arawa Tourism Limited (Director)
- › Te Kakano Whakatipu Limited (Director)
- › New Zealand Forest Research Institute Limited (Director)
- › Te Ohu Kai Moana Portfolio Management Services Limited
- › Poutama Trust (Trustee)
- › NZ Tourism (Director)
- › Iwi Collective Orchards Ltd Partnership (Director)



Te Ohu Kai Moana Group

DEBRA BIRCH

- › THR General Partner Ltd (Director)
- › LGNZ Independent Assessment Board (Director)
- › Ngā Awa Group Holdings Limited and subsidiaries (Director)
- › Taupo Moana Investments Limited and subsidiaries (Director)
- › Crown Irrigation Investments Limited (Director)
- › Ruapehu Alpine Lifts Limited (Director)
- › Te Pūia Tāpapa GP Limited (Director)
- › Tourism Holdings Limited (Director)
- › Wellington Free Ambulance Trust (Trustee)
- › Raukawa ki Te Tonga Trust (Trustee)
- › Te Ohu Kai Moana Portfolio Management Services Limited (Director)
- › NZ Venture Investment Fund (Director)
- › Te Ohu Kai Moana Trust (Independent member of Audit & Risk)

(m) Employees' interests

The Trust holds a register of relevant interests for all employees.

As at 30 September 2018 senior employees have the following relevant interests:

DION TUUTA

- › Te Ohu Kai Moana Custodian Limited (Director)
- › Parininihi ki Waitotara Incorporation (Director)
- › Port Nicholson Facilities General Partner Limited (Director)
- › Koura Inc General Partner Limited (Director)
- › TSB Bank (Director)

ALAN RIWAKA

- › Challenger Oyster Management Company Limited (Director)
- › Te Ohu Kai Moana Development Fisheries Limited (Director)
- › Northland Enhancement Company (Director)
- › Coromandel Scallop Enhancement Company (Director)
- › Eel Enhancement Company (Director)

KIRSTY WOODS

- › Potaka Whanau Trust (Trustee)
- › Deepwater Group Limited (Alternate Director)
- › Aquaculture New Zealand Ltd (Alternate Director)

DESIREE REYNOLDS

- › Te Ohu Kai Moana Custodian Limited (Director)

Te Ohu Kai Moana Group

n) Aotearoa Fisheries Limited Directors appointed by Te Ohu Kai Moana Trustee Limited

Directors	Appointed/Retired
Whaimutu Kent Dewes	Appointed 1 Oct 11
Alan Gourdie	Appointed 1 Nov 13
Anthony Hannon	Appointed 1 Nov 13
Hinerangi Raumati	Appointed 29 Nov 12
Jamie Tuuta	Appointed 15 Jul 11
Elizabeth Ward	Appointed 1 Nov 13
Rachel Taulelei	Appointed 1 Dec 15

Note 15 – Commitments

	2018	2017
	\$'000	\$'000
(i) Operating Lease Commitments		
Future minimum rentals payable under non-cancellable operating lease as at 30 September are as follows:		
Payable within one year	131	129
One to two years	131	127
Two to five years	372	498
Beyond five years		
	634	754

The Trust has entered into commercial operating leases on an office building and certain office equipment.

These leases have an average life of between one and six years with no renewal option included in the contracts, except for the office building which has 2 rights of renewal of 3 years each. There are no restrictions placed upon the lessee by entering into these leases.

(ii) Capital Commitments

There are no capital commitments as at 30 September 2018 (2017: nil).

Note 16 – Financial Risk Management

The Trust's principal financial instruments comprise cash and call, a share in the joint investment portfolio, receivables, and payables.

The Trust contracts Te Ohu Kai Moana Portfolio Management Services Limited to manage its share in the joint investment portfolio including its exposure to key financial risks, particularly the credit and interest rate risk in accordance with the statement of investment policies and objectives. The objective of the policy is to support the delivery of the Trust's financial targets whilst protecting future financial security.

Exposure to credit and interest rate risks arise in the normal course of the Trust's business. The Trust is risk averse and has policies that seek to minimise its risk exposure from its treasury activities.

Liquidity risk

The Trust maintains prudent liquidity risk management that includes maintaining sufficient cash in accordance with its cash flow forecast and an investment portfolio that includes readily convertible to cash instruments.

All payables recorded within the Trust financial statements are current liabilities. Maori Fisheries Act "assets allocated but not transferred" are dependent upon the respective iwi completing certain formalities required under the Act to receive those assets and this process may take longer than 12 months. The Group has no long-term debt.

The amounts identified as Maori Fisheries Act Classified Reserves are held in trust until the respective iwi are either mandated in accordance with the Act or reach agreement on the distribution of assets in relation to their respective coastlines or harbours. Any cash amounts included amongst these reserves are included in cash flow forecasts as soon as the likelihood of any payment being required is identified.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. It arises from the financial assets of the Trust, which comprise cash, call and term deposits, trade and other receivables and financial assets at fair value through profit and loss.

The Trust's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The carrying amounts of these instruments that are presented in the balance sheet are the maximum exposure at reporting date.

The Trust does not hold any credit derivatives to offset its credit exposure.

The Trust does not require any collateral or security to support transactions with financial institutions. The counterparties used for banking and finance activities are financial institutions with high credit ratings and sovereign bodies.

The Trust limits the amount of credit exposure to any one financial institution.

Fair values

The carrying value of the financial instruments as detailed in note 9 and as disclosed in the balance sheet is the fair value.

Credit facilities

The Trust has a Business MasterCard Facility limit of \$8,000 (2017: \$11,000) and a Payroll Letter of Credit Facility limit of \$100,000 (2017: \$100,000).

Note 17 – Events Subsequent to Balance Date

Under s103(3) of the Act, Te Ohu Kai Moana Trust must pay not less than \$1 million per year, until a total sum of \$20 million has been received by Te Wai Maori Trust, including the \$10 million previously transferred under s137(1)(b). \$1 million was transferred to Te Wai Maori Trust on 31 October 2018 (2017: \$1 million). Total transferred to date is \$18 million (2017: \$17 million).

Independent auditor’s report to the Beneficiaries of Te Ohu Kai Moana Group Report on the audit of the financial statements

Opinion

We have audited the financial statements of Te Ohu Kai Moana Group (“the Group”) on pages 67 to 102, which comprise the balance sheet of the Group as at 30 September 2018, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended of the Group, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 67 to 102 present fairly, in all material respects, the financial position of the Group as at 30 September 2018 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

This report is made solely to the Group’s beneficiaries as a body. Our audit has been undertaken so that we might state to the Group’s beneficiaries those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group’s beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides other assurance services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Information other than the financial statements and auditor’s report

Those charged with governance are responsible for the Annual Report, which includes information other than the financial statements and auditor’s report which is expected to be made available to us after this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Those charged with governance responsibilities for the financial statements

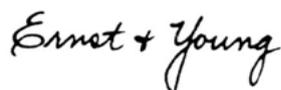
Those charged with Governance are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>. This description forms part of our auditor's report.



Chartered Accountants
Wellington
12 December 2018



TE OHU KAI MOANA TRUSTEE LIMITED

Performance Report

For the Year Ended 30 September 2018

Contents

106—Directors' Report
107—Annual Report
108—Statement of Financial Performance
109—Statement of Changes in Equity
110—Balance Sheet
111—Notes to the Financial Statements
112—Auditor's Report

Te Ohu Kai Moana Trustee Limited

Directors' Report

The Directors for Te Ohu Kai Moana Trustee Limited for the year covered by this report were:

Jamie Tuuta (Chair)	Appointed Director 1 July 2011
Sir Mark Solomon (Deputy Chair)	Appointed Director 14 February 2013
Hinerangi Raumati	Appointed 1 July 2011
Ken Mair	Appointed 23 November 2011
Rangimarie Hunia	Appointed 1 Dec 2015
Selwyn Parata	Appointed 1 Dec 2015
Paki Rawiri	Appointed 1 Dec 2015

Share Capital:

One Ordinary Share

Joint shareholders:

All Directors, are joint shareholders of the Company.

Registered Office:

Level 4, The Woolstore –
Professional Centre
158 The Terrace
Wellington 6140
NEW ZEALAND

Principal Activities:

The Company's activities are limited to acting as trustee for Te Ohu Kai Moana Trust and The Maori Commercial Aquaculture Settlement Trust (Takutai Trust).

For and on behalf of the Board

Director

28 November 2018

Date

Annual Report

For the Year Ended 30 September 2018

The Board of Directors present their annual report including the performance report of the Company for the year ended 30 September 2018.

The shareholder of the Company has exercised its right under section 211 (3) of the Companies Act 1993 and agreed that this annual report need not comply with any of the paragraphs (a) and (e) to (j) of subsection (1) of section 211 of the Act.

For and on behalf of the Board



Director



Director

28 November 2018

Date



Te Ohu Kai Moana Trustee Limited

Statement of Financial Performance For the Year Ended 30 September 2018

	2018	2017
	\$	\$
Expenses Recovered from Te Ohu Kai Moana Trust and Takutai Trust	-	-
Gross Income	-	-
Trustee Expenses	-	-
Total Expenses	-	-
Net Surplus / (Loss)	-	-
Tax expense	-	-
Net Surplus / (Loss) After Tax	\$ -	\$ -

The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Year Ended 30 September 2018

	Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2017	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2018	\$ -	\$ -	\$ -

	Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2016	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2017	\$ -	\$ -	\$ -

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Te Ohu Kai Moana Trustee Limited

Balance Sheet

As at 30 September 2018

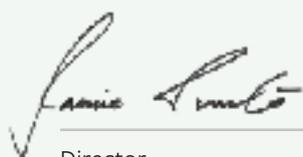
	2018	2017
	\$	\$
Total Capital	\$ -	\$ -

Represented by –

Net Assets	\$ -	\$ -
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The above balance sheet should be read in conjunction with the accompanying notes.

Signed on behalf of the Board of Directors who authorised these financial statements for issue on 28 November 2018.



Director



Director

Notes to the Financial Statements

For the Year Ended 30 September 2018

Note 1 – Reporting Entity

Te Ohu Kai Moana Trustee Limited (the Trustee) is a company registered under the Companies Act 1993 and was incorporated on 26 November 2004.

The activities of the Company are restricted by the Maori Fisheries Act 2004 and the Maori Commercial Aquaculture Claims Settlement Act 2004 to acting as the trustees of Te Ohu Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust (Takutai Trust) respectively.

The Board of Te Ohu Kai Moana Trustee Limited also holds a single share in Te Putea Whakatupu Trustee Limited and Te Wai Maori Trustee Limited.

In 2009, the Trustee became the single shareholder in Te Ohu Kaimoana Portfolio Management Services Limited and Te Ohu Kai Moana Custodian Limited respectively.

Apart from that, the Company undertakes no other activities.

The Trustee is reimbursed from each trust's fund for all costs it incurs in its capacity as trustee.

The Company is domiciled in New Zealand.

Note 2 – Summary of Significant Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity, financial position have been established and consistently applied:

a) Basis of Preparation

The Company is permitted by law to apply PBE SFR-C (NFP) *Public Benefit Entity Simple Format Reporting – Cash (Not-For-Profit)* and has elected to do so. All transactions are reported on a cash basis.

Note 3 – Related Party Disclosure

The Trustee administers both Te Ohu Kai Moana Trust and Takutai Trust, and is reimbursed by these trusts for all trustee expenses.

Note 4 – Events Subsequent to Balance Date

There were no events subsequent to balance date requiring reassessment of estimates made at reporting date, or disclosure in these financial statements.

Independent auditor's report to the Shareholders of Te Ohu Kai Moana Trustee Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Te Ohu Kai Moana Trustee Limited ("the Company") on pages 108 to 111, which comprise the balance sheet of the Company as at 30 September 2018, and the statement of financial performance and statement of changes in equity for the year then ended of the Company, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 108 to 111 present fairly, in all material respects, the financial position of the Company as at 30 September 2018 and its financial performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting - Cash (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

This report is made solely to the Company's shareholder, as a body. Our audit has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. We have no other relationship with, or interest in, the Company.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Directors' responsibilities for the financial statements

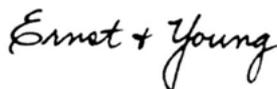
The directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting - Cash (Not-For-Profit), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing on behalf of the entity the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>. This description forms part of our auditor's report.



Chartered Accountants
Wellington
12 December 2018



THE MĀORI COMMERCIAL AQUACULTURE SETTLEMENT TRUST (TAKUTAI TRUST)

Financial Statements

For the Year Ended 30 September 2018

Contents

115—Trustee’s report
116—Statement of Service Performance
119—Statement of Financial Performance
120—Statement of Changes in Equity
121—Statement of Financial Position
122—Statement of Cash Flow
123—Notes to the Financial Statements
129—Auditor’s Report

Trustee's Report

For the Year Ended 30 September 2018

Legal Name of Entity:

Maori Commercial Aquaculture Settlement Trust
(the "Trust")

Other Name of Entity (if any):

Takutai Trust

Type of Entity and Legal Basis:

Registered Charity – Charity number CC33531

Physical Address:

Level 4, The Woolstore Professional Centre
158 The Terrace
Wellington 6011

Postal Address:

PO Box 3277
Wellington 6140

Entity's Purpose or Mission:

The Trust was established pursuant to the Maori Commercial Aquaculture Claims Settlement Act 2004 (the Act). In accordance with the Act, the objectives of Takutai Trust involve representing Maori interests in relation to the aquaculture settlement and holding and transferring to iwi settlement assets received from the Crown and regional councils.

Entity Structure:

The Act appointed Te Ohu Kai Moana Trustee Limited (the Trustee) to act as corporate trustee and provides for the reasonable costs and expenses of the Trustee in carrying out its duties to be met from money appropriated by Parliament. That money is provided to the Trustee in accordance with a funding agreement between Te Ohu Kai Moana Trustee and the Crown.

Main Sources of the Entity's Cash and Resources:

On 5 August 2005 a funding agreement was signed with the Ministry for Primary Industries to cover services provided and costs recovered by Te Ohu Kai Moana

Trustee Limited on behalf of Takutai Trust. In each year, funding from the Ministry for Primary Industries will, from money appropriated by parliament for that purpose, meet the reasonable costs and expenses of the Trustee in performing its duties under section 38(1) as required by the Act. The trustee will neither profit nor itself bear any of those costs or expenses as a result of carrying out those duties. The Ministry provides funding in accordance with an agreed budget each year.

At year end, actual variances against the budget are either refunded to the Ministry or topped up if required.

Main Methods Used by the Entity to Raise Funds:

Takutai does not raise funds.

Entity's Reliance on Volunteers and Donated Goods or Services:

Takutai does not rely on volunteers and donated goods or services to raise funds.

For and on behalf of the Trustee:



Director

28 November 2018

Date

Statement of Service Performance For the Year Ended 30 September 2018

Trust Outcomes

Te Ohu Kai Moana Trustee Limited (Te Ohu Kaimoana) is the corporate trustee of the Maori Commercial Aquaculture Settlement Trust, known as Takutai Trust (the Trust). The purpose of the Trust is to:

- › facilitate regional aquaculture settlements between Iwi Aquaculture Organisations (IAOs) of a region and the Crown.
- › receive regional aquaculture settlement assets;
- › hold and maintain those settlement assets; and
- › facilitate the allocation and transfer of those regional aquaculture settlement assets to relevant iwi.

Trust Outputs

Priorities for 2017 – 2018 year:

Note that for each regional new space and pre-commencement space settlement, there are two agreements required; a regional agreement signed between iwi and the Crown outlining the details of the settlement; and an allocation agreement signed between all iwi in the region, which is an agreement on how the settlement assets will be shared between them. The tables below outline progress made toward both the regional settlement with the Crown and the allocation of assets to iwi.

Pre-commencement space settlements

Iwi in Northland, Bay of Plenty, Wellington, and Marlborough regions sign allocation agreements for regional pre-commencement space settlement assets and Te Ohu Kaimoana transfers those assets in accordance with those agreements.

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Northland	The Crown transferred the remaining settlement pre-commencement assets for Northland to Te Ohu Kaimoana using the Financial Equivalent Method.	March 2017	Allocation agreements for Parengarenga Harbour and Houhora Harbour and assets transferred to iwi. Allocation of the remaining assets will need to go through a disputes resolution process and will ultimately require an amendment to the Maori Commercial Aquaculture Claims Settlement Act 2004 (the Act) to allow for allocation.	October 2016 for Harbour assets. Have engaged with Northland Iwi regarding amending the Act as an alternative to a disputes resolution process.

Takutai Trust

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Bay of Plenty	Regional Agreement signed.	2014	This will require an amendment to the Act to allow for allocation.	Have engaged with Bay of Plenty Iwi regarding amending the Act and are working with them to develop an allocation methodology.
Wellington	The Crown transferred the remaining settlement pre-commencement assets for Wellington to Te Ohu Kaimoana using the Financial Equivalent Method.	March 2017	Allocation discussions between all 6 Wellington IAOs have commenced.	Ongoing.
Marlborough	Iwi accepted the Crown offer for its additional settlement obligations, and those assets transferred to Te Ohu Kaimoana pending allocation.	June 2017	Allocation Agreement executed and assets transferred in accordance with that agreement.	June 2018.

Interim space settlements

- Te Ohu Kaimoana to assist the 8 Iwi in the Tasman region to establish a company owned jointly with all Tasman IAOs having equal shares and concurrently have all those IAOs also sign an allocation agreement that has each iwi having 8 equal shares in every authorisation and that directs Te Ohu Kaimoana to transfer the authorisations into the joint company.

Region	Representative Space Agreement	Date of Representative Space Agreement	Allocation agreement	Date of Allocation Agreement
Tasman	Representative Space Agreements signed between iwi, Te Ohu and the applicants for each of the 8 Subzones.	October 2017	Allocation Agreement executed and assets transferred in accordance with that agreement.	September 2018.

Takutai Trust

New space settlements

- › Iwi in the Canterbury and Southland regions sign regional agreements with the Crown to satisfy the Crown's regional new space obligations.
- › Iwi in the Northland, Wellington, Marlborough, Canterbury and Southland regions sign allocation agreements and Te Ohu transfers assets in accordance with those agreements.

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Northland	S.11(5) 'default' transfer of assets to Te Ohu Kaimoana.	December 2015	We are working with Northland IAOs to have them submit Schedule 1 Coastline Allocation Entitlement Claims.	Ongoing.
Wellington	S.11(5) 'default' transfer of assets to Te Ohu Kaimoana.	June 2016	Allocation discussions between all 6 Wellington IAOs have commenced.	Ongoing.
Marlborough	Regional Agreement signed.	July 2015	Allocation Agreement executed and assets transferred in accordance with that agreement.	June 2018.
Canterbury	Regional Agreement signed.	September 2018.	Allocation Agreement executed and assets transferred in accordance with that agreement.	September 2018.
Southland	In progress	-	-	-

In addition:

- › We provided the Minister of Fisheries with a proposal to amend the Act.
- › We worked with Fisheries New Zealand to determine the scope of the review of the Minister's New Space plan.
- › Preliminary discussions have commenced between Crown and Iwi in the Bay of Plenty and Waikato (West) regions, as new space settlements need to be completed in those regions due to unforecasted applications for aquaculture development being lodged with the relevant councils.
- › Investigations for suitable aquaculture space in Southland are ongoing. To accommodate these searches, the Minister for Fisheries granted a further 12-month extension to the timeframe for which a regional new space settlement needs to be completed. The expiry date is now 28 February 2019.
- › We assisted Marlborough IAOs to consider their options following the release of the report and recommendations from the Marlborough Sounds Salmon Farm Relocation Advisory Panel for the relocation of salmon farms in the Marlborough Sounds.
- › We continued to participate as a member of the Reference Group established to consider an improved National Direction for aquaculture.

Takutai Trust

Statement of Financial Performance For the Year Ended 30 September 2018

	Note	2018 \$'000	2017 \$'000
Revenue			
Interest received on settlement assets held by Trustee		649	782
Funding received from Ministry for Primary Industries		557	496
Interest received on funding		(2)	1
Total Revenue		1,204	1,279
Expenses			
Administration		4	2
Fees paid to auditor – financial statements		5	5
Fees paid to auditor – funding agreement review		4	4
Apportioned Trustee Overheads	6	319	374
Professional services	6	185	76
External reporting & communication		7	4
Travel & accommodation		31	32
Allocations to settlement assets held on behalf of iwi		649	782
Total Expenses		1,204	1,279
Surplus/(Deficit) for the Year		-	-

The above statement of financial performance should be read in conjunction with the accompanying notes.

Takutai Trust

Statement of Changes in Equity For the Year Ended 30 September 2018

	Trust Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 October 2017	-	-	-
Settlement assets received from the Crown	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Allocation of settlement assets to iwi	-	-	-
Balance at 30 September 2018	\$ -	\$ -	\$ -
	Trust Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 October 2016	-	-	-
Settlement assets received from the Crown	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Allocation of settlement assets to iwi	-	-	-
Balance at 30 September 2017	\$ -	\$ -	\$ -

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Takutai Trust

Statement of Financial Position

As at 30 September 2018

	Note	2018 \$'000	2017 \$'000
EQUITY			
Retained Earnings		-	-
TOTAL EQUITY			
-			
Represented by -			
CURRENT ASSETS			
Bank accounts and cash	7	9,043	38,520
Ministry of Primary Industries		29	-
GST receivable		11	45
Receivables	8	1,283	-
TOTAL ASSETS			
10,366			
38,565			
CURRENT LIABILITIES			
Settlement assets held on behalf of iwi			
Pre-commencement settlements	4	2,892	5,565
New Space Settlements	5	7,225	32,875
Ministry for Primary Industries		-	59
Other current liabilities	7	249	66
TOTAL LIABILITIES			
10,366			
38,565			
NET ASSETS			
-			
-			

The above balance sheet should be read in conjunction with the accompanying notes.

Signed on behalf of the Trustee who authorised these financial statements for issue on 28 November 2018.



Director



Director



Takutai Trust

Statement of Cash Flow

For the Year Ended 30 September 2018

	2018	2017
	\$'000	\$'000
Cash Flows from Operating Activities		
Cash was received from:		
Funding from Ministry for Primary Industries	557	496
Interest, dividends and other investment receipts	646	783
Settlement received from MPI – to be distributed to iwi	-	873
Cash was applied to:		
Payments to suppliers and employees	835	607
Distributions to iwi	29,845	425
Net cash flows from/(to) operating activities	(29,477)	1,120
Net Increase / (Decrease) in Cash	(29,477)	1,120
Opening Cash	38,520	37,400
Closing Cash	9,043	38,520
This is represented by:		
Bank Accounts and Cash	9,043	38,520

Notes to the Financial Statements For the Year Ended 30 September 2018

Note 1 – Reporting Entity

The Maori Commercial Aquaculture Settlement Trust (Takutai Trust) was established pursuant to the Maori Commercial Claims Settlement Act 2004 (the Act). In accordance with the Act, the objectives of Takutai Trust involve representing Maori interests in relation to the aquaculture settlement and holding, maintaining and transferring to iwi settlement assets received from the Crown and regional councils. Takutai Trust is domiciled in New Zealand.

Note 2 – Summary of Significant Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity, and financial position have been established and consistently applied.

Basis of Preparation

Takutai Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Basis of Measurement

The measurement and reporting of financial performance, movements in equity, financial position and cash flows is based on historical cost. Takutai Trust is considered a going concern.

Taxation

Takutai Trust is registered as a charitable organisation with the Department of Internal Affairs and is therefore treated as exempt from income tax.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated inclusive of GST.

Bank Accounts and cash

Bank accounts and cash in the Statement of Cash Flows comprise of cash balances and bank balances.

Receivables

Receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount or less an allowance for amounts to be uncollectible.

Impairment

The carrying amounts of Takutai Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, Takutai Trust determines the recoverable amount of the cash generating unit to which the asset belongs.

Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to Takutai Trust and the revenue can be reliably measured.

Settlement Liabilities

Regional agreements finalised and agreed between the Crown and iwi are held as current liabilities in the balance sheet until such time as iwi in the relevant region are able to agree on the share of assets.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (2017–nil).

Takutai Trust

Note 3 – Related Party Disclosure

The operations of Takutai Trust are administered by Te Ohu Kai Moana Trustee Limited, this year costs were \$319k (2017: \$374k). Cost incurred by the Trustee on behalf of the Trust of \$70k (2017: \$180k) are reimbursed by the Trust as they are incurred.

Directors' costs are recovered by Te Ohu Kai Moana Trustee Limited through the reimbursement process.

Note 4 – Pre-Commencement Settlements held on behalf of Iwi

	2018	2017
	\$'000	\$'000
Pre-commencement settlements		
Bay of Plenty Regional coastline & Ohiwa Harbour	2,419	2,338
Marlborough – Clifford Bay	-	315
Marlborough – post Agreement in Principle	-	1,471
Marlborough – D'Urville Island	-	560
Marlborough – additional post Agreement in Principle	-	415
Wellington	37	37
Northland	436	429
Pre-commencement settlements held on behalf of iwi	2,892	5,565
Pre-commencement space settlement assets received & distributed		
Opening Balance at 1 October	5,565	4,989
Settlements received:		
Marlborough	-	412
Northland	-	424
Wellington	-	36
Interest received while funds held by Trustee	123	129
Total settlements received	5,687	5,990
Distributions of settlement assets to:		
Northland – Houhora Harbour	-	(169)
Northland – Parengarenga Harbour	-	(256)
Clifford Bay settlement		
Ngati Apa ki te Ra To Trust	(35)	-
Ngati Koata Trust	(35)	-
Te Runganga o Ngati Kuia Trust	(34)	-

Takutai Trust

	2018	2017
	\$'000	\$'000
Ngati Rarua Iwi	(35)	-
Ngati Tama ki te Waipounamu	(34)	-
Te Runanga o Toa Rangatira	(35)	-
Te Runanga o Rangitane o Wairau Trust	(35)	-
Te Atiawa o Te Waka a Maui	(34)	-
Te Runanga o Ngai Tahu	(35)	-
Marlborough post agreement in principle settlement		
Ngati Apa ki te Ra To Trust	(165)	-
Ngati Koata Trust	(165)	-
Te Runganga o Ngati Kuia Trust	(164)	-
Ngati Rarua Iwi	(165)	-
Ngati Tama ki te Waipounamu	(164)	-
Te Runanga o Toa Rangatira	(165)	-
Te Runanga o Rangitane o Wairau Trust	(165)	-
Te Atiawa o Te Waka a Maui	(164)	-
Te Runanga o Ngai Tahu	(165)	-
Marlborough		
Ngati Apa ki te ra to Trust	(47)	-
Ngati Koata Trust	(47)	-
Te Runganga o Ngati Kuia Trust	(46)	-
Ngati Rarua Iwi	(47)	-
Ngati Tama ki te Waipounamu	(46)	-
Te Runanga o Toa Rangatira	(47)	-
Te Runanga o Rangitane o Wairau Trust	(47)	-
Te Atiawa o Te Waka a Maui	(46)	-
Te Runanga o Ngai Tahu	(47)	-
D'Urvillee Island Marlborough Region		
Ngati Apa ki te Ra To Trust	(63)	-
Ngati Koata Trust	(63)	-
Te Runganga o Ngati Kuia Trust	(62)	-

Takutai Trust

	2018	2017
	\$'000	\$'000
Ngati Rarua Iwi	(63)	-
Ngati Tama ki te Waipounamu	(62)	-
Te Runanga o Toa Rangatira	(63)	-
Te Runanga o Rangitane o Wairau Trust	(63)	-
Te Atiawa o Te Waka a Maui	(62)	-
Te Runanga o Ngai Tahu	(63)	-
Resident withholding tax	(12)	-
Total settlements distributed	(2,795)	(425)
Pre-commencement space funds held on behalf of iwi as at 30 September	2,892	5,565

Note 5 – New Space Settlements

	2018	2017
	\$'000	\$'000
New space settlements		
Canterbury region	1,263	-
Marlborough region	-	27,105
Northland	5,952	5,760
Wellington	10	10
New space settlements held on behalf of iwi	7,225	32,875
New space settlements assets received & distributed		
Opening Balance at 1 October	32,875	32,221
Settlements received:		
Canterbury region	1,263	-
Interest received while funds held by Trustee	526	654
Total settlements received	34,664	32,875

Takutai Trust

	2018	2017
	\$'000	\$'000
Distributions of settlement assets to:		
Marlborough Region		
Ngati Apa ki te Ra To Trust	(3,049)	-
Ngati Koata Trust	(3,049)	-
Te Runganga o Ngati Kuia Trust	(3,021)	-
Ngati Rarua Iwi	(3,049)	-
Ngati Tama ki te Waipounamu	(3,021)	-
Te Runanga o Toa Rangatira	(3,049)	-
Te Runanga o Rangitane o Wairau Trust	(3,049)	-
Te Atiawa o Te Waka a Maui	(3,021)	-
Te Runanga o Ngai Tahu	(3,044)	-
Resident Withholding Tax	(85)	-
Total settlements distributed	(27,438)	-
New space settlements assets held on behalf of iwi as at 30 September	7,225	32,875

Note 6 – Analysis of Expenses

Expense item	Analysis	2018	2017
		\$'000	\$'000
Apportioned Trustee Overheads	Infrastructure	55	44
	HR charge	264	330
	Total	319	374
Expense item	Analysis	2018	2017
		\$	\$
Professional Services	Consultant	112	39
	Legal	73	27
	Total	185	66

Takutai Trust

Note 7 – Analysis of Assets and Liabilities

Asset Item	Analysis	2018 \$'000	2017 \$'000
Bank accounts and cash	Westpac Cheque Account	36	17
	Westpac Call Account	636	30,405
	Westpac Term Deposit	8,371	8,098
Total		9,043	38,520

Liability Item	Analysis	2018 \$'000	2017 \$'000
Other current liabilities	Accounts Payable	159	44
	Accruals	90	22
Total		249	66

Note 8 – Events Subsequent to Balance Date

Receivables in Balance Sheet include \$1,262,921. This relates to the execution of the Regional Agreement delivering the Crown's space obligations under the Maori Commercial Claims Settlement Act 2004 for the Canterbury region. The invoice was raised to Ministry for Primary Industries, but funds were not received until 3rd October 2018 and then distributed to Te Runanga O Ngai Tahu on the 10th October 2018.

Independent Auditor's Report

To the Beneficiaries of the Maori Commercial Aquaculture Settlement Trust

Report on the Performance Report

We have audited the performance report of the Maori Commercial Aquaculture Settlement Trust (the "Trust") on pages 115 to 128, which comprises the Trustee's report, the statement of service performance, the statement of financial performance, the statement of changes in equity and statement of cash flows for the year ended 30 September 2018, the statement of financial position of the Trust as at 30 September 2018, and the statement of accounting policies and other explanatory information.

In our opinion:

- ▶ the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- ▶ the accompanying performance report on pages 115 to 128 presents fairly, in all material respects
 - ▶ the Trustee's report for the year ended 30 September 2018;
 - ▶ the service performance for the year then ended; and
 - ▶ the financial position of the Trust as at 30 September 2018, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

This report is made solely to the members of the Trust, as a body. Our audit has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand), and the audit of the Trustee's report and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We provide other assurance services to the Trust. We have no other relationship with, or interest in, the Trust.

Trustee's Responsibility for the Performance Report

The Trustee is responsible on behalf of the Trust for:

- ▶ Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- ▶ the preparation and fair presentation of the performance report on behalf of the entity which comprises:

- ▶ the Trustee's report;
- ▶ the statement of service performance; and
- ▶ the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- ▶ for such internal control as the Trustee determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustee is responsible on behalf of Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Trust or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the use of the going concern basis of accounting by Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.



Building a better
working world

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young

Chartered Accountants
Wellington
12 December 2018



MINUTES OF THE TE OHU KAI MOANA TRUSTEE LIMITED HUI-A-TAU/ ANNUAL GENERAL MEETING 2018

Novotel Airport Hotel Auckland
29 March 2018

Present

Jamie Tuuta (Chairman), Sir Mark Solomon, Rangimarie Hunia, Paki Rawiri, Selwyn Parata, Ken Mair, Dion Tuuta (Chief Executive)

Apologies

Hinerangi Raumati-Tu'ua, Paul Majurey, Richard Prosch, Lisa Tumahai, Herewini Te Koha

Mihimihi/karakia

Selwyn Parata welcomed the attendees and opened the hui with a karakia.

Report from the Chairman

Jamie Tuuta addressed the hui, discussing the development and implementation of the Māori Fisheries Strategy and Te Ohu Kaimoana three-year Strategic Plan. Key foci are rights protection, governance and the implementation of the Maori Fisheries Act amendments.

The Chairman noted the ongoing politicisation of fisheries in Aotearoa and the need for Iwi and Te Ohu Kaimoana to remain vigilant. The Chair noted a key challenge will be ensuring the Māori world view is given life through the Māori Fisheries Strategy and Te Ohu Kaimoana's work moving forward.

Dion Tuuta addressed the hui, speaking to the Annual Report noting key issues over last FY being:

- › Strategy development and relationships with Iwi
- › Staffing and reorganisation
- › Fisheries allocation
- › Aquaculture allocation

Te Ohu Kaimoana's income position significantly increased due to the investment fund performing well above the benchmark return of 6.3% by providing a 10% return. However, the Chief Executive noted recent declines in the performance of the investment fund and indicated that such high returns could be expected to continue. It was noted that management are working on a release rule to determine when distributions can be made to Iwi. It was also noted there had been a refund of legal fees from Te Pūtea Whakatupu arising from the NUMA legal proceedings.

The Chief Executive noted management is endeavouring to focus on operating cost efficiency but admitted that this can be difficult when it is unclear what is coming over the horizon. Foci for the coming year are developing in-house policy capability, maintaining and extending connections with MIOs and re-engineering communication channels, articulating and clarifying Te Ohu Kaimoana's point of difference, partnering with academia, re-engaging positively with the new Government and modelling post-settlement behaviour.

The Chief Executive noted early progress had been made with the new government, as evidenced by the Minister of Fisheries attendance at the Māori Fisheries Conference and regular meetings with the Te Ohu Kaimoana Board.

Questions from the floor

Danny Loughlin (Ngāti Tūwharetoa): Danny noted the appointment of directors to Moana New Zealand is a key role for Te Ohu Kaimoana and asked that the net be cast wider for nominations to that Board. Danny also noted Ngāti Tūwharetoa's satisfaction with Te Ohu Kaimoana's performance.

Mark Ngata (Ngāti Porou) congratulated Te Ohu Kaimoana on work being done but noted that there are a significant number of individuals within the Māori fishing sector that need to be kept engaged and used to drive the strategy that Māori want progressed. Mark what can be done to make sure this group of people continues to develop. Dion Tuuta undertook that this is something that will be progressed.

A representative from Tainui asked about a timeline for the development of the release rule paper and also asked how Te Ohu Kaimoana will fund itself going forward? Dion Tuuta responded that this is something to be completed during the year but noted there is an assumption that the current budget will continue for the tenure of the current three-year plan approved by Iwi. Dion noted that, following discussions with Iwi and the completion of the release rule work, the Board would then make a decision on whether a distribution could be made.

Maru Samuels (ICP) congratulated the Chief Executive on his efforts to build the Te Ohu Kaimoana team and noted there is a visible energy in the team. Maru noted the ICP is trying to develop pathways for our people to enter and progress through the industry but is constrained by not having access to the required information to do appropriate environmental scans and to maintain contact with Māori in the industry. Maru noted the importance of having someone fulfilling

such a role and asked whether this is something that Te Ohu Kaimoana can assist with, noting there is a need for a common national strategy. Dion responded that this is something that Te Ohu Kaimoana can assist with in general terms but it may be more appropriate that these aspects may best be progressed by Moana New Zealand. Jamie Tuuta responded that the Te Ohu Kaimoana Board has sought data from our own companies in this respect.

Matanuku Mahuika (Ngāti Porou) endorsed Danny Loughlin's comment, noting that MIOs having direct control of Moana New Zealand directors will likely prove problematic in terms of appointing to the board. Matanuku noted that a process should be decided for the next round of appointments to Moana New Zealand that can be adopted by MIOs once they take over this responsibility.

The Chairman invited Ken Mair to address the hui as Chair of Te Wai Māori Trustee Ltd (Te Wai Māori).

Te Wai Māori Trustee Ltd

Ken Mair presented the Te Wai Māori report noting changes at the governance level. Te Wai Māori has confirmed its strategic plan and faces a significant work programme ahead within increasing pressures on freshwater resources impacting on habitat.

The Chairman noted that a key outcome of the National Tuna Conference, held in July 2017 and attended by over 200 people, was the endorsement of the idea of exploring options to enhance the status of tuna as a taonga species. Core to the conference was the establishment of the Bill Ruru Memorial Award Te Mana o Ngā Tuna, awarded to Bill Kerrison.

Te Wai Māori launched the Understanding Taonga Freshwater Fish Populations in Aotearoa-New Zealand report at the Māori Fisheries Conference and special acknowledgment was given to Dr Erica Williams of NIWA and Dianne Brown of Te Wai Māori. It was noted the Wai Ora Fund has supported 29 projects at a cost of \$1.5m and has set \$300k aside for the coming year. Other projects supported include the Wai 2358 Waitangi Tribunal Inquiry into Freshwater, reviewing a Piharau/Kanakana strategy and developing a Council Scorecard project.

The Chairman noted that over the coming three years the Te Wai Māori work programme will have a more pragmatic focus and that the Trust will be seeking to identify appropriate funding partners who can assist to support indigenous aspirations.

Questions from the floor

Maurice Takarangi (Rangitaane (North Island)) noted Horizon's Regional Council has called for greater participation by Iwi and asked whether Iwi will be able to see the scorecard to help with those discussions. Ken Mair noted the scorecard would be available by the end of the year.

A representative from Ngāti Kahu asked whether Te Wai Māori has considered responding to Local Government long term plans. Ken Mair noted there was no direct involvement between Te Wai Māori and councils as yet, but he saw the scorecard project as helping to make that happen.

The Chairman invited Rangimarie Hunia to address the hui as Interim Chair of Te Pūtea Whakatupu Trustee Ltd (Te Pūtea Whakatupu).

Te Pūtea Whakatupu Trustee Ltd

Rangimarie Hunia outlined the governance changes at the board during 2017 and thanked Wille Te Aho and Willie Jackson for their contributions to the Te Pūtea Whakatupu Board. The Interim Chair also thanked Norm Dewes and recently appointed directors Kate Cherrington and Evie O'Brien for their work.

Rangimarie noted the changes Te Pūtea Whakatupu had gone through in the past twelve months while developing its five-year plan; she also noted the work Te Pūtea Whakatupu had undertaken to strengthen relationships with universities and the Māori Education Trust.

Te Pūtea Whakatupu General Manager Karleen Everitt addressed the hui and presented the key points of the Te Pūtea Whakatupu's five-year strategy.

Newly appointed director Kate Cherrington addressed the hui and introduced the Te Pūtea Whakatupu's new tohu. Kate spoke to the Te Pūtea Whakatupu's aspiration to be a catalyst for change noting that it had now developed an alumnus of 254 scholars which it sought to leverage as change agents for the future.

There were no questions from the floor.

The Te Ohu Kaimoana Chair returned and thanked the Te Wai Māori Trustee Ltd and Te Pūtea Whakatupu Trustee Ltd directors.

Resolutions

The Chairman put forward the following resolutions:

1. Agree that the minutes of the 2017 Annual General Meeting (Hui-a-Tau) are approved as a true and correct record of the meeting.
2. Agree that the minutes of the Special General Meeting held 14 September 2017 are approved as a true and correct record of the meeting.
3. Agree to receive the annual report of Te Ohu Kai Moana Trustee Limited (which includes Te Ohu Kai Moana Trust and Takutai Trust) for the year ended 30 September 2017 and receive the report of the auditor.
4. Agree to reappoint Ernst & Young as auditor of Te Ohu Kai Moana Trustee Limited, Te Ohu Kai Moana Trust and Takutai Trust until the end of the next Annual General Meeting and to audit the group financial statements for the accounting period next after this meeting; and
5. Agree to authorise the Directors of Te Ohu Kai Moana Trustee Limited to fix the auditor's remuneration for the ensuing year.

Moved by Ngāti Porou
Seconded by Iwi of Hauraki

PASSED

Meeting closed.

HUI-Ā-TAU/ ANNUAL GENERAL MEETING

**Te Ohu Kai Moana Trustee Limited
and Aotearoa Fisheries Limited
(trading as Moana New Zealand)**

Hui-ā-Tau

Thursday 28 March 2019,
Novotel Hotel Auckland
International Airport, Auckland

Agenda (may be subject to change)

9.00am Mihi whakatau

9.15am **Te Ohu Kai Moana Trustee Limited
Annual General Meeting**

Te Ohu Kai Moana Report (including
the Takutai Trust)

10.00am Te Wai Māori Trust Report

10.15am Te Pūtea Whakatupu Trust Report

10.30am **Te Ohu Kai Moana** resolutions put to
the meeting to:

1. Agree the minutes of the 2018 Annual General Meeting (Hui-ā-Tau).
2. Agree to receive the annual report of Te Ohu Kai Moana Trustee Limited.
3. Agree to the appointment of auditors and authorise the Directors to agree the auditor's remuneration.

10.35am **Morning Tea**

11.00am **Aotearoa Fisheries Limited (trading as
Moana New Zealand) Annual General
Meeting**

- › Moana New Zealand business overview
- › Sealord Group Limited business overview

12.10pm Moana New Zealand resolutions put to
the meeting to approve the annual report
and appoint auditors

12:30pm **Meeting Concludes / Lunch**



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