

TE HĀ O
TANGAROA
KIA ORA AI TAUA



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 HAUHŪ,
TIHEI MAURI ORA!



WHAKAPAPA

Māori descend from Rangi and Papa and their tamariki, including Tangaroa, and have a reciprocal relationship with our tupuna

1

THE CONCEPT “TE HĀ O TANGAROA KIA ORA AI TĀUA” UNDERPINS THE WORK OF TE OHU KAIMOANA.

TE H
TANG
KIA ORA

HAUHAKE

Māori have a right and obligation to cultivate Tangaroa for the betterment of Tangaroa, and support Tangaroa’s circle of life

3

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

HĀ O TANGAROA AI TĀUA

2

TIAKI

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

OUR WORLD VIEW IS SUPPORTED BY FOUR
POU: WHAKAPAPA, TIAKI, HAUHAKE AND KAI

4

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

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.

Whakapapa recognises that when Māori are considering policy affecting Tangaroa we are considering matters which affect our tupuna – rather than a thing or an inanimate object.



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.

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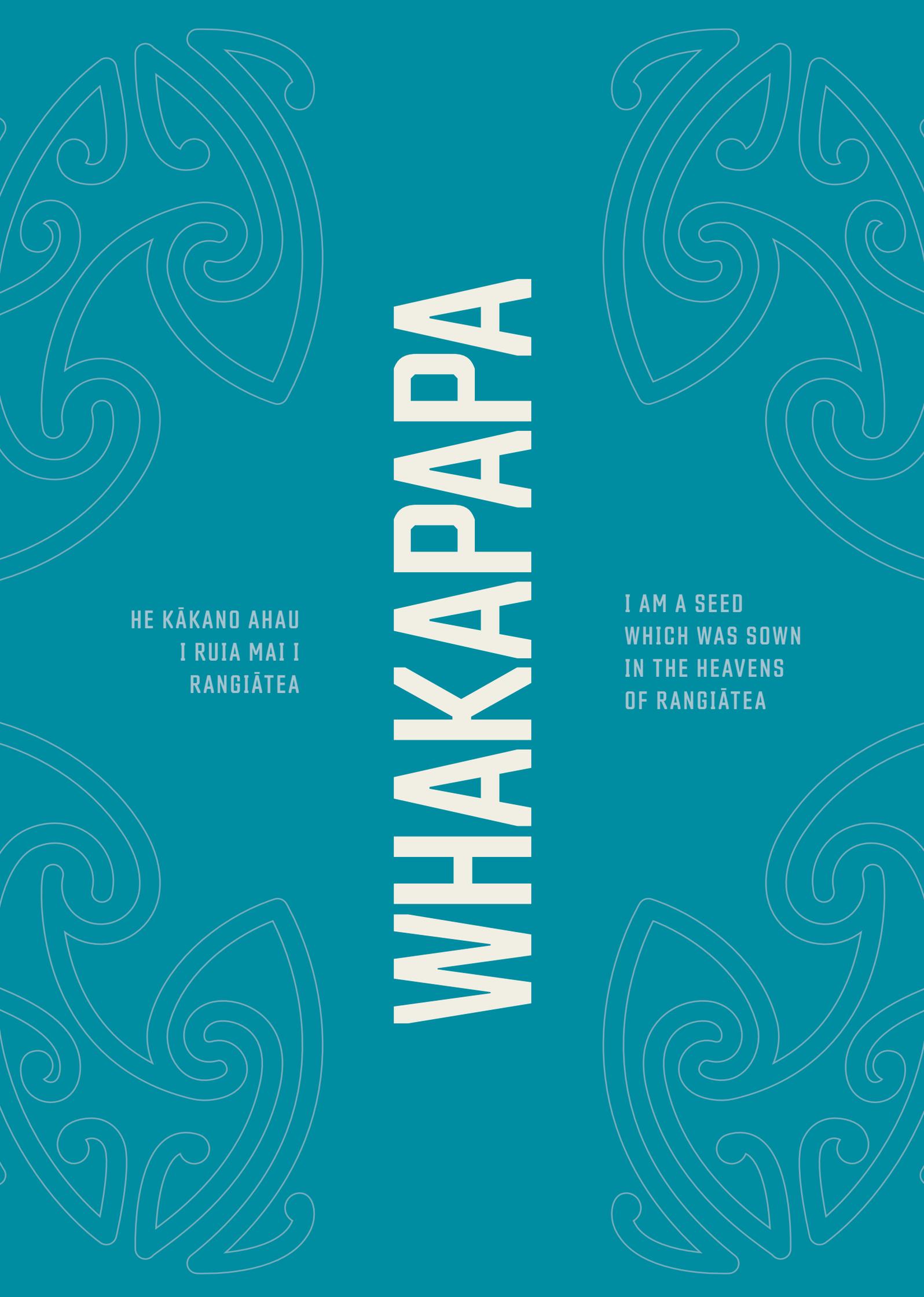
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HAUHAKE



KAI



HE KĀKANO AHAU
I RUIA MAI I
RANGIĀTEA

WHAKAPAPA

I AM A SEED
WHICH WAS SOWN
IN THE HEAVENS
OF RANGIĀTEA





WHAKAPAPA

OUR BOARD



Rangimarie Hunia
Chair
NGĀTI WHĀTUA



Tā Mark Solomon
Deputy Chair
NGĀI TAHU, NGĀTI KURĪ



Selwyn Parata
Director
NGĀTI POROU



Ken Mair
Director
WHANGANUI,
NGĀTI TŪWHARETOA,
NGĀTI RAUKAWA



Paki Rawiri
Director
WAIKATO, NGĀPUHI



Pahia Turia
Director
NGĀ WAIKATO, NGĀTI APA,
WHANGANUI, NGĀ RAURU
AND NGĀTI TŪWHARETOA

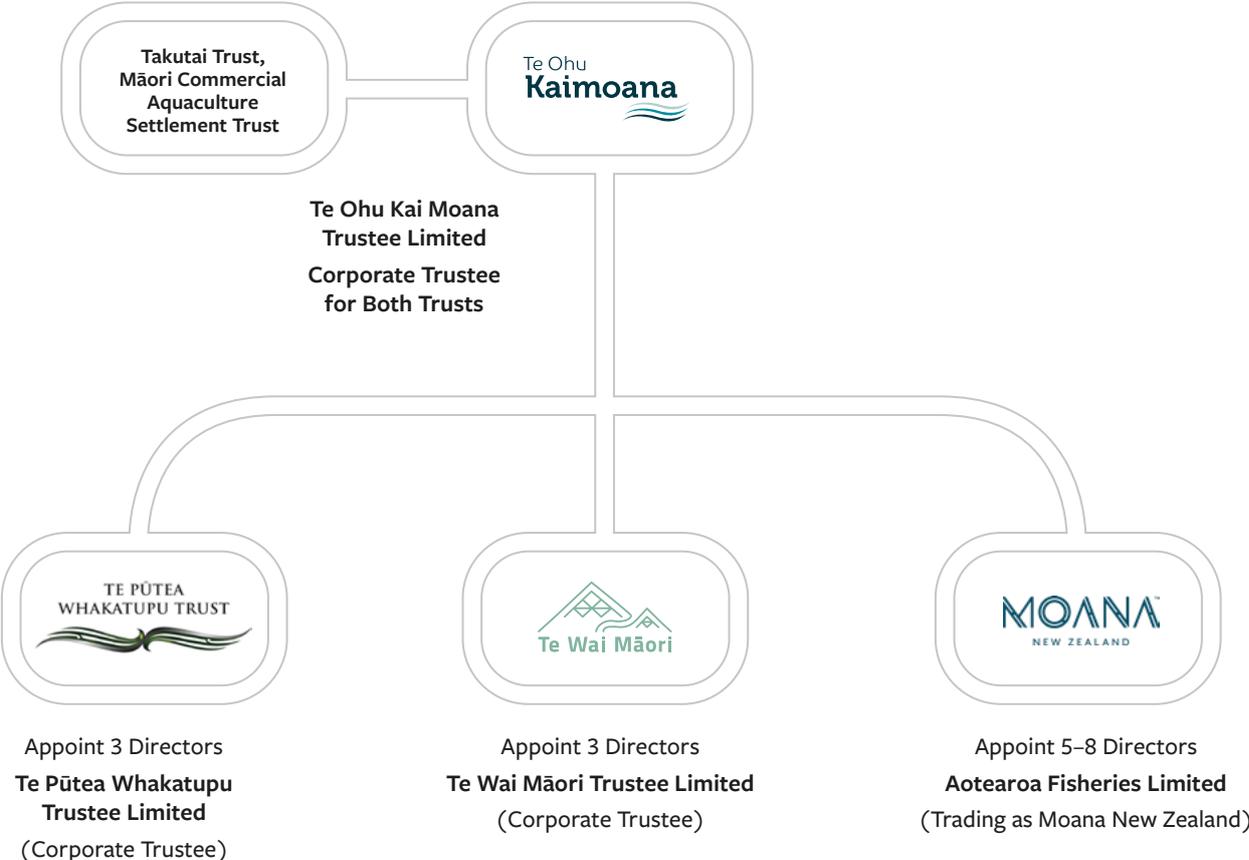


Bella Takiari-Brame
Director
NGĀTI MANIAPOTO,
WAIKATO-TAINUI



Kim Skelton
Alternate Director
TE ĀTIAWA, TARANAKI,
NGĀTI RAUKAWA
KI TE TONGA

OUR GOVERNANCE STRUCTURE





CHAIR'S FOREWORD



Tukua te wairua kia rere
ki ngā taumata

Hei ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga
a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! Tina! Hui e! Tāiki e!

Tēnā koutou e ngā lwi o te motu – anei rā te mihi
maioha ki a koutou.

Kua whanake mai anō a rehua ki te tairāwhiti, arā kua
oti te tauhounga. Ko tōku tino waimarie ki te tuku i
tēnei rīpoata o ngā mahi o Te Ohu Kaimoana i te tau
2018/19. Tēnā rā koutou katoa.

Summary of 2018/19

On behalf of the Board, I am proud to present this report of the activities of Te Ohu Kaimoana and related Fisheries Settlement entities for the period 1 October 2018 to 30 September 2019 (FY18/19). As was expected, the year in review proved to be a challenging one for fisheries and provided new challenges to the integrity of the Deed of Settlement.

Strategy

The Board continues to be guided by our key principle of te hā o Tangaroa kia ora ai tāua – the breath of Tangaroa sustains us – which speaks to the ongoing reciprocal and living relationship between Tangaroa and Māori. At all times, the wellbeing of Tangaroa and our people has been at the forefront of our strategic thinking.

Relationships

In accordance with our 3-year strategy Te Ara Taupuhipuhi, the Board has continued to advocate for a Treaty-based approach for fisheries and marine policy development. We have worked to strengthen relationships with key Ministers on a kanohi ki te kanohi basis. These include Minister of Fisheries Stuart Nash, Minister for Māori Crown Relations Kelvin Davis, Minister of Conservation Eugenie Sage and Minister for the Environment David Parker.

In addition to these Ministers, the Board has met with the leadership of New Zealand First and members of the Labour Māori Caucus to educate members on the role and function of Te Ohu Kaimoana and seek their support on key issues.

Board members have also committed to attendance at key hui with Iwi such as the Special General Meeting to consider the distribution of Te Ohu Kaimoana's share of the Moana New Zealand dividend and the workshop on Rangitāhua/Kermadec Ocean Sanctuary.

Legislative change

Our key focus remains the progression of matters at an impasse including the amendments to the Maori Fisheries Act 2004, amendments to the Maori Commercial Aquaculture Claims Settlement Act 2004 and the Kermadec Ocean Sanctuary Bill.

Despite our best efforts to advance the Iwi-mandated amendments to the Maori Fisheries Act, these remain subject to coalition discussions. As highlighted by the Minister of Fisheries at the 2019 Māori Fisheries Conference, Labour does not have sufficient coalition support to progress the amendments and is unlikely to do so before the end of this parliamentary term.

In response to this delay, the Board considered non-statutory options for giving effect to the Iwi resolutions such as the July 2019 Special General Meeting resolution to distribute Te Ohu Kaimoana's share of the FY18/19 Moana New Zealand dividend to mandated Iwi organisations. Iwi supported this resolution, and distributions are anticipated to occur by the end of the 2019 calendar year.

On a more positive note, good progress is being made on proposals to amend the Maori Commercial Aquaculture Claims Settlement Act, which is necessary to enable allocation to occur in Northland and the Eastern Bay of Plenty. A Bill is expected to be introduced to the House by June 2020, with Ministry for Primary Industries staff consulting on the proposal between early December 2019 and mid-February 2020.

Discussions have also continued with the Crown on developing a way through the current Rangitāhua/Kermadec Ocean Sanctuary impasse in a way that protects Iwi rights and the full and final nature of the Fisheries Settlement.

In September, Te Ohu Kaimoana hosted a hui in Auckland with mandated Iwi organisations to update them on discussions concerning Rangitāhua and to navigate a way forward. At this workshop, Iwi agreed

- ▼ Previous directors,
Jamie Tuuta,
Hinerangi Raumati-Tu`ua
and Ken Mair.



on a clear set of key principles and parameters that underpin our discussions with government, including te hā o Tangaroa kia ora ai tāua, protecting the integrity of the Fisheries Settlement and protecting the long-term opportunity for Iwi to exercise their rangatiratanga within Fisheries Management Area 10.

Rights protection

The Māori Fisheries Strategy approved by Iwi in 2017 highlighted the need for Iwi to maintain an awareness of policy developments at international levels and ensure Māori perspectives are included at the beginning of discussions, not the end. During FY18/19, our team has participated in international forums such as the South Pacific Regional Fisheries Management Organisation and United Nations Treaty on Biodiversity Beyond National Jurisdiction.

In July 2019, Fisheries New Zealand and the Department of Conservation released the Hector's and Māui Dolphin Threat Management Plan with a range of options to increase dolphin protection, most of which will negatively affect Iwi fisheries rights while also decimating commercial fisheries operations along the West Coast of Te Ika a Māui and the East Coast of Te Waipounamu. Te Ohu Kaimoana responded to this consultation in August, and we

expect this decision to be reached before the end of the 2019 calendar year.

In September 2019, Te Ohu Kaimoana worked alongside Ngā Rauru and Ngāti Ruanui at the Court of Appeal hearing into Trans-Tasman Resources Ltd's application to mine ironsands off the south Taranaki coast. At the time of writing, a decision was not yet released.

Unfortunately, legal action was required to halt a Ministerial decision to increase the TACC for gemfish (SK17), which would have activated 28N rights in SK17. This would have had the effect of reducing Iwi settlement quota in this fishery from 10% to 6.4% through reallocation to 28N rights holders. Te Ohu Kaimoana was successful in gaining an interim order to prevent the proposed TACC increase. Iwi will recall Te Ohu Kaimoana took similar action in 2018 over Pāua 5B. The 28N rights matter has been the subject of a dedicated Te Ohu Kaimoana-Crown-industry working group, which is close to reporting back to the Minister on options for resolution.

While not an active party, Te Ohu Kaimoana has also taken a keen interest in recent Court decisions such as the Mōtītī Island Court of Appeal case, which opens the way for regional councils to have a greater role in controlling fisheries. It is yet to be seen whether this matter is at a conclusion, and it is likely that this decision will have significant ramifications for Iwi fisheries.

Governance

The year in review saw a number of governance changes within the wider Te Ohu Kaimoana group including Te Ohu Kaimoana, Moana New Zealand, Te Wai Māori Trust and Te Pūtea Whakatupu Trust.

Te Ohu Kaimoana

Jamie Tuuta and Hinerangi Raumati-Tu`ua retired in July after 8 years on the Te Ohu Kaimoana Board. Te Ohu Kaimoana sincerely thanks Jamie and Hinerangi

for their exceptional leadership and service to ngā Iwi o te motu and the Māori Fisheries Settlement during their tenure. While not within this reporting period, director Ken Mair also reaches his maximum statutory term in November 2019.

In July 2019, Te Kawai Taumata appointed Pāhia Turia (Ngā Wairiki, Ngāti Apa, Whanganui, Ngā Rauru and Ngāti Tūwharetoa) and Bella Takiari-Brame (Waikato-Tainui and Ngāti Maniapoto) to succeed Jamie and Hinerangi. As part of this appointment round, Alan Riwaka (Te Atiawa) was appointed to succeed Ken Mair upon his retirement from the Board.

Pāhia, Bella and Alan are well known and experienced leaders in their respective fields, and we look forward to their contributions to the Te Ohu Kaimoana Board table. In addition to our new appointments, Te Kawai Taumata also reappointed me, Selywn Parata and Paki Rawiri for a further 4-year term.

Te Wai Māori

In February 2019, Ian Ruru (Te Aitanga ā Māhaki, Ngāti Porou, Ngāi Tai, Te Whakatōhea) was appointed as an alternate director to the Te Wai Māori Board, bringing his significant scientific experience in freshwater to the Board table. Ken Mair was also reappointed as Chair of Te Wai Māori Trust in August and will remain Chair through until the end of his final term with the Trust in February 2020. A detailed report on progress within Te Wai Māori can be found at page 50 of this annual report.

Te Pūtea Whakatupu

The Board of Te Pūtea Whakatupu continues to be ably served by Kate Cherrington (Ngāti Hine, Ngāti Wai, Kapotai and Ngāpuhi) and Norm Dewes (Ngāti Kahungunu and Ngāti Porou). In August the Board welcomed Alternate Directors Tatiana Greening (Ngāti Kahungunu, Tainui, Ngāti Kauwhata, Ngāti Tūwharetoa) and Maria Ngawati (Ngāti Hine, Ngāpuhi, Ngāti Porou).

▼ Top: Rangimarie Hunia presenting at the hui about Rangitāhua with Iwi in September.

▼ Below: Minister of Fisheries, Stuart Nash, presenting at the 2019 Māori Fisheries Conference.



Yvonne (Evie) O'Brien (Ngāti Awa, Ngāti Pīkiao, Ngāti Ranginui) recently resigned as director and was replaced by Awerangi Tamihere (Ngāti Kauwhata, Rangitane, Ngāti Porou, Rongowhakaata, Ngāi Tahu). We thank Evie for her significant contribution to Te Pūtea Whakatupu and look forward to Awerangi's contribution to the development of Te Pūtea Whakatupu moving forward. Further information on the activities of Te Pūtea Whakatupu over FY18/19 can be found at page 55 of this annual report.

Moana New Zealand

Jason Witehira (Ngāpuhi) and Greg Summerton (Ngāi Tahu) were appointed as directors of Moana New Zealand following the resignations and retirements of Craig Ellison (Ngāi Tahu) and Rachel Taulelei (Ngāti Raukawa ki te Tonga, Ngāti Rārua). Jason assumed his role in December 2018, with Greg beginning in May 2019. Both have successful backgrounds in leadership in fisheries and business, and we are confident they will add significant strength to the Moana Board.

Conclusion

As we look ahead to the 2020 election, we expect even more calls for restrictions on fishing and therefore greater pressure on Māori fishing rights. While ostensibly promoting environmental protection, the growing political demands for more restrictions on fishing often ignore the many positive ways in which fishing effects can be managed in favour of category 1 perpetual no-take set-and-forget approaches.

The quota management system that sits at the heart of the 1992 Fisheries Settlement remains the best tool for managing our relationship with fisheries, yet we must also be proactive in understanding the real threats to our fisheries including climate and ocean temperature changes, ocean acidification and land-based run-off.

Te Ohu Kaimoana remains dedicated to working with mandated Iwi organisations to find sensible solutions to our fisheries challenges so that our connectivity to Tangaroa remains strong.

Mauri ora



Rangimarie Hunia

Chair

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 hauhū,
Tihei mauri ora!

Ka rere ngā mihi ki a koutou ngā lwi o te motu, tēnā koutou katoa. Ka tukua ngā kupu mihi me ngā poroporoakī ki te hunga kua ngaro atu nei ki te kāhui kore i te tau kua pahure ake nei, koutou kei te pō e moe. Ko mātou ēnei e takatu tonu nei, e kōkiri tonu nei i ngā mahi ki te ao turoa nei ki te whakakaha i te hā o Tangaroa me ngā lwi 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 the year

The 2018/19 year (FY18/19) marked the completion of year 2 of our 3-year strategy Te Ara Taupuhupuhi. The major operational focus of the year was to build on the solid foundation established in year 1 by further developing our team and continuing to evolve our policy approach under our guiding principles of te hā o Tangaroa kia ora ai tāua.

Financial performance

Total operating revenue from all sources for 2018/19 amounted to \$8.65m (2017/18: \$11.04m) with the investment fund contributing \$5.08m (2017/18: \$6.74m). This equates to an investment fund return of 5.7% for the year.

Total operating expenditure for 2018/19 amounted to \$3.6m (2017/18: \$3.7m) after cost recoveries from associated entities including the Māori Commercial Aquaculture Settlement Trust, Te Wai Māori Trust and Te Pūtea Whakatupu Trust.

Strategy

In the second year of our 3-year plan, we have continued to focus on protecting Iwi settlements in all significant spatial policy developments that could restrict access for fisheries or aquaculture, developing the capability to influence fisheries management nationally and internationally and providing a central hub of expertise and support to Māori representation on industry bodies.

A few key examples include Fisheries New Zealand's *Your fisheries – your say*, the Department of Conservation's review of the Biodiversity Strategy and the Department of Conservation's and Fisheries New Zealand's review of the Hector's and Māui Dolphin Threat Management Plan.

Te Ohu Kaimoana also supported the collaborative development of PAU4 Fisheries Plan and Eastern Tarakihi Management Strategy, which are bottom-up approaches to fisheries management that consider the interests of Iwi, community and quota owners.

We were very pleased with the Minister of Fisheries' decision to approve and implement both these initiatives and see this approach as positive for fisheries management.

The year also presented its challenges, including important pieces of work being carried out both domestically and internationally. We have continued to look at issues in the international space including the South Pacific Regional Fisheries Management Organisation, high seas and biodiversity beyond national jurisdiction. Our presence to ensure a voice for the Māori perspective at these fora is crucial, because as we have learned to our detriment in the past, if you're not at the table, you're on the menu. The team has risen to the challenges and delivered on our top priorities.

Staffing and reorganisation

This year, we farewelled two long-standing employees – Alan Riwaka (18 years of service) and Dianne Brown (14 years of service). Dianne and Alan contributed an enormous amount to Te Ohu Kaimoana including a significant effort in the allocation of assets to Iwi. We also farewelled Legal Counsel Horiana Irwin-Easthope, Policy Analysts Josh Baller and Kiri Morgan and Finance Assistant Jose Bucoy.

We welcomed new staff to the Te Ohu Kaimoana whānau. They have brought new skills, experience, networks and energy, which will stand Te Ohu Kaimoana in good stead.

- > Te Taiawatea Moko-Mead (Tai Moana, Senior Policy Analyst)
- > Ngahuia Kapene (Tai Kaute, Accounts Administrator)
- > Monique Holmes (Tai Timu, Graduate Analyst)
- > Fran Olds (Tai Kōrero, Communications Advisor)
- > Te Aomihia Walker (Tai Pari, Policy Analyst)
- > Tai Ahu (Kūrae Ture, Legal Counsel)

Relationships

Our team continued to engage with Iwi and the wider fishing community both proactively and in response to key matters that arose over the year. These engagements included PauaMacs, Iwi and those involved in the East Coast tarakihi fishery, green-lipped mussels in Northland, the OMV Great South Basin Marine Discharge Consent in Southland and many of those affected by the review of the Hector's and Māui Dolphin Threat Management Plan.

We continue to work as closely as possible with Crown agencies, particularly Fisheries New Zealand, the Department of Conservation and increasingly the Ministry of Foreign Affairs. Despite frustration at times, there were also positive indications that Te Ohu Kaimoana's role and advice is increasingly valued. Early engagement with the Department of Conservation on an upcoming review on marine protected areas is an example of this. Another example is the Ministry of Foreign Affairs' inclusion of both Senior Policy Analysts, Kirsty Woods and Te Taiawatea Moko-Mead, in the New Zealand delegation to attend the third session of the Intergovernmental Conference on Marine Biodiversity of Areas Beyond National Jurisdiction in New York.

This year's Māori Fisheries Conference was at capacity with over 300 people attending, including Iwi representatives from around the motu, fishing companies, environmental non-government organisations and government officials. The theme for this year's conference was te hā o Tangaroa kia ora ai tāua – the breath of Tangaroa sustains us – and included a wide range of speakers.

In May, we teamed up with Chapman-Tripp and the Law and Economics Association of New Zealand to host a seminar with Dr Gary Libecap who presented research we commissioned him to undertake on the effectiveness of marine protected areas. The results of this research will be published in 2020.

Our second annual Iwi Satisfaction Survey also provided us with a good measure of how we're doing. It was great to see areas where we have improved in comparison to last year and areas of focus that are most important to Iwi. There are further details about the results in this report.

Policy responses

We have embedded a strong framework for policy advice based on te ao Māori principles and best available science. Te hā o Tangaroa kia ora ai tāua provides guidance on key principles that underpin our advice for modern fisheries. It has been central to our policy advice this year. The bottom-up approach to fisheries management, which focuses on empowering Iwi and other quota owners to develop and apply fine-scale management at the local level, has also played a key role in our policy work. It also focuses on engagement with Iwi and industry to innovate and sustainably manage fisheries. This has laid a strong foundation for clear and consistent messaging in our policy advice, as summed up in our response to Your fisheries, your say consultation.

Biodiversity and conservation-related policies presented a number of challenges to fisheries over the year. We responded to policy proposals from the Department of Conservation, the Ministry of Foreign Affairs, Fisheries New Zealand and the Ministry for Primary Industries (MPI) and made a direct application to the Secretariat of the Convention on Biological Biodiversity in Canada. This included responses to the Department of Conservation's biodiversity strategy Te Koiora o te Koiora and review of the Hector's and Māui Dolphin Threat Management Plan, Fisheries New Zealand's Squid 6T Operational Plan.

The review of the Hector's and Māui Dolphin Threat Management Plan in particular required significant effort from Te Ohu Kaimoana. The options set out in the plan do not provide meaningful conservation

▼ Kaumatua Bill Carter, while filming videos about IkaNet and the pātaka.

benefits for Māui dolphins. They instead involve widespread spatial closures that would have an unnecessary impact on Māori fishers, whānau, hapū and Iwi on the west coast of Te Ika a Māui and the east coast of Te Waipounamu. We worked with those affected by the proposed options in the plan and provided clear feedback to the Department of Conservation and Fisheries New Zealand that the interpretation of the science was flawed, and the resulting options undermine Māori rights and our traditional relationship with Tangaroa.

As part of this year's Sustainability Round, the Minister considered the Eastern Tarakihi Management Strategy and Rebuild Plan that we co-developed with Southern Inshore Fisheries and Fisheries Inshore New Zealand last year. In September, the Minister announced his decision to implement the plan. This is a huge achievement. Not only to have it considered, but to see this option, co-developed by Iwi and industry, announced as the preferred option is a positive step. It is now up to everyone involved to deliver on this plan.

A significant customary fisheries project was delivered in March with the launch of a new and improved version of IkaNet – Aotearoa's online customary fisheries management tool for authorised kaitiaki. Since then, we have been working with users to monitor and improve functionality, with our next focus being the increased awareness of the service and boosting uptake from Iwi.

This work coincided with our support of the deep-water pātaka, an initiative driven by the 24 Iwi of Te Tai Hauāuru and Te Moana o Raukawa. Te Ohu Kaimoana congratulates Iwi and Sealord in the successful establishment of this important innovation in customary fisheries.

Since August, we have begun attending MPI's customary fisheries forum hui in order to understand and identify opportunities and/or issues that exist



within customary fishing and the areas where Iwi feel Te Ohu Kaimoana could offer assistance. Our staff are developing a report on their findings and plan to present this at the Te Ohu Kaimoana and Te Wai Māori Fisheries Workshop prior to the Māori Fisheries Conference on 24 March 2020. At this workshop, we plan to work with Iwi on key priorities and pilot a work programme.

In September, we hosted a workshop with Iwi representatives to discuss the Rangitāhua/Kermadec Ocean Sanctuary. We provided a detailed history of Crown engagements to date and presented our view and proposed strategy. Iwi representatives and the Board of Te Ohu Kaimoana then workshopped the strategy and potential options. Feedback from this workshop has provided us with a clear set of key principles and parameters that will continue to underpin our position going forward.

Further details about our progress against the 2018/19 Annual Plan can be found on page 34 of this report.

Fisheries allocation

Despite our best efforts, progressing the final allocation of fisheries assets remains slow. Over the year, we supported Iwi in the Wellington region to work through various processes aimed at resolving their coastline dispute. We also assisted Iwi in Manawatū, the South Island and northern Taranaki to develop processes they could participate in to help resolve their coastline disputes.

We transferred fisheries settlement quota shares to Te Rarawa in accordance with its exclusive coastline claim and its separate coastline agreements with Ngāpuhi and with other Te Hiku Iwi.

We have worked with Te Rūnanga o Ngāti Tama and Te Rūnanga o Te Whānau to assist with their progress towards establishing mandated Iwi organisations for Ngāti Tama (Taranaki) and Te Whānau-ā-Apanui respectively. We also worked with the Office of Treaty Settlements to assist Te Rūnanga o Ngāti Whātua to transfer its mandated Iwi organisation status to its future Post Settlement Governance Entity status. In addition, we provided support to a small number of Iwi for which issues of compliance with the requirements of mandated Iwi organisations as set out in the Maori Fisheries Act 2004 had arisen.

Aquaculture

A key focus of aquaculture during FY18/19 has been working with MPI's officials to progress the amendments to the Maori Commercial Aquaculture Claims Settlement Act 2004.

These amendments are required to enable allocation of the remaining aquaculture settlement assets we hold on behalf of Iwi in the Bay of Plenty and Northland regions. We have assisted officials with the preparation of a briefing to the Minister as well as with the drafting of a consultation document. Officials consider a Bill should be able to be introduced to Parliament by June 2020, and we will support them to ensure this happens.

During the year, we transferred authorisations to develop 15 hectares of space in Akaroa Harbour in accordance with the Canterbury Allocation Agreement. We also assisted Northland Iwi to develop agreement on an allocation methodology for the new space aquaculture settlement assets we hold on their behalf.

We have also worked closely with MPI to forecast and value any potential aquaculture development in the Waikato West and Bay of Plenty regions until 2035 so that new space settlement offers can be made to Iwi in those regions. This work is being undertaken now as the 2014 new space settlement forecasts did not anticipate any new space in those regions. However, applications to develop water space in those regions have recently been received by the relevant regional councils. In addition to working with MPI, we have also worked with Iwi to assist them to consider their settlement aspirations and whether they would like to receive a cash or space-based settlement.

In Q1, we completed our handover of information to the directors of Maara Moana, the joint Iwi asset-holding company responsible for managing Te Tau Ihu Iwi interests in the Tasman and Golden Bays Aquaculture Management Areas. However, we continued to provide support to Maara Moana after a conflict between the conditions of the resource consent and the line layout drawings that informed that consent was identified in March 2019.

Throughout the year, both the government and the aquaculture industry turned their attention to exploring the potential for open ocean (exposed) aquaculture in New Zealand. We hosted a workshop with Iwi about their aspirations for open ocean aquaculture development, and this provided the basis for our presentation at Cawthron Institute's Open Oceans Symposium in August. Since then, we have worked with MPI officials along with industry and regional councils to discuss the development of a policy framework for managing open ocean aquaculture development.

▼ Top: Danny Poihipi presenting at the 2019 Māori Fisheries Conference.

▼ Below: Kawhia Harbour

We also contributed to the development of the government's Aquaculture Strategy. The strategy sets the ambitious goal of the New Zealand aquaculture industry reaching \$3 billion in annual sales by 2035 (up from a current \$600 million). The strategy anticipates most of this increased growth will be achieved through open ocean aquaculture development, and a significant focus for us over the coming years will therefore be on ensuring that the management settings for this industry are environmentally sustainable, enable Māori participation and also enable investment.

Looking to the future

As we enter the final year in our 3-year strategy, our focus shifts to the future. We have invested in a strong foundation – an organisation that is fit for purpose with a holistic policy framework and proactive relationships across Iwi, industry and Crown agencies. During FY19/20, we will be developing our next strategy noting that the work of monitoring government policy is an ongoing process with no end.

On behalf of the team at Te Ohu Kaimoana, I would like to thank Iwi for their support during the year. The coming year is expected to raise new challenges, particularly as we enter an election year coloured by increasingly hostile attitudes towards fisheries.

Despite this, the steps Iwi have taken to invest into Te Ohu Kaimoana since 2016 have placed the organisation in a position to meet these challenges, drawing upon te hā o Tangaroa to guide us in our work to protect Māori fishing rights now and into the future.



Dion Tuuta
Te Mātārae
Te Ohu Kaimoana



AROHA MAI,
AROHA ATU

TIAKI

LOVE RECEIVED
DEMANDS LOVE
RETURNED





IWI SATISFACTION SURVEY

In August this year, we contracted UMR Research to conduct the second annual Iwi Satisfaction Survey.

The purpose of the survey is to measure 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.

WHAT'S GOING WELL

81% ✓

Agreed that Te Ohu Kaimoana's current and future role is important to their organisation.

87% ✓

Felt that we did well representing a collective Iwi view to government.

83% ✓

Felt that we did well protecting the interests of Iwi.

68% ✓

Over two-thirds were satisfied or very satisfied with performance of Te Ohu Kaimoana in 2019.

Percentage of respondents who agreed that our policy and decision-making...

79%

'provided information and opportunities to discuss issues'

77%

'includes feedback during the policy development process'

75%

'integrated Māori values when developing policy and decision-making'

It provides valuable insight about how well we carry out our core duties and communicate with Iwi and identifies areas for improvement. This holds us to account. It ensures that we are delivering Te Ara Taupuhipuhi and meeting Iwi needs and wants. The survey was sent to 203 Iwi representatives, with 53 people completing the survey.

The analysis from the 2018 and 2019 survey combined provide a clear baseline that shows we are doing most things well. It demonstrates some key areas where we've improved, and it also highlights the most important areas for improvement. We'd like to thank all the respondents who took the time to complete the survey – anei rā te mihi ki a koutou.

WHERE WE'VE IMPROVED...

There are three notable areas where we have identified some areas of improvement. These were:

68% **6%**
↑

Satisfaction with our overall performance

65% **13%**
↑

Satisfaction in amount of te reo Māori used our communications

65% **13%**
↑

Ensuring the benefits of the Fisheries Settlement are realised by Iwi

...AND WHERE THERE'S ROOM FOR IMPROVEMENT

Respondents re-iterated that 'better communication' and 'integrating/respecting Māori values and people' were still key areas for improvement.

This provides us with a clear direction to focus on these areas in the next financial year.

26%

Better communication needed

21%

Improve on integrating/respecting Māori values and people

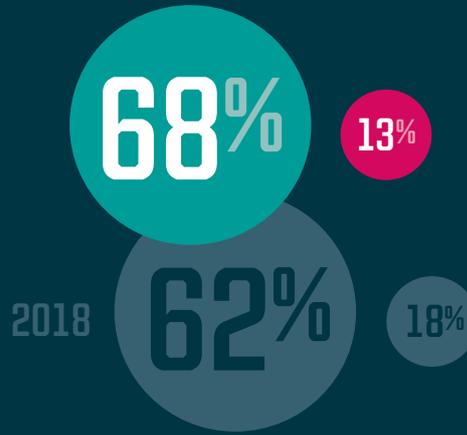
WHAT DOES THIS MEAN?

From good to great – although we're doing a good job, we'd like to continue to do better. It's clear that communication and integrating Māori values are important. These have been a focus for the previous year, and they'll continue to be a focus over the next year. Last year, we included te hā o Tangaroa framework in every government response. It's become a core part of our messaging in all our policy development and stakeholder engagement forums. This year, we're going to further that by developing a resource section on our website that will become a source of knowledge about Māori fisheries, te hā o Tangaroa and Te Ohu Kaimoana's history. We'll also be reviewing the way we publish our quarterly reports to improve the communication throughout the year.

SNAPSHOT

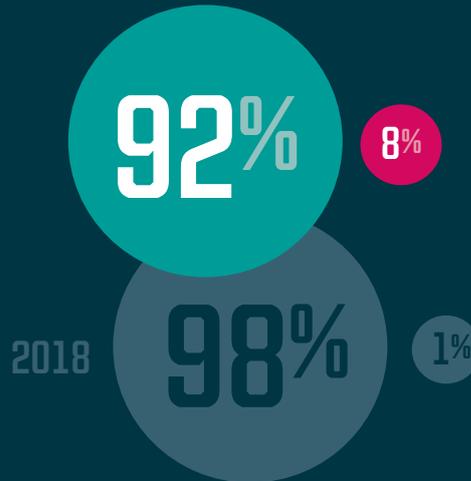
PERFORMANCE

Satisfaction with Te Ohu Kaimoana's performance was moderately high and remained relatively steady compared to 2018.



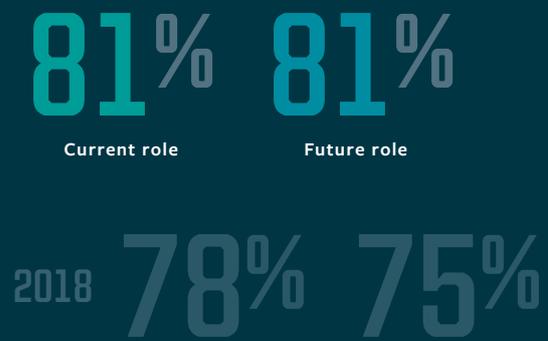
KNOWLEDGE

Knowledge about Te Ohu Kaimoana and their role remained high



IMPORTANCE

A clear majority still feel Te Ohu Kaimoana's current role and future role is important for their organisation





Perception towards Te Ohu Kaimoana – full breakdown (2019)

Like last year, a high majority of respondents declared that specific tested attributes applied to Te Ohu Kaimoana. 5 out of the 6 attributes tested remained relatively steady compared to 2018.

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

● ← → ●
Applies Doesn't apply



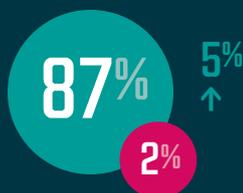
Interests and rights of Iwi attributes

A high majority of respondents said that Te Ohu Kaimoana does well when representing Iwi, responding to the government and does well when protecting the interests of Iwi, consistent with 2018.

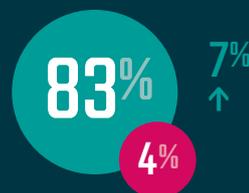
Q: Thinking about the interests and rights of Iwi, how well does Te Ohu Kaimoana do...

● ← → ●
Well Poor

Representing a collective iwi view when responding to the government



Protecting the interests of iwi



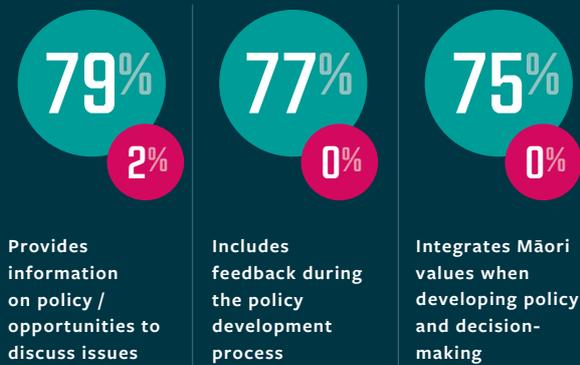
All respondents in an organisation with 20 or more employees said that Te Ohu Kaimoana does well protecting the interests of Iwi.



Policy and decision-making attributes

Agreement with attributes regarding policy and decision making also remained relatively static in 2019.

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



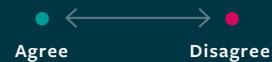
This year no respondents disagreed with the attributes regarding feedback during policy development and integrating Māori values.



Relationship attributes

Agreement with relationship attributes remained relatively similar to 2018.

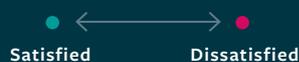
Q: Thinking about the relationship, trust and confidence with Te Ohu Kaimoana, how much do you agree that Te Ohu Kaimoana...



Satisfaction with engagement

Satisfaction regarding engagement and communication with Te Ohu Kaimoana remained high.

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



STATEMENT AGREEMENT

“Te Ohu Kaimoana does a good job of promoting Māori recreational, commercial and customary fishing practices and participation”

72%

7% ↑

0%

“Te Ohu Kaimoana is successful in influencing Government Policy to protect and enhance the fisheries settlement assets”

66%

8% ↑

4%

“Mandated Iwi Organisations collectively lead the development of Aotearoa’s marine and environmental policy affecting fisheries”

57%

1% ↑

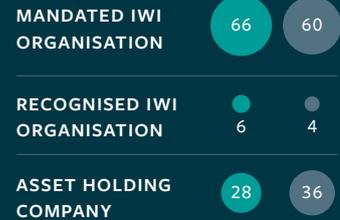
8%

● ← → ●
Agree Disagree

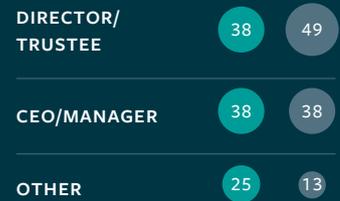
Demographic snapshot – 2019

● 2019 ● 2018

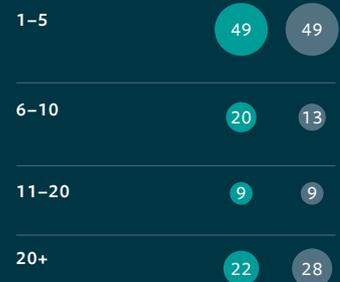
Organisation type



Position in organisation



Organisation size



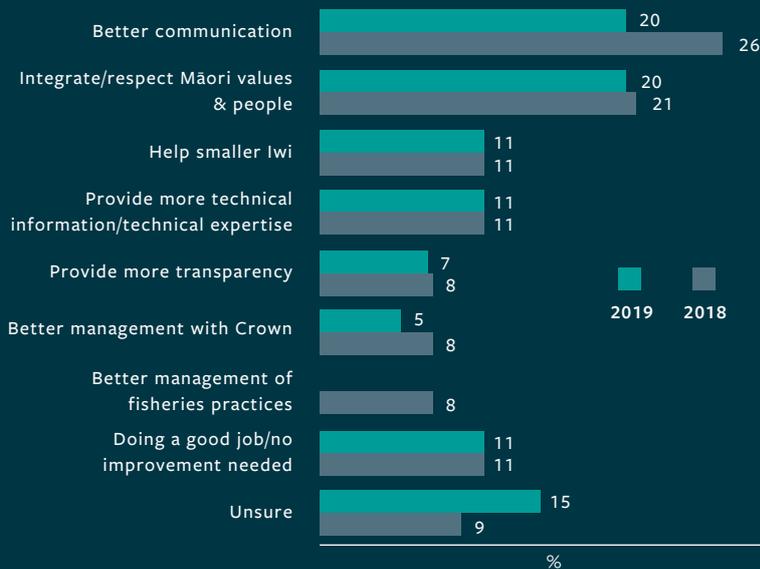
Number of employees in fisheries or aquaculture



Areas for improvement

Providing better communication remained the main area which stakeholders felt Te Ohu Kaimoana should focus on to improve.

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



NAU TE ROUROU
NAKU TE ROUROU
KA ORA AI TE IWI

HAUHAKE

WITH YOUR
BASKET AND
MY BASKET THE
PEOPLE WILL LIVE





REPORT AGAINST THE ANNUAL PLAN

Fisheries

- > Allocation
- > Policy

Aquaculture

- > Regional settlements and allocation
- > Policy

FISHERIES: ALLOCATION

OBJECTIVE 1	COMMENTS
<p>Objective 1: Assist iwi to gain/retain mandated iwi organisation (MIO) status and transfer population-based assets where relevant by 30 September 2019</p> <ul style="list-style-type: none">> Work with Ngāti Tama (Taranaki) and Te Whānau-ā-Apanui to help them gain MIO status by 30 September 2019.> Assist iwi to transition their MIO status to a Post Settlement Governance Entity (PSGE) or other entity where required.	<p>We assisted Te Rūnanga o Te Whānau to develop a project plan to assist with their progress towards establishing a MIO for Te Whānau-ā-Apanui. We will continue to work with Te Rūnanga o Te Whānau on this matter in the 2019/20 financial year.</p> <p>Te Rūnanga o Ngāti Tama placed the process of establishing a MIO for Ngāti Tama (Taranaki) on hold at least until after their annual general meeting (AGM) processes had been carried out. Their AGM was held in September. We will resume discussions with Te Rūnanga o Taranaki in the 2019/20 financial year.</p> <p>We worked with Te Arawhiti to assist Te Rūnanga o Ngāti Whātua to ensure their future PSGE's trust deed complies with the requirements of the Maori Fisheries Act 2004 so that MIO status can eventually transfer to that entity. This work is ongoing.</p>

<p>OBJECTIVE 2</p>	<p>COMMENTS</p>
<p>To allocate and transfer remaining settlement assets</p> <ul style="list-style-type: none"> › Assist Iwi to resolve coastline claims on remaining settlement assets by 30 September 2019. The process will be supported by facilitation services and other consultants (survey) › To assist Iwi to reach allocation agreements on eel quota or determine allocation under s 148 of the Maori Fisheries Act by 30 September 2019. 	<p>We transferred fisheries settlement quota shares to Te Rarawa in accordance with its coastline claim and its separate coastline agreements with Ngāpuhi and other Te Hiku Iwi.</p> <p>We transferred fisheries settlement quota shares to Moriori and Ngāti Mutunga o Wharekauri in accordance with their coastline agreement.</p> <p>We supported Iwi to work together towards reaching agreement on how to allocate fisheries settlement quota attributable to certain areas of coastline:</p> <ul style="list-style-type: none"> › Wellington Iwi engaged in processes that assisted the resolution of their coastline dispute. We anticipate being able to allocate and transfer assets to them in the 2019/20 financial year. › We worked with Iwi in Northern Taranaki to agree a process for developing a coastline agreement amongst them. Conversations with the Iwi are ongoing. › We assisted Manawatū Iwi to develop a process for resolving their coastline dispute. It is anticipated that this process will be carried out during the 2019/20 financial year. › We have offered to assist South Island Iwi to develop a process for resolving their coastline dispute.
<p>OBJECTIVE 3</p>	<p>COMMENTS</p>
<p>Facilitate agreements using statutory processes under the Act (s 181 and 182) where required</p> <ul style="list-style-type: none"> › Likely Māori Land Court applications in three areas to resolve coastline allocation disputes –Rangitāne/ Manawatū, Te Tau Ihu/Canterbury and Te Tairāwhiti. 	<p>We avoided the use of the statutory processes provided for in s 182 of the Act. Where coastline disputes exist, we are working closely with the relevant Iwi to develop processes to resolve those disputes.</p>
<p>OBJECTIVE 4</p>	<p>COMMENTS</p>
<p>Make annual catch entitlement (ACE) available to Iwi who have not received their settlement assets</p> <ul style="list-style-type: none"> › Manage October 2018 and April 2019 ACE rounds. › Sell ACE on behalf of Iwi in dispute over coastline allocations and hold proceeds in dispute under s 152 of the Maori Fisheries Act. 	<p>We completed the October 2018 and April 2019 ACE round processes. Where agreements to do so exist, we allocated ACE to Iwi. Where disputes exist, we carried out a tender process for the relevant ACE and placed the revenue of such sales on trust to be held until agreement is reached.</p> <p>We piloted a workshop that will assist MIOs to build institutional knowledge about the fisheries settlement and ACE round processes. This workshop will be more widely offered in the 2019/20 financial year.</p>

OBJECTIVE 5	COMMENTS
<p>Allocate and transfer funds on trust</p> <ul style="list-style-type: none"> Continuously review funds held on trust and status of disputes. Where possible, facilitate agreements between parties and distribute funds. 	<p>An ongoing piece of work is the continuous review of funds held on trust and the status of disputes. We were able to transfer Te Rarawa \$511,000 from the funds held in trust. Further details available in the financial statements.</p>
OBJECTIVE 6	COMMENTS
<p>MIO and Te Ohu Kaimoana compliance with the requirements of the Maori Fisheries Act</p> <ul style="list-style-type: none"> Ensure MIOs comply with the Maori Fisheries Act and any subsequent amendments or decisions of the Court with respect to the interpretation of the provisions of the Act. 	<p>Throughout the 2018/19 financial year, we engaged with four MIOs for which issues of compliance with the requirements of the Maori Fisheries Act had arisen. We were able to work with two of the MIOs to successfully resolve their compliance issues. We continue to be engaged in separate processes with the other two MIOs.</p>

FISHERIES: POLICY

MANAGEMENT SETTINGS

OBJECTIVE 1	COMMENTS
<p>Improve managing and reporting the overall catch</p> <ul style="list-style-type: none"> Influence on creating a more efficient process for managing the overall catch and/or the commercial catch in key fisheries. Continue engagement in electronic reporting and global position reporting and policy discussion regarding the potential use of onboard cameras. 	<p>We actively monitored the roll-out of electronic and global position reporting. This involved maintaining communication with sector representative entities (SREs) as they set about ensuring the arrangements were fit for purpose for their respective fisheries, contributing to the Fisheries New Zealand (FNZ)-led Implementation Advisory Group and attending key regional consultations. There were significant operational issues caused by the phased roll-out of the new monitoring system, and so we were highly engaged on this matter to help ensure the new arrangements were workable and loss of data through the inevitable transitional period was minimal.</p> <p>During the year, we focused on specific fisheries – including hoki, east coast tarakihi, orange roughy 7A, southern scallops and pāua 7 – as a way of improving management outcomes. We were involved in collaborative processes across sectors within each of these fisheries to assist with the design of enduring solutions to complex problems that had been raised during sustainability processes in previous years. In some instances, this involved participating in FNZ processes, while in others, it involved working directly with participants in the fisheries.</p> <p>In anticipation of adjustments to the legislative settings controlling the catch that is either landed or returned to the sea, we developed a first-principles guiding framework and discussed this with Iwi and SREs. This helped ensure our policy advice was consistent with the sustainable use of fisheries resources. We then advocated for this framework in responding to proposals to reform the management of catch that is either landed or returned to the sea.</p>

OBJECTIVE 2	COMMENTS
<p>Develop efficient policy tools for fisheries management</p> <ul style="list-style-type: none"> › Continue developing and promoting a solution to legacy fisheries management issues: 28N rights, use of deemed values, shelving and landings/discards policies. › Represent and provide input to the marine amateur fishers working group in order to ensure best available information is understood and developed with the assistance of Te Ohu Kaimoana. 	<p>We responded to the Minister of Fisheries' <i>Your fisheries – your say</i> public consultation document, which sought to address issues related to landings and discards (discussed above), the setting of catch limits, offences and penalties as well as various technical deficiencies within the Fisheries Act 1996.</p> <p>We participated in two working groups established by the Minister to address preferential allocation rights (more commonly known as 28N rights) and the use of shelving of ACE in fisheries management decision making.</p> <ul style="list-style-type: none"> › The 28N rights group developed a package setting out a possible way forward for discussion with entities with substantial s 28N holdings. We now await a response from the Crown, and in the meantime, we have taken legal action to prevent the application of preferential allocation rights in SK17. › The shelving working group was informed that Crown Law now agrees that shelving of ACE is a legitimate consideration for the Minister of Fisheries to take into account when considering the effects of fishing. This change in stance resulted in the PAU4 and PAU7 proceedings being withdrawn and the Minister's decisions to reduce the total allowable catch/total allowable commercial catch (TAC/TACC) in those fisheries without taking the effect of shelving ACE into account being set aside. Further, the appeal against the PAU5B decision to increase the TAC/TACC and discharge 28N rights in that fishery was put on hold pending an evaluation of the implications of the PAU4 and PAU7 proceedings being withdrawn. <p>We participated in a third working group established by the Minister to consider the application of deemed values. The working group accepted the proposition that deemed values are a utilisation (rather than sustainability) measure. This view aligns with our position that the current practice of ramping deemed values up to levels that exceed the market price for fish without considering the full range of relevant factors is inappropriate. The group provided a report to the Ministry for Primary Industries (MPI) that reviews the operation of the deemed values regime. The next step in the process is to form an implementation oversight working group.</p> <p>We supported meetings of the marine amateur fishers working group and were encouraged to see signs that steady progress is being made towards improving the way recreational fishing is managed and with aligning the catch with the allowances made under the TAC. This forum provides us with an opportunity to track that progress and contribute to the discussion on how further improvements could be delivered, such as by promoting better integration of recreational fishing with customary and commercial fishing. The main areas of focus for the group were the National Panel Survey and management of the CRA2 and southern blue fin fisheries with novel methods for management (including tagging and reporting and balloting).</p>

FISH STOCK MANAGEMENT

OBJECTIVE 3	COMMENTS
<p>Protect Māori fishing rights from access threats</p> <ul style="list-style-type: none"> › Provide an ongoing central hub of expertise and technical support to Māori representatives elected to industry bodies so that Māori are positioned to take pivotal leadership roles in commercial stakeholder organisations (CSOs) and SREs or, where agreed by iwi, undertake those roles directly on behalf of Iwi. › Continue working with affected Iwi correcting the allocation in SNA7 fishery and piloting new approaches for realising the potential of this fishery. › Support Iwi to develop and implement fisheries plans to protect the settlement interests. › Continue engagement in AGMs, working groups, industry meetings and other relevant meetings of different fish stocks for efficient fish stock management. › Continue ensuring that Māori interests are protected and Iwi are well informed on matters affecting them in commercial, customary and recreational sectors. 	<p>We engaged with Te Wai Pounamu MIOs regarding the development of an Iwi-led project for PAU7, with the support of The Nature Conservancy. In addition, we engaged with the Pāua Industry Council about their development of a fisheries plan for PAU7 on behalf of the commercial sector. The PAU7 fisheries plan will provide a mechanism for the commercial sector to deliver on the commercial component of the broader strategy we are developing in association with Iwi with the assistance of The Nature Conservancy.</p> <p>The PAU4 fisheries plan was approved by the Minister of Fisheries in March. We have continued to engage with the Pāua Industry Council about this initiative to determine how we can best assist with the implementation of the plan.</p> <p>We participated in the Southern Scallop Working Group in a supporting role to the Te Tau Ihu representatives. The working group has developed a strategy to support an opening regime for the fishery (which has been temporarily closed to all fishing). The strategy identifies key risks to sustainable utilisation and sets out appropriate mitigations, including those that require regulatory support.</p> <p>We were active in attending AGMs for a range of pāua and rock lobster fisheries. This enabled us to stay informed about challenges in both fisheries and engage with a range of participants across those industries.</p> <p>We responded to consultation on changing recreational bag limits for pāua in PAU3 and PAU7.</p> <p>We responded to consultation on proposed sustainability and utilisation measures for CRA3, CRA4, CRA8 and SCC7A aligned to the 1 April fishing year. In the case of CRA4, we did further work with Iwi following the end of the consultation period, including providing an additional response to the Minister of Fisheries. This action was required to respond to supplementary submissions filed on behalf of CRAMAC4 and the Rock Lobster Industry Council that were addressing issues raised by Iwi.</p> <p>We developed a comprehensive response to FNZ’s review of sustainability measures for the fishing year beginning 1 October 2019. The response was shaped by the collective aspirations and views expressed by Iwi at several targeted hui about the stocks under review, including kina, hoki, pāua in the Chatham Islands and tarakihi on the east coast.</p> <ul style="list-style-type: none"> › We worked with Fisheries Inshore New Zealand and Southern Inshore Fisheries to develop an Eastern Tarakihi Management Strategy and Rebuild Plan. The plan was then included in FNZ’s 2019 Sustainability Rounds and was adopted by the Minister. › We filed legal proceedings against the Minister’s decision to increase the TACC in SKI7, as the implementation of that decision would trigger 28N rights in the fishery. We subsequently gained an interim order to prevent the proposed TACC increase. <p>We actively engaged with SREs on a range of fisheries management issues, including attendance of the Commercial Fisheries Forum, as well as Deepwater Group and Seafood New Zealand Board meetings.</p>

MANAGING EFFECTS OF FISHING

OBJECTIVE 4	COMMENTS
<p>Develop efficient mechanisms to manage effects of fishing while ensuring Māori fishing interests are protected</p> <ul style="list-style-type: none"> Continue influencing the development of different approaches to ensure the protection of sea lions, Hector’s and Māui dolphins, seabirds and sharks while ensuring Māori fishing interests are secured. 	<p>We actively engaged in the stakeholder forums for the Hector’s and Māui Dolphins Threat Management Plan Review. In June, the Ministers of Fisheries and Conservation began consulting on proposals for updating the plan. We considered the proposals were insufficient – they would not ensure adequate protection of dolphin populations. At the same time, if implemented, the proposals would greatly impact on the ability of fishers to catch quota management system stocks. We provided our advice to the Ministers at the end of August. We also interacted with Moana New Zealand, Sanford and World Wildlife Fund as they developed their alternative proposal for the Ministers to consider.</p> <p>We engaged on matters concerning sea lions. We participated in both the Sea Lion Forum and Advisory Group, as well as the Squid 6T Operational Plan Technical Advisory Group. In our response to the Squid Trawl Operational Plan, we made clear our concerns about the trend of incrementally restricting access to the squid fishery despite a lack of evidence of there being a risk to the long-term viability of sea lions.</p> <p>We provided direction and perspectives for the Govtech Southern Seabirds Solutions antipodean wandering albatross project, with the aim of reducing the mortality of seabirds on the high seas.</p> <p>We engaged with Department of Conservation’s (DOC’s) Conservation Services Research Advisory Group and FNZ’s Aquatic Environment Working Group. These groups play a key role in ensuring the research being commissioned addresses key information gaps to ensure the effects of fishing on both habitats and protected species.</p> <p>We engaged in the first meeting on the revised National Plan of Action for Sharks. The revised plan will be developed over the 2019/20 financial year.</p>

OBJECTIVE 5	COMMENTS
<p>Continue ensuring sustainability in fisheries while ensuring Māori fishing interests are protected</p> <ul style="list-style-type: none"> › Continue promoting improved approaches for ensuring sustainability in accordance with the purpose of the Fisheries Act. This includes increased focus on meeting environmental principles. › Complete an analysis of the impact of marine protected area (MPA) establishment and the allocation of access for recreational and sports fishing on Māori Treaty rights. 	<p>We responded to DOC’s discussion paper <i>Te Koiora o te Koiora</i> – an outline of a new biodiversity strategy. Our response reflected feedback given during a workshop we held with MIOs on a preferred approach to protecting marine biodiversity in March.</p> <p>We received a final report and associated academic papers reporting on the international experience with the development of MPAs and ecosystem-based management. The compilation of material also covered off the New Zealand experience with these approaches and the destabilising effect on fisheries management that comes from a lack of a cross-sector allocation policy. This material will be published in the 2019/20 financial year.</p> <p>We engaged with an independent reviewer commissioned to review the FNZ Sustainability Rounds process. We outlined concerns about the lack of a consistent and an agreed process for altering fisheries management settings of and the low level of commitment to a partnership. We considered the stock assessment process to be a strength.</p> <p>In August, we participated in the New Zealand delegation to the intergovernmental conference that is negotiating a legally binding instrument or treaty on management of biodiversity beyond national jurisdiction, held at the United Nations in New York. The instrument being negotiated is not intended to undermine existing arrangements in the high seas. However, it is unclear what this will mean in practical terms, and given Iwi have fishing interests in high seas areas, our aim is to ensure the instrument does not have unintended adverse effects on Māori interests. Earlier in the year, we provided a response to the Ministry of Foreign Affairs to assist with the development of the New Zealand Government position to be taken to the negotiations.</p>

MANAGING EFFECTS ON MĀORI FISHERIES

OBJECTIVE 6	COMMENTS
<p>Protect Māori fishing rights from access threats</p> <ul style="list-style-type: none"> › Ensure settlement rights are respected and not reduced except where by agreement with relevant settlement entities. This includes involvement in: <ul style="list-style-type: none"> › the Resource Management Act 1991 and Fisheries Act interface to ensure that access to fishing is not unnecessarily restricted › involvement in the Marlborough District Plan › engagement in Trans-Tasman Resources’ appeal. › Ensure settlement rights are respected and not reduced except where by agreement with relevant settlement entities and participate in all precedent-setting initiatives that would reduce access for fishing or aquaculture including involvement in: <ul style="list-style-type: none"> › the Kermadec Ocean Sanctuary › MPA proposals, including Campbell Island, South-East MPA and Seachange2. 	<p>We continued to meet with members of the government on the Rangaitāhua/Kermadec Ocean Sanctuary proposal. Our position is underpinned by a set of key principles and parameters that were developed with Iwi. These same principles will inform our response to any further MPA proposals, such as the one due to be consulted on for the east coast of the lower South Island.</p> <p>We commenced discussions with the Natural Resource Sector Directors (and other key staff) from MPI, Ministry for the Environment and DOC about our shared aspirations for marine conservation in Aotearoa. Throughout the 2019/20 financial year, we will identify potential mutual outcomes and outcome-based priorities and principles that could be further developed.</p> <p>A Ministerial Advisory Committee has been appointed to help shape the government’s response to the conservation and fisheries related proposals in the Sea Change – Tai Timu Tai Pari Hauraki Gulf Marine Spatial Plan. We are providing support to the four tangata whenua representatives included on the committee.</p> <p>We attended multiple Sustainable Seas Science Challenge workshops including a Māori Fisheries Wānanga. We also increased our engagement with the Challenge by becoming members on both the kāhui and stakeholder panels. The research carried out under the Challenge has the stated aspiration of influencing policy development. We have directed our efforts towards ensuring that the research is evidence-based.</p> <p>The independent team reviewing the Campbell Island/Motu Ihupuku Marine Reserve recommended to the Ministers of Conservation and Fisheries that the reserve be extended. We have engaged with officials about the recommendations with a view to directing discussions towards advocating for and implementing customary tools that acknowledge the value of the area while ensuring the continuation of development rights.</p> <p>We continued our involvement in the appeals against Trans-Tasman Resources’ application to mine ironsand in the South Taranaki Bight. A hearing was held at the Court of Appeal in September.</p> <p>We maintained a watch on the <i>Attorney-General v The Trustees of the Motiti Rohe Moana Trust & Ors</i> proceedings. We have maintained an active interest in these proceedings as it seeks to clarify what role, if any, regional councils could play in managing the effects of fishing on biodiversity. We attended a hearing on this matter at the Court of Appeal in July.</p> <p>We submitted to the Environment Select Committee on the Zero Carbon Bill. Our response highlighted the importance of a partnership approach that allows Iwi/Māori to co-design a pathway towards a climate-resilient Aotearoa. We then presented our response to the Environment Select Committee in September.</p>

OBJECTIVE 6 CONT.**COMMENTS**

We attended the 7th annual meeting of the South Pacific Regional Fisheries Management Organisation in The Hague during January. The plenary made a range of decisions that will impact on fishing on the high seas, including spatial protection of vulnerable marine ecosystems, catch limits for orange roughy and bycatch and the allocation of those catch limits between Australia and New Zealand. These decisions came into effect on 27 April, and New Zealand nationals are managed through conditions on high-seas fishing permits. We have since engaged with MPI on the implementation of these measures, including meeting obligations under the Deed of Settlement. We remain concerned with an interim approach that promotes a “race for fish” through an Olympic fishing model.

We responded to the Government’s draft report on New Zealand’s progress implementing the Convention on Biodiversity (CBD), which includes implementation of MPAs. We also met with officials from the Ministry of Foreign Affairs and Trade (MFAT), DOC and MPI about the CBD and communicated to them our aspirations for the development of a Global Biodiversity Framework for post 2020 (when the existing CBD is due to expire).

We provided a response to MFAT on the 2019 international climate change negotiations. MFAT was seeking views on the outcomes New Zealand should seek at the COP25 to support global implementation of the Paris Agreement. We noted the need for meaningful engagement domestically and aligning negotiations with the principles of te hā o Tangaroa.

CUSTOMARY FISHING**OBJECTIVE 7****COMMENTS****Ensure efficient, balanced and current management of customary fishing rights**

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

A rebuild of the IkaNet system was completed. With the rebuild completed, focus then turned to training kaitiaki to use the new system and working with users to improve functionality and develop a monitoring platform. The number of users remains relatively low, and we are continuing to promote the IkaNet system amongst Iwi as an efficient tool for recording customary catch.

We commenced a review of the Customary Fishing Framework and attended fisheries forum hui to gain insights from Iwi on the problems and opportunities they are experiencing. We are preparing a report on our findings, which we plan to workshop with Iwi in the 2019/0 financial year.

FNZ approved the rohe moana applications lodged by Iwi from Taranaki to Te Tau Ihu. That approval allowed Iwi to establish multiple Iwi deepwater pātaka systems, which are being administered through the IkaNet online reporting system. A training session with kaitiaki was held to ensure there was full understanding of, and support for, the proposed rules under which the pātaka will operate.

AQUACULTURE: REGIONAL SETTLEMENTS AND ALLOCATION

OBJECTIVE 1	COMMENTS
<p>Facilitate discussions between Iwi aquaculture organisations (IAOs) on the allocation of settlement assets and discussions between IAOs and the Crown on satisfying further settlement obligations in the Northland region</p> <ul style="list-style-type: none"> › Facilitate discussion between IAOs and the Crown on the extent and form of further settlement assets derived from the Crown’s settlement obligations as a result of coastal permit applications for new species new space in the Northland region. › Facilitate discussions between IAOs on the allocation of new space settlement assets, including IAOs making settlement allocation entitlement claims under Schedule 1 of the Act, or the use of the dispute resolution processes for allocation (including possible Māori Land Court processes) by September 2019. › Facilitate discussions between IAOs on the allocation of pre-commencement space assets by September 2019. 	<p>Northland Regional Council has received two applications for spat catching off Ninety Mile Beach. We have worked with FNZ and MPI to determine whether it is feasible to forecast and value the settlement obligations the Crown will owe if these applications are granted. No forecast of farming of mussel spat in this region was included in the 2014 new space settlement forecasts, and there are no existing spat-catching farms in this region to assess expected performance. This work will be ongoing.</p> <p>We assisted Northland Iwi to develop agreement on an allocation methodology for the new space aquaculture settlement assets we held on their behalf.</p> <p>An amendment to the Maori Commercial Aquaculture Claims Settlement Act 2004 is necessary to enable allocation of the remaining aquaculture settlement assets we hold on behalf of Northland Iwi.</p>
OBJECTIVE 2	COMMENTS
<p>Facilitate discussions between IAOs and the Crown on satisfying settlement obligations in the Waikato (West) region and discussions between IAOs on the allocation of settlement assets</p> <ul style="list-style-type: none"> › Facilitate discussions between IAOs and the Crown on the extent and form of new space settlement assets derived from the Crown’s settlement obligations in the Waikato (West) region and progress towards a regional agreement between the IAOs, the Crown and Te Ohu Kaimoana by September 2019. 	<p>Waikato Regional Council has received applications for spat catching off the western coast of Waikato and in Aotea Harbour. We have worked with FNZ and MPI to determine whether it is feasible to forecast and value the settlement obligations the Crown will owe if these applications are granted. This work is ongoing.</p>

<p>OBJECTIVE 3</p> <p>Facilitate discussions between IAOs on the allocation of settlement assets, and discussions between IAOs and the Crown on satisfying settlement obligations in the Bay of Plenty region</p> <ul style="list-style-type: none"> Facilitate agreement on allocation of Bay of Plenty pre-commencement space and new space assets by working with IAOs and have them agree to a model for allocation of assets, with that agreement recorded in a memorandum of understanding signed by IAOs by March 2019. Facilitate discussions between IAOs and the Crown on the extent and form of new space settlement assets derived from the Crown's settlement obligations in the Bay of Plenty region and progress towards a regional agreement between the IAOs, the Crown and Te Ohu Kaimoana by September 2019. 	<p>COMMENTS</p> <p>We facilitated engagement between Bay of Plenty Iwi and the Crown over the new space obligations owed to Iwi. Iwi have expressed an interest in taking some of the new space settlement obligations owed to them in the form of authorisations to develop space, and so we worked with the Iwi to agree appropriate sites for investigation.</p> <p>An amendment to the Maori Commercial Aquaculture Claims Settlement Act is necessary to enable allocation of the pre-commencement space aquaculture settlement assets we hold on behalf of Bay of Plenty Iwi. We worked with Bay of Plenty Iwi to develop an allocation methodology so that the assets may be allocated immediately upon enactment of our proposed amendments to the Act. These conversations are ongoing.</p>
<p>OBJECTIVE 4</p> <p>Facilitate discussions between IAOs on the allocation of settlement assets in the Wellington region</p> <ul style="list-style-type: none"> Facilitate discussions between Wellington regional IAOs on the allocation of pre-commencement space assets by March 2019. 	<p>COMMENTS</p> <p>No work was undertaken on this matter. Work will resume on this in the 2019/20 financial year.</p>
<p>OBJECTIVE 5</p> <p>Facilitate the allocation of settlement authorisations to jointly owned iwi companies in the Tasman region</p> <ul style="list-style-type: none"> Assist IAOs to complete an allocation agreement for settlement authorisations in the Tasman AMA subzones to jointly owned Iwi asset-holding companies. Complete handover of information to directors of joint Iwi asset-holding companies by March 2019. 	<p>COMMENTS</p> <p>Resource consents to develop the three subzones in AMA1 of the Tasman and Golden Bays Aquaculture Management Area (AMA) were granted by Tasman District Council in March 2019. After the resource consents were granted, it was identified that the line layouts (set out in drawings that formed part of the resource consent applications) were in conflict with other conditions in the resource consent. Alteration to achieve consistency affects the development of all subzones of AMA1. This has necessitated that all AMA1 applicants work together to resolve the line layout issues. It has also meant that an amendment to the relevant settlement authorisations is necessary. We have supported Maara Moana to rectify the line layout issues.</p>

OBJECTIVE 6	COMMENTS
<p>Facilitate discussions between iwi on the form of additional settlement assets created in the Marlborough region</p> <ul style="list-style-type: none"> Assist IAOs to agree the form of additional settlement assets created if the relocation of New Zealand King Salmon (NZKS) space is approved by the Minister of Fisheries (using his s 360 RMA powers) and assisting IAOs to agree a method of allocation for those assets by September 2019. 	<p>We supported an Iwi working group (made up of representatives of Marlborough IAOs) to engage with NZKS about the independent Marlborough Sounds Salmon Farm Relocation Advisory Panel's recommendations on NZKS's proposal that the Minister of Fisheries use his powers under s 360 of the Resource Management Act to alter the Marlborough Resource Management Plan to allow the relocation of particular salmon farms within the Marlborough Sounds.</p> <p>Following these conversations, the Iwi working group and NZKS jointly developed an alternative proposal that has been submitted to the Minister.</p> <p>We supported the Iwi working group to prepare a document package for the benefit and consideration of all Marlborough IAOs that outlines the alternative proposal. Marlborough IAOs will consider the package in the first quarter of the 2019/20 financial year.</p>
OBJECTIVE 7	COMMENTS
<p>Facilitate the allocation of settlement assets to IAOs derived from the Canterbury regional new space settlement</p> <ul style="list-style-type: none"> Allocate and transfer those assets to IAOs by March 2019. 	<p>In October 2018, Te Ohu Kaimoana received \$1,262,921 in Crown financial assistance monies in accordance with clause 5.3 of the Canterbury New Space Regional Agreement along with two authorisations to develop aquaculture space in Lucas Bay, Akaroa Harbour. Both the Crown financial assistance monies and the authorisations were allocated and transferred in accordance with the agreement allocating the Canterbury new space regional aquaculture settlement assets.</p>
OBJECTIVE 8	COMMENTS
<p>Facilitate discussions between IAOs and the Crown on satisfying settlement obligations in the Southland region, and discussions between IAOs on the allocation of settlement assets</p> <ul style="list-style-type: none"> Facilitate discussions between Ngāi Tahu and the Crown to sign a new space regional agreement between the IAOs, the Crown and Te Ohu Kaimoana by February 2019. 	<p>The deadline to enter into a new space agreement for the Southland region was extended to 30 May 2020 to enable further investigations for suitable water space to be taken off the coast of Rakiura. The investigations are necessary as Te Rūnanga o Ngāi Tahu has signalled an interest in taking the new space settlement obligations owed to it in the form of authorisations to develop space.</p>

OBJECTIVE 9	COMMENTS
<p>Assist IAOs and the Crown to agree the value and form of additional new space settlement assets where applicable</p> <ul style="list-style-type: none"> › Participate in the statutory review of the Minister’s new space plan for aquaculture, including facilitating discussions between IAOs and Iwi where the actual space consented in a 5-year period exceeds that which was forecast in the national forecast models and confirmed through regional settlements (for example, approval of the NZKS relocation, additional mussel space in Western Firth – Te Ohu Kaimoana will assist iwi in the affected regions to agree on both the amount and the form of any further settlement assets from the Crown). › Where new forms of aquaculture become commercialised (for example, fin fish in the North Island), agreeing with the Crown on an appropriate monitoring regime to elicit the parameters needed to allow forecasting and valuation of space. 	<p>We worked with MPI officials to resolve whether it is feasible to forecast and value the settlement obligations the Crown will owe if applications for spat catching off either Ninety Mile Beach or the western coast of Waikato are approved. In both these situations, there is no previous experience of farming mussel spat off these coasts to be able to sensibly assess performance to assist valuation at present. This work is ongoing.</p>
OBJECTIVE 10	COMMENTS
<p>Review the Minister’s new space plan for aquaculture</p> <ul style="list-style-type: none"> › Develop with the Crown a reforecast of expected new space for all species in each region to 2035. This will involve direct engagement with IAOs on how the review of the plan will affect their region. This will also include an analysis of the data in the settlement valuation models and the development of further valuation models for new species by September 2019. Reconciliation of the new space forecast and valuation model inputs may result in adjustments to regional settlements. 	<p>We worked collaboratively with FNZ and MPI on the review of the Minister’s new space plan. This involved engaging expert consultants to update the 2014 valuation models for each species in each region to reflect current costs, prices and other settings. We then reality tested the updated models with experts in the mussel, salmon and oyster industries.</p> <p>Work on the review stalled when it became apparent that FNZ, MPI and Te Ohu Kaimoana have divergent views on the scope of the Minister’s obligations in conducting a review. We continue to work with FNZ and MPI to agree the scope of the review.</p>

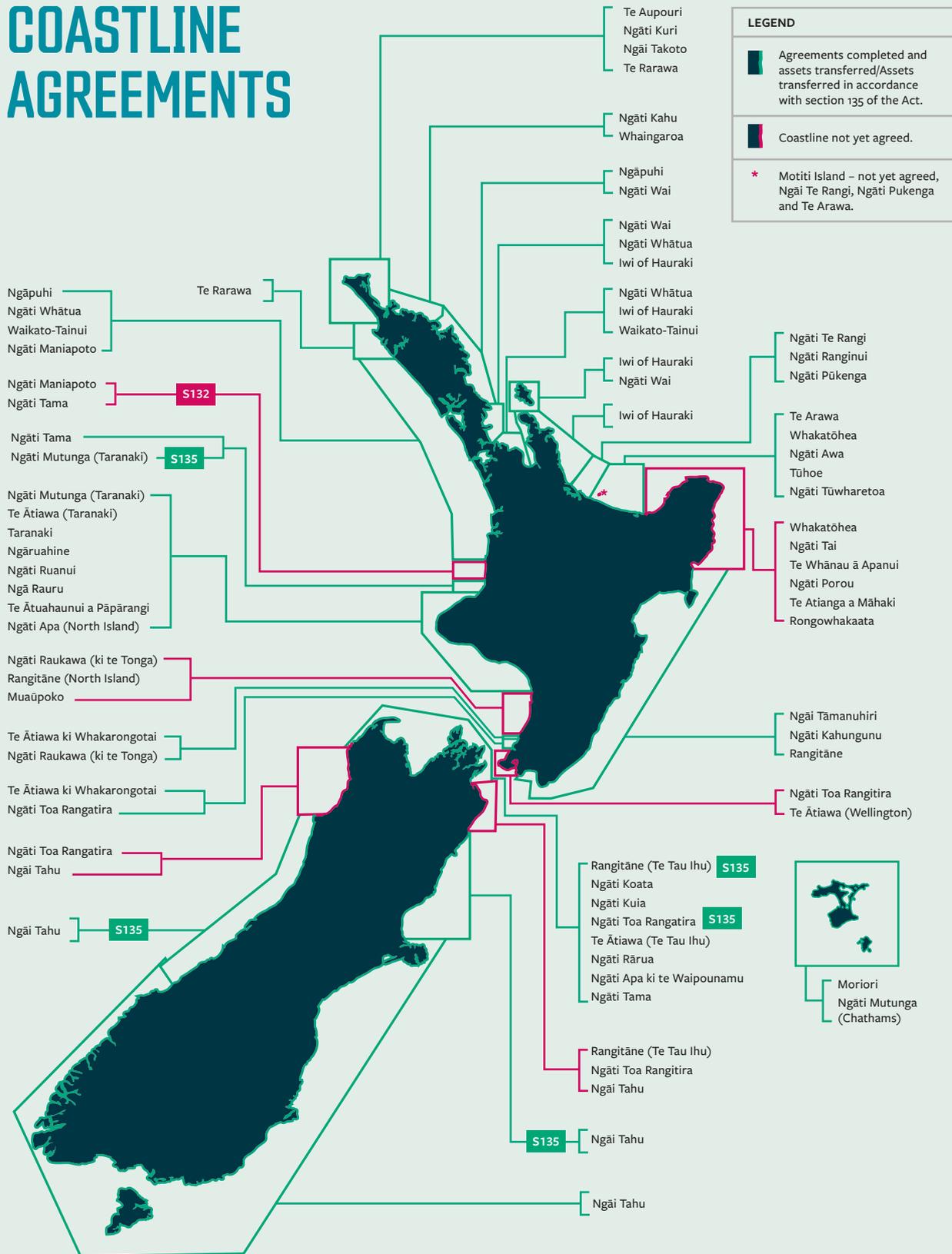
OBJECTIVE 11	COMMENTS
Transition <ul style="list-style-type: none"> › Assist Iwi to transition their MIO/IAO status to a PSGE or other entity where required. 	<p>We were not required to assist Iwi to transition their IAO status to a new entity during the 2018/19 financial year.</p>
OBJECTIVE 12	COMMENTS
Meet other statutory requirements <ul style="list-style-type: none"> › Develop, monitor and update the Iwi aquaculture register. › Maintain and update the Takutai Trust website. 	<p>In accordance with our funding agreement with the Minister of Fisheries, we provided regular reports to MPI outlining our activities undertaken throughout the year.</p>
OBJECTIVE 13	COMMENTS
Maintain ongoing relationship with MPI officials <ul style="list-style-type: none"> › Regularly monitor any new approvals for pre-commencement space in all regions. › Value and transfer to Te Ohu Kaimoana any further pre-commencement space obligations and work with relevant IAOs on their allocation. 	<p>We meet regularly and work collaboratively with MPI officials within the Aquaculture unit of FNZ.</p>

AQUACULTURE: POLICY

OBJECTIVE 1	COMMENTS
<p>Protect the interests of Iwi in aquaculture by collaborating with Iwi, the aquaculture industry and government to identify and address any threats to aquaculture</p> <ul style="list-style-type: none"> › Participate as a director and support an Iwi director on Aquaculture New Zealand. › Participate as member of the working group to promote improved national direction for aquaculture so that there is more certainty and consistency for re-consenting of existing aquaculture and approval of new space across all regions as these affect Iwi interests individually and collectively in aquaculture. › Support an Iwi aquaculture think-tank to address key policy and operational issues in aquaculture for Iwi, where agreed. 	<p>We assisted with the establishment of a working group to review the 2011 GLM9 Management Plan and its associated operations, including the code of conduct to apply to any spat harvesting on Te Oneroa-a-Tōhē. Te Hiku Iwi and the local community have expressed dissatisfaction with the current harvesting practices undertaken on the beach. The working group consists of representatives from each of the Te Hiku Iwi, Aquaculture New Zealand, the Marine Farmers Association, the spat-harvesting community, GLM9 quota owners and Te Ohu Kaimoana.</p> <p>We have engaged with Iwi, the Crown and industry about the potential for open ocean aquaculture development in New Zealand. We participated in a series of MPI-convened workshops focused on the development of a policy framework to guide open ocean aquaculture development. We also presented to Cawthron’s Open Oceans Symposium about Māori aspirations for open ocean aquaculture development.</p> <p>We contributed to the development of the government’s Aquaculture Strategy. The strategy sets an ambitious goal of the New Zealand aquaculture industry reaching \$3 billion in annual sales by 2035 (up from a current \$600 million).</p> <p>We have continued to participate on the board of Aquaculture New Zealand, allowing us to ensure that any proposals put forward by Aquaculture New Zealand have a positive impact on the aquaculture settlement and IAOs aquaculture interests.</p>
OBJECTIVE 2	COMMENTS
<p>Amend the Maori Commercial Aquaculture Claims Settlement Act 2004</p> <ul style="list-style-type: none"> › Promote amendments to the Act to provide for an additional mechanism to assist iwi to reach agreement on the allocation and transfer of aquaculture settlement assets. This will involve technical engagement with Crown officials and possible further consultation with IAOs. The amendments to the Act will ensure the legislation is fit for purpose and provides a full range of options for allocation. This work is expected to continue until 2020. 	<p>Te Ohu Kaimoana delivered its proposal to amend the Maori Commercial Aquaculture Claims Settlement Act to the Minister of Fisheries in June 2018. The proposal is necessary to enable allocation to occur in at least two regions and would provide Te Ohu Kaimoana with a limited discretion to make determinations on allocation entitlements for individual IAOs in a region based on respective coastline lengths.</p> <p>Both the Minister and his officials undertook to progress our proposal to amend the Maori Commercial Aquaculture Claims Settlement Act. MPI anticipates that a Bill will be able to be introduced to the House by June 2020.</p> <p>We worked with officials to develop a package that will be consulted on by MPI between early December 2019 and mid-February 2020.</p>



COASTLINE AGREEMENTS





TE WAI MĀORI TRUST REPORT



Ko Rangi

Ko Papa

Ka puta ko Rongo

Ko Tāne Mahuta

Ko Tangaroa

Ko Tūmatauenga

Ko Haumia-tiketike

Ko Tāwhirimātea

Tokona te Rangi ki runga

Ko Papa ki raro

Ka puta te ira tangata ki te whai
ao, ki te ao marama

E Rongo, whakairia ake ki runga,
Kia Tina! Tina!

Haumi e, Hui e, Taiki e!

- ▼ Dr. Dee Sciascia presenting about mātauranga Māori and science at the Freshwater Fisheries Conference.

Te Wai Māori had a rewarding 2018/19FY, which saw the Trust continue our programme of work to enhance the status of tuna, and support iwi and hapū projects through the Wai Ora Fund. The Trust also commissioned some research on the vulnerability of our taonga freshwater species to a changing climate, and we heard lots of interesting kōrero at the Te Wai Māori Freshwater Fisheries Conference about how iwi and hapū are already reacting to climate change in their own rohe.

This report details the work of Te Wai Māori Trust (Te Wai Māori) for the 2018/19 financial year.

Our kaupapa

To advance Māori interests in freshwater fisheries through:

- > increasing iwi and hapū capacity and capability in freshwater fisheries and their ability to influence decision making with regard to their freshwater fisheries
- > promoting and sharing indigenous fisheries expertise, knowledge and understanding
- > increasing the quality and range of information to iwi and hapū on freshwater fisheries and their interests thereof
- > enhancing the health and wellbeing of the indigenous fisheries and their environment.

Governance update

In late 2018, Te Wai Māori sought applications for the role of alternate director, and in February 2019, Ian Ruru was appointed as an alternate director on the Te Wai Māori Board. Ian brings extensive governance experience as well as many years of freshwater fisheries knowledge.

At Te Wai Māori Board's August 2019 meeting, Ken Mair was reappointed as Chair until the end of his term in February 2020.



Strategic issues

As a product of the Maori Fisheries Act 2004, Te Wai Māori takes a proactive approach to ensure that agreements between Māori and the Crown as part of the Fisheries Settlement are recognised and upheld.

Over the year, Te Wai Māori has responded to a number of consultations by the Crown on freshwater fisheries matters.

Conservation (Indigenous Freshwater Fish) Amendment Bill

In February 2019, Te Wai Māori directors and staff presented our position on the proposed Conservation (Indigenous Freshwater Fisheries) Amendment Bill to the Environment Select Committee. We supported some parts of the amendment, and we outlined some concerns with the overlap between the Conservation Act and the Fisheries Act and the Department of Conservation's (DOC's) poor engagement process, particularly the lack of iwi and hapū consultation. Notwithstanding these points, we expect that the Bill will pass its third reading, and iwi and Te Wai Māori will have an opportunity in FY19/20 to address some of these issues through the development of freshwater fisheries regulations.

- ▼ Ken Mair at the pōwhiri for the Freshwater Fisheries Conference.



Whitebait review

During the year, the Minister of Fisheries sought public feedback on the issues for the species, but Te Wai Māori has also had concerns about DOC's engagement with iwi and hapū on the national review of whitebait management. At the Māori Fisheries Conference in March 2019, we facilitated a workshop with iwi and hapū on the health and wellbeing of īnanga, options for regulatory regime and engagement with DOC regarding whitebait.

Review of the New Zealand Biodiversity Strategy

Te Wai Māori staff contributed to Te Ohu Kaimoana's response to the review of the New Zealand Biodiversity Strategy. This work is ongoing and will contribute to New Zealand's contribution to the review of the UN Convention on Biological Diversity.

Work programme overview

Te mana o ngā tuna

At the 2017 National Māori Tuna Conference in Whanganui, iwi and hapū directed Te Wai Māori to explore options for legal recognition and protection for tuna. During FY17/18, Te Wai Māori investigated a suite of various legal mechanisms and developed this further during FY18/19. One of the key outcomes was the decision to form a national body to represent the interests of tuna, which is comprised of a number of experts on the species and its habitat. The group's role will be to implement a suite of mechanisms that provide appropriate recognition of the relationship between Māori and tuna. This will include undertaking research on the impacts of climate change on tuna, supporting iwi and hapū to better influence resource management decision making and using mechanisms provided for in legislation to protect tuna and its habitat.

Te Wai Māori is also creating a series of mini-documentaries to highlight some of the issues facing tuna and its habitat. Planning for these began in FY18/19, and filming and release will be in early 2020.

Piharau/kanakana

Te Wai Māori have continued to work with the iwi steering group to develop the piharau/kanakana strategy and a strategy implementation plan. This will guide Te Wai Māori's work on growing the awareness of piharau/kanakana and developing case studies for our future work.

Freshwater Fisheries Conference

In September this year, Te Wai Māori hosted the third Freshwater Fisheries Conference in Whangārei. The theme for this year's event was the vulnerability of our taonga freshwater species to a changing climate. Over one and a half days, speakers and panellists spoke about mātauranga Māori and science, the latest research about tuna and piharau/kanakana and work that hapū and iwi are leading around the

country in the face of climate change issues. It was a sold-out event, with 170 attending from around the country. One of the outcomes from the conference was the need for a toolkit for iwi and hapū.

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.

During the year, Te Wai Māori staff supported six projects that were approved in FY17/18:

- > Te Arawa Lakes Trust and Ngāti Tararua Iwi Trust are undertaking a cultural health assessment of Lake Okataina using key indicators species to assess the health of the lake.
- > Ngā Hapū o Tūtaekurī created a large wetland south of Napier, which was then flooded to create a new habitat where the Tūtaekurī, Ngaruroro and Clive Rivers converge.
- > Te Whenua Tōmuri Trust in Taranaki is working with hapū, marae and kura to resource, train and mentor them in environmental monitoring and sustainable management.
- > Tūwharetoa Māori Trust Board is studying kōura and kōura habitat in Lake Taupō by understanding size and abundance, kōura disease and reproductive stages and identifying habitat that kōura could potentially translocate stock to.
- > Whangawehi Catchment Management Group restored a large wetland environment in the Whangawehi River catchment on the Māhia Peninsula, with significant areas of land retired and planted with native plants.
- > Te Kotahitanga o Te Atiawa collated historical information on land-use change, habitat modification, fisheries management and

▼ Filming the first mini-documentary with students of Te Karaka Area School and Lamp Studios in Tūranga-nui-a-Kiwa.



mātauranga Māori for the Waiwhakaiho River in Taranaki. This information will form part of a larger project to restore and revitalise habitat for taonga species in the catchment.

Applications for this year's funding closed in June 2019. There were 13 applications received seeking funding of over \$500,000. This year, Te Wai Māori budgeted \$250,000 for the Wai Ora Fund. During the year, the applications were assessed by an independent assessment panel, which assesses applications against funding criteria and makes funding recommendations to Te Wai Māori Board. Based on feedback from the panel, Te Wai Māori has sought further information from applicants, and funding decisions will be made in November 2019.

Tiaki Wai Fund

In early 2019, Te Wai Māori announced the establishment of the Tiaki Wai Fund to support iwi and hapū to undertake small-scale projects that aim to address information gaps about taonga species and habitat, as identified in *Understanding Taonga Freshwater Populations in Aotearoa New Zealand*. Interest in the fund this year was limited, but staff are working with applicant groups to further develop applications.

Research

Concerned about the effects of a changing climate on taonga freshwater species, Te Wai Māori commissioned NIWA to undertake a jointly funded assessment of the vulnerability of key taonga species to the expected effects of climate change. This research will be completed by January 2020 and will inform future work for Te Wai Māori.

WAI2358 National Freshwater and Geothermal Resources Claim

Te Wai Māori welcomed the Waitangi Tribunal's stage 2 report of its Wai2358 National Freshwater and Geothermal Resources Inquiry. The initial claim was filed by the New Zealand Māori Council in February 2012 and was supported by a number of Māori parties including Te Wai Māori.

Te Wai Māori is heartened by the Tribunal's recommendations for the Crown to address issues such as the degradation of freshwater and freshwater habitat and the impact this is having on the health and wellbeing of taonga freshwater species.

Financial performance

Total operating revenue for the financial year amounted to \$1.42 million (2018: \$1.81 million). This year, the investment fund did not perform as well against budget, providing \$1.39 million (2018: \$1.81 million) for the year – a return of 5.7%.

Total operating expenditure for the year amounted to \$892,415 (2018: \$731,000).

Ngā mihi



Ken Mair

Chair

Te Wai Māori Trust



TE PŪTEA WHAKATUPU TRUST REPORT



He kupu whakataki

Tuia i runga i a Ranginui e tū nei,
Tuia i raro i a Papa e takoto
ake nei,

Tuia iho te motu ngāherehere o
Tane te waiora,

Tuia iho kia Tangaroa te whatu o
te moana, e tuia rā taku kaha nei,

Tuia ki uta, tuia ki tai, tuia ki a
rātou kua wehe atu ki te pō
uriuri, ki te pō tangotango,

Tuia ki te hunga ora, ki ngā iwi o
te motu e takoto ake nei.

On behalf of Te Pūtea Whakatupu Trust (the Trust), I am pleased to present the 2018/19 Annual Report.

The Trust has now completed its second year of the implementation of Te Rautaki (our strategy), which was launched in 2017. This 2018/19 year saw us secure long-term relationships with our partners and begin to build our strategic networks. We have taken steps to clarify our purpose embedded in the sustenance of Māori identity with a focus on:

- > increasing Māori actively connecting to their iwi, hapū and whānau
- > Increasing Māori participation in marine and water science innovation and education.

Our investment and funding approach, legislative requirements and composition of the current board places us in a firm position as a lead Māori philanthropic entity in Aotearoa.

Te taumata – our governance

In 2019, the Trust set the next level of strategic leadership in service to our purpose. On 27 August, we welcomed to our Board table three alternate directors – Tatiana Greening, Maria Ngawati and Awerangi Tamihere.

They bring a distinctly values-based leadership attribute and skill set, along with a focus on a rigour and professionalism that will assist us in measuring the Trust's impact across our strategy and the beneficiaries that we are in service to.

During September, we received the resignation of Evie O'Brien given her work commitments overseas. She was a great asset to the Board, and I wish to express my sincere appreciation for her service, insight and expertise in guiding The Trust's leadership and delivery on strategy.

Te rautaki – delivering on the strategy

Whāinga 1 – Ngā Uri Whakatupu: Future proof the next generation for the 22nd century

Social Impact Statement

Whānau Māori engaging with their tamariki mokopuna. Literacy and numeracy development – tamariki confident in reading their world, critically thinking and problem solving. Tamariki Māori achieving high standards of literacy and numeracy outcomes in kura and schools.

Outcome Measures

- > Over 1,000 tamariki to access and literacy services by 2022 – two contracted service providers
- > Comprehensive co-designed numeracy and literacy services (including digital and scientific literacy)

- > Government policy that implements kaupapa Māori strategies and increases funding to numeracy and literacy services for tamariki Māori
- > Publish results of the Ngā Uri Whakatupu through evaluation strategy

Progress

Numeracy and literacy programme reach across Aotearoa

Buoyed by the positive evaluation results, the Board agreed to move forward on its investment in the numeracy and literacy programmes and broaden the reach to include tamariki and their whānau to more regions in Te Waipounamu, Waikato, Gisborne and Wellington.

It secured two long-term contracts with Whanau Ora Commissioning Agency and Te Pūtahitanga O Te Waipounamu Whānau Ora Commissioning Agency out to 30 September 2022.

Te Pūtahitanga o Te Waipounamu programme of delivery expanded to include five new language contexts in four new regions:

- > Te Kura Kaupapa Māori o Whānau Tahī (Christchurch)
- > Te Kura Kaupapa Māori o Tuia te Matangi (Nelson)
- > Te Kura Kaupapa Māori o Ōtepoti (Dunedin)
- > Te Pā Wānanga (Blenheim)
- > Te Wharekura o Arowhenua (Invercargill).

The programmes included financial literacy, supporting and upskilling whānau in te reo Māori, mathematics and digital literacies.

Whānau Ora Commissioning Agency engaged Te Rōpū Āwhina in Porirua and Te Kōhao Health in Waikato – two new providers to deliver literacy and numeracy programmes through the innovative Te Kete Aronui programme.

In 2020, the Trust, Whānau Ora Commissioning Agency and Te Pūtahitanga o Te Waipounamu will begin to work directly with government agencies with an aim to develop policy that implements kaupapa Māori strategies and increases funding to numeracy and literacy services for tamariki Māori.

The Trust commissioned Aiko Consultancy to undertake annual evaluations of these services to 30 September 2022.

This will provide the Trust with data necessary to measure the social investment and impact of the Trust’s investment.

Taitamariki Development Fund 2019 launched

Social Impact Statement

Proud and connected Māori. Māori being Māori and identifying as iwi and hapū members whether they are raised in or living away from their tribal regions.

Outcome Measures

- > Increased numbers of Māori actively connected to their iwi, hapū and whānau
- > Increased Māori participation in marine and water science innovation and education

Progress

The Trust launched its new Taitamariki Development Fund, which is purposely designed to support taitamariki Maori aged 13–24 residing in urban areas.

The fund’s core purpose is to support taitamariki innovation and to further their educational opportunities and pursuits. The Trust sought that applicants would clearly define their aspirations against the categories designed by the Trust.

The Trust awarded a total of \$250,000 to 52 recipients of their inaugural Taitamariki Development Fund. This included grants to charitable organisations and individual taitamariki.

There are three categories:

1. Te Mātauranga Te Tuatahi – individual scholarships of \$2,000 for individual taitamariki to support their development aspirations.
2. Te Piringa Te Tuarua – scholarships of \$5,000 to support a development or innovation created by an individual taitamariki.
3. Te Ao Whānui Te Tuatoru – grants of \$20,000 each were given to the following organisations with a mission to support taitamariki development and innovation:
 - > Achieve 2B Trust – Te Tai Tokerau, Tāmaki Makaurau
 - > Taiohi Whai Oranga Trust – Manurewa
 - > Local Impact Learning Centre – Taranaki
 - > Pehiāweri Marae – Whangārei
 - > Te Roopu Tautoko Ki Te Tonga – Ōtepoti
 - > Māoriland Charitable Trust – Ōtaki
 - > Ōnuku Rūnanga Inc – Te Pātaka o Rākaihautū
 - > Indigenous Design and Innovation Aotearoa Ltd – Te Whanganui-a-Tara



Whāinga 2 – Ngā Ako: Mentoring and governance training for Māori

Social Impact Statement

Strong and resilient taitamariki at the leadership end in Aotearoa and internationally. Iwi, hapū, whānau and community leadership succession realised, along with improved wellbeing outcomes for future kaumātua, pakeke and tamariki mokopuna.

Outcome Measures

- › The largest collective of young Māori in first-level leadership governance roles across Māori organisations, NGOs, businesses, iwi and hapū entities, MIOs, RMOs, government and voluntary sectors
- › Increased Māori participation in marine and water science innovation and education

Progress

Committed to growing the opportunities for our taitamariki in leadership and governance, the Trust funded two bespoke programmes.

In 2018, The Moko Foundation Hawea Vercoe Leadership Programme delivered a mentoring programme to taitamariki in Kaitaia aged 13–24. In 2019, the programme expanded to deliver mentorship to 44 taitamariki in Kaitaia, North Shore and South Auckland.

The second programme, Hei Rātā Whakaruruhau, is a Māori governance programme aimed at taitamariki aged 18–35. This was piloted by Victoria University in 2018 in Wellington. It was again funded by the Trust in 2019 and saw the programme delivered in Auckland, Wellington and Gisborne, with 59 taitamariki participating.

A specific wahine governance programme, Wahine Māia, was delivered in Tāmaki Makaurau to 22 wahine from across Aotearoa who are young professionals preparing to take their first steps into governance roles. The first day of the programme was facilitated by Professor Rawinia Higgins discussing the theory of governance and leadership from a Māori perspective. The following day saw the cohort join 160 wahine at the Huihuinga Wahine conference, all of whom are actively engaged with their own organisations at either the governance or executive leadership levels of their careers.

Te Pūtea Whakatupu Trust alumni – designing a new programme

The Trust has been growing its alumni since it launched in 2013. It is proud to have 409 young Māori in the alumni. This is an increase of 141 alumni from last year. All are engaged in their own professional pursuits, and the Trust has been humbled to walk alongside them.

Three of our alumni joined Te Ohu Kaimoana in 2019. Te Taiawatea Moko-Mead, Ngahuia Kapene and Te Aomihia Walker joined Peter Van Kampen who started with Te Ohu Kaimoana the year prior.

Service delivery reach to 30 September 2019

Description	Total
Numeracy/literacy services to 90 tamariki in years 1–8	460 tamariki and their whānau
Māori mentoring programme to taitamariki	44 taitamariki
Taitamariki Māori governance programme specifically to taitamariki	59 tamariki
Taitamariki Development Fund recipients 2019	52 taitamariki plus eight Māori charitable organisations
Alumni members	409 tamariki

Of note is that Te Pūtea Whakatupu distribution is being delivered across Aotearoa in Kaitiāia, West Auckland, South Auckland, Hamilton, Gisborne, Wellington, Nelson, Blenheim, Christchurch, Dunedin and Invercargill.

Whāinga 3 – Te Hononga ki ngā Rangi Hou: Blue skies horizon, innovation and research

Social Impact Statement

Proud and connected Māori. Māori being Māori and identifying as iwi and hapū members whether they are raised in or living away from their tribal regions.

Outcome Measures

- › Increased Māori actively connected to their iwi hapū and whānau
- › Increased Māori participation in marine and water science innovation and education



Progress

Over the past 24 months, the Trust has been working on an innovative platform – iHono – to connect whānau, hapū and iwi to other Māori services, networks and opportunities across a range of professions, community and whānau-specific initiatives. We are excited to launch iHono in 2020.

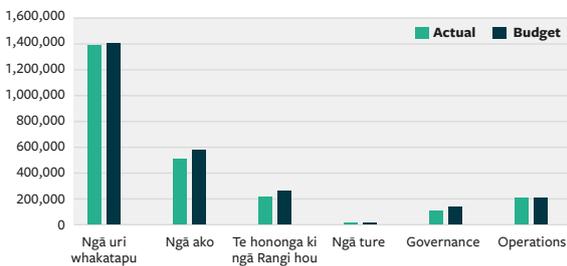
Whāinga Tuawha – Te Ture Whakahaere

We have removed this strategic priority as it was developed with an understanding there would be legislative review of the overall Māori fisheries

legislation. This is no longer in the scope of our current strategy and may be revisited beyond 2022. The Trust concentrated its efforts on strengthening the current board skills, attributes and governance reach.

Te pūtea hei whakatupu

Total Y2 expenditure as at 30 September 2019



Looking forward

For the 2019/20 year, we have further clarified our purpose of sustenance of Māori identity through adding the following statement to our purpose:

“Upholding the entitlements of Te Pūtea Whakatupu beneficiaries’ opportunities for educational pursuits that enable the sustenance of Māori identity.”

With the priorities of the Trust in terms of focus, support and funding clearly stated as being:

- > rangatiratanga – leadership
- > pūtaiao – sciences
- > whakatupuranga – succession

The Trust will also launch two new projects:

- > Te Māhe Mātauranga – a national Māori science lab competition
- > He Tukutuku Koiora – a leadership and governance programme co-designed with alumni, which includes an associate director programme to serve across Te Ohu Kaimoana kāhui.

We will also continue the Taitamariki Development Fund in 2020. We will be investing \$200,000 this coming year in taitamariki development and innovation initiatives.

The Trust is undertaking an operational review to measure its efficiencies and effectiveness in its quest to meet its obligations under legislation and against strategy.

Conclusion

The Trust is now operating a more strategic philanthropic approach to distribution, with a focus on measuring the impact of the investment of the Trust across all of its programmes of work. A relational approach will see the Trust continue to build on a more connected representative Māori organisation and Te Ohu Kaimoana engagement within our priority areas of leadership, sciences and succession.

The 2019/20 year will see the Trust tell more of its stories and use these to share insights, successes and challenges against the implementation of Te Rautaki. There is still so much more for the Trust to do, and with the support of my fellow directors and our operational team, we are poised to drive forward.

In closing, I express our appreciation to the Te Ohu Kaimoana Chair, her fellow directors and the operational team of Te Ohu Kaimoana.

“Titiro ki te taumata o te moana.”

Nāku anō i te whakaiti

Kate Cherrington

Chair

Te Pūtea Whakatupu Trust



MOANA NEW ZEALAND REPORT



Our performance

Moana New Zealand reported some pleasing results on the back of a year that brought about many challenges and obstacles to overcome. The hard-working team of people are at the heart of the company's performance, and as a collective, there is a lot of pride taken in the dividend returned to Iwi.

At the beginning of the year, Moana New Zealand solidified its 5-year aspirational plan that will guide the business through to 2023. CEO Steve Tarrant also announced his updated executive team structure and confirmed the appointments of those who will lead the delivery of the strategy going forward. Having begun the implementation of this plan, Moana New Zealand is proud to have achieved above plan again this year. The dividend will be paid to Iwi shareholders in late December 2019.

Pride in premium

Moana New Zealand acknowledges its whakapapa and responsibility to Tangaroa and, in doing so, must balance its commitment to creating value for its shareholders with the role it plays in protecting the natural taonga it has been entrusted with.

Premium kaimoana and kai ora is made possible by harvesting and handling each ika, pāua, kōura and tio with care so consumers in Aotearoa and throughout the world can share in the true taste and rare magic of the country's premium kaimoana. Moana New Zealand maintains this philosophy throughout each part of the supply chain from harvest through to the consumer's table.

Moana New Zealand continues to drive value by exploring opportunities for innovation, and the business is beginning to realise the benefits in doing so in several ways:

- > Partnering in the 7-year trial of the Precision Seafood Harvesting alternative trawl technology, which was approved this year by Fisheries New Zealand for use in North Island inshore fisheries for snapper, tarakihi, trevally, red gurnard and john dory with specific conditions.
- > Investment in infrastructure and new innovative technologies, which has allowed the oyster business capacity to grow at each of Moana New Zealand's major farms including Whangaroa and Pārengarenga.
- > The global reach of the oyster business continues to grow.
- > A drive to promote canned abalone to a number of lower-volume but higher-priced buyers, and the continued development of the live supply chain allowed for a higher price realisation.
- > The ready-to-eat business saw the signing of a memorandum of understanding with Turkish Red Crescent in June, with the potential to result in a new humanitarian programme next year.
- > The launch of the new retail offering with pre-packed fish fillets now sold in domestic supermarkets.
- > Collaborative partnerships fostered with Iwi and industry groups to ensure pāua fisheries are being managed with a long-term sustainable view in mind. Through this work, Moana New Zealand contributed to the Pāua Industry Council's draft 5-year strategy focused on sustaining all pāua fisheries in New Zealand and rebuilding those in need.

FOCUS ON SUSTAINABILITY

Moana New Zealand takes a long-term view in everything it does, working in harmony with nature to ensure the sustainability of Aotearoa's fisheries for future generations. In practising kaitiakitanga, the lightness of touch extends to leaving the smallest footprint possible.

Moana New Zealand began its sustainability hīkoi in 2014, looking at how we intended to meet market and societal operational challenges by being a leader in providing sustainably produced seafood.

In 2015, our Sustainability Working Group was created to help get alignment across Moana New Zealand on sustainability and create a culture to drive change. The group has representation from each part of our business and comes together four times a year to share ideas and track our efforts against strategy.

Over the past 4 years, the focus has been on delivering against our sustainability strategy. Here's a brief summary of what we've achieved to date:

- > Launched a holistic wellness programme for our people – Hīkoi ki te Ora.
- > Completed a world-first ecosystem service review for pāua in the Marlborough Sounds.
- > Increased transparency on the water by voluntarily implementing vessel monitoring systems and cameras on boats.
- > Reduced trawler effort from the inner gulf, ensuring we are not intercepting where recreational fishers are.
- > Implemented monitoring programmes to measure undersized snapper being caught and returned to the sea. Following

the Glenn Simmons report, which said the fishing industry was catching three times as much as was being reported with one of the reasons being discards, this monitoring proved it was actually 2.4% – far less than figures promoted in the Simmons report.

- > Co-developed a Snapper 1 (SNA1) management plan for fishers, which included a move-on rule when small fish make up more than 10% of the catch.
- > Increased our efforts to save endangered black petrels by sending fishers to Great Barrier to see where they breed, providing training on seabird-safe fishing methods and conducting 4 years of camera trials to detect seabirds on longlines.
- > Implemented a Māui Dolphin Protection Plan in collaboration with WWF-New Zealand and Sanford, which removed set netting in the Māui dolphin habitat.
- > Conducted a responsible fishers training programme for contract inshore fishers.
- > Achieved Aquaculture Stewardship Council certification for blue abalone – a first in New Zealand and only the fourth company in the world to do so.
- > Ensure pāua divers are using GPS trackers to help manage fish stocks.

We're proud of what we have achieved to date, but we also understand there is much work still to be done.

Climate change is arguably the most fundamental issue of our time. Over the past century, we've experienced warming, sea-level rise and increasing extreme weather events, which are attributed to human influences on our climate system. Our focus going forward is building an understanding of what this will mean for our shareholders.





Sealord – Ngā Tapuwae o Māui

A collaborative agreement signed in March 2019 saw Sealord, a major force in New Zealand deepwater fisheries and owned 50% by Māori, work alongside Iwi to create growth and value for the business and its shareholders – a fundamental focus of the Māori Fisheries Settlement.

The arrangement, entitled Ngā Tapuwae o Māui (following in the footsteps of Māui), gives Sealord access to annual catch entitlement (ACE) of many Iwi groups. At the time of signing in March, 36 Iwi groups entered into the arrangement. Since then, a further three Iwi have signed up to Ngā Tapuwae o Māui, taking the total to 39.

The arrangement will increase efficiencies for all parties and sees more than 80% of profits generated from the ACE returned to Iwi. The long-term arrangement will provide stability for Sealord operations, having invested heavily in new fishing technologies and modernisation of its fleet.

The agreement will mean more than 60% of the Iwi quota held in deepwater fisheries (including hoki, orange roughy, jack mackerel and silver warehou) will be caught on Sealord's vessels. It will also provide Iwi members opportunities for training and employment and advance Iwi knowledge of and involvement in aspects of the fisheries value chain with Sealord.

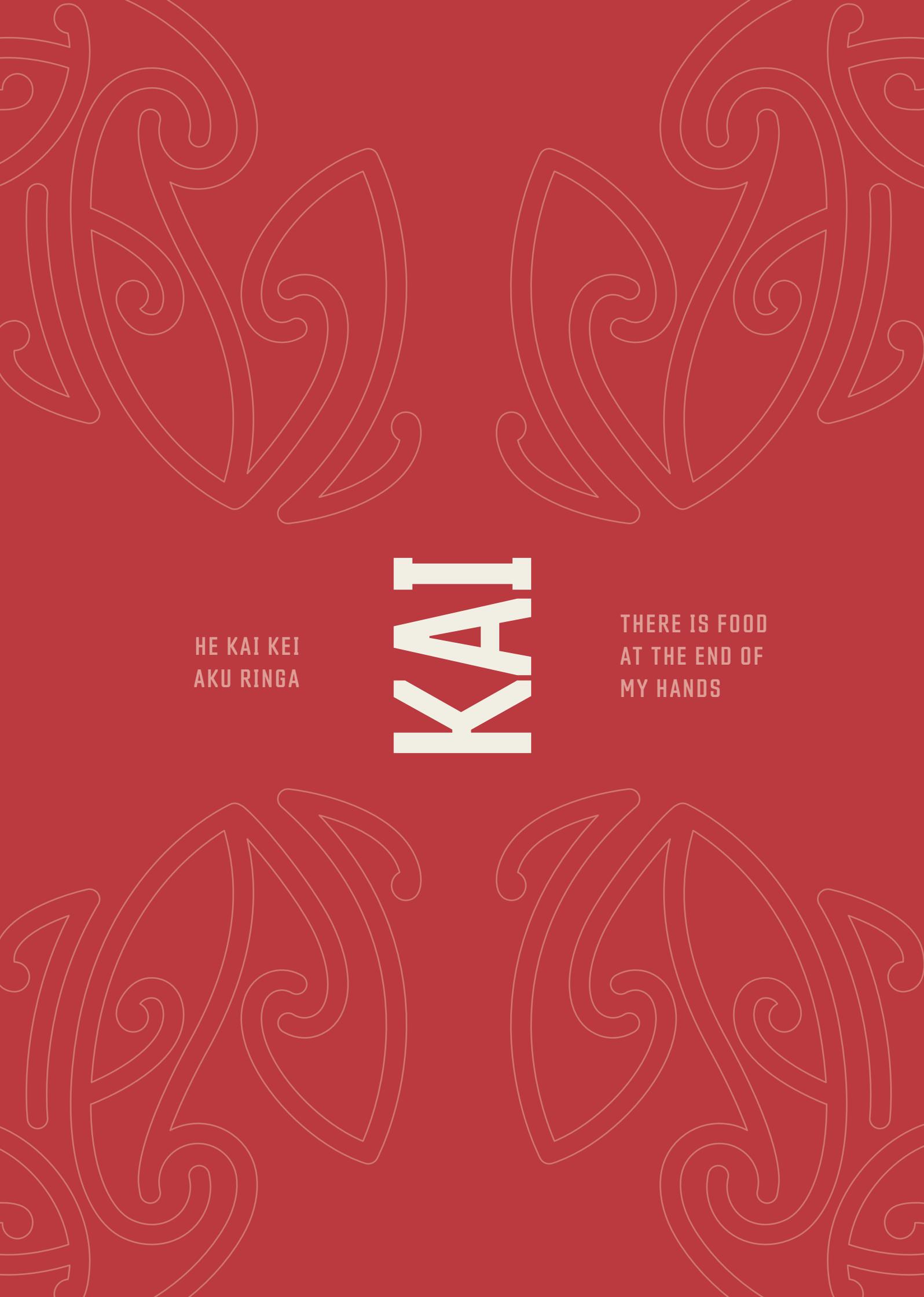
A handwritten signature in black ink, appearing to read "Whaimutu Dewes".

Whaimutu Dewes

Chairman

Moana New Zealand





HE KAI KEI
AKU RINGA

KAI

THERE IS FOOD
AT THE END OF
MY HANDS





FINANCIAL STATEMENTS

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TE OHU KAI MOANA GROUP

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For the Year Ended 30 September 2019

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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

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 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 Maori Commercial Aquaculture Settlement Trust), established under the Maori 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, determine allocation entitlement, facilitate Iwi to be recognised as Iwi aquaculture organisations and other matters relating to the Aquaculture Settlement.

The Trustee appoints the Directors of Aotearoa Fisheries Limited (AFL), Te Pūtea Whakatupu Trustee Limited and Te Wai Maori Trustee Limited.

Te Pūtea Whakatupu 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 Māori organisations, recognised Iwi organisations, as defined in the Maori Fisheries Act 2004, and the members of Te Kāwai 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

3/12/2019

Date

Te Ohu Kai Moana Group

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 September 2019

	NOTES	Group 2019 \$000	Group 2018 \$000
Operating revenue from:			
Te Ohu Kai Moana Trust activities	3	1,012	1,655
Annual catch entitlement (ACE) round disputes held in trust	5c	713	552
Gains on investment portfolio	9	5,081	6,746
Dividend received – AFL		1,713	1,932
Dividend received from AFL and held in trust for Iwi		114	129
Māori authority tax credits received and held in trust for Iwi	5a	24	27
TOTAL OPERATING REVENUE		8,657	11,041
Operating expenditure	4	3,614	3,718
NET OPERATING SURPLUS		5,043	7,323
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,043	7,323

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes on pages 76 to 105.

Te Ohu Kai Moana Group

Statement of Changes in Equity

For the Year Ended 30 September 2019

	Trust Capital	AFL Income Shares – Te Ohu	MFA reserves – Note 5a	GFS Trust – Note 5b	ACE Round disputes – Note 5c	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 October 2018	87,067	101,713	31,122	1,117	2,813	223,832
Net surplus and other comprehensive income for the year	5,043	-	-	-	-	5,043
Total comprehensive income for the year	5,043	-	-	-	-	5,043
Transfers to/(from) reserves	(924)	-	148	63	713	-
Transactions with beneficiaries:						
Settlement assets allocated to Iwi	-	-	(1,187)	-	(564)	(1,751)
Distributions to or on behalf of associated trusts	-	-	(1,000)	(15)	-	(1,015)
Balance at 30 September 2019	91,186	101,713	29,083	1,165	2,962	226,109

	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 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:						
Allocated to 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

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 76 to 105.

Te Ohu Kai Moana Group

Balance sheet

As at 30 September 2019

	NOTES	Group 2019 \$000	Group 2018 \$000
EQUITY			
Trust capital and retained earnings		91,186	87,067
Assets held for distribution to Iwi reserves		101,713	101,713
Māori Fisheries Act and other classified reserves	5	33,210	35,052
TOTAL EQUITY		226,109	223,832
Represented by:			
CURRENT ASSETS			
Cash and cash equivalents		5,351	3,629
Receivables and prepayments	6	242	1,319
Assets held for distribution to Iwi	8	107,160	107,160
Total current assets		112,753	112,108
NON-CURRENT ASSETS			
Property, plant and equipment	13	651	473
Financial investments	9	93,021	90,440
Quota shares	10	20,344	21,436
Total non-current assets		114,016	112,349
TOTAL ASSETS		226,769	224,457
CURRENT LIABILITIES			
Payables and accruals	11	660	625
Total current liabilities		660	625
TOTAL LIABILITIES		660	625
NET ASSETS		226,109	223,832

For, and on behalf of, the Trustee, who approved and authorised these financial statements on 3 December 2019.



Rangimarie Hunia
Chairman



Bella Takiari-Brame
Director

The above balance sheet should be read in conjunction with the accompanying notes on pages 76 to 105.

Te Ohu Kai Moana Group

Statement of Cash Flows

For the Year Ended 30 September 2019

	NOTES	Group 2019 \$000	Group 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from:			
Receipts from sale of ACE		478	556
Refund of Māori authority tax credits		367	417
Receipts from ACE round disputes		714	567
AFL dividend received for Te Ohu Kai Moana		1,713	1,932
AFL dividend received for Iwi share held in trust		114	129
Other		1,875	176
		5,261	3,777
Cash applied to:			
Payments to suppliers and employees		4,102	4,677
Net cash (outflow)/inflow from operating activities		1,159	(900)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from:			
Cash drawdown from joint investment portfolio		2,500	1,800
		2,500	1,800
Cash applied to:			
Purchase of fixed assets		263	326
		263	326
Net cash inflow from investing activities		2,237	1,474

Te Ohu Kai Moana Group

Statement of Cash Flows

For the Year Ended 30 September 2019

	NOTES	Group 2019 \$000	Group 2018 \$000
CASH FLOWS FROM FINANCING AND TRUST CAPITAL ACTIVITIES			
Cash applied to:			
Distributions to associated trusts		1,015	1,005
Distributions to Iwi		659	2,662
		1,674	3,667
Net cash outflow from Financing Activities		(1,674)	(3,667)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,722	(3,093)
Opening cash and cash equivalents brought forward		3,629	6,722
CASH AND CASH EQUIVALENTS HELD AT YEAR END		5,351	3,629
Represented by:			
CASH AND CASH EQUIVALENTS HELD AT YEAR END		5,351	3,629
Total cash held at year end		5,351	3,629

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 76 to 105.

Notes to the Financial Statements

For the Year Ended 30 September 2019

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.

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
- (d) contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement.

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 2019. 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 judgements, 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.

Te Ohu Kai Moana Group

In the process of applying the accounting policies, management has made the following significant judgements.

(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 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) 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 classified 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 2019.

(ii) Classification of Māori 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 reclassified 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, which 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 organisations, 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 Māori 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 Charisma Development Limited 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 ongoing 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 1 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 1 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.

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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 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 fulfilment 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 12 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

Te Ohu Kai Moana Group

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 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 12 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 3 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 flows are stated on a gross basis.

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

	2019	2018
	\$000	\$000
Revenue from sale of ACE	478	556
Refund of Māori authority tax credits	363	410
Other	171	689
TOTAL	1,012	1,655

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	2019	2018
		\$000	\$000
Fees paid to auditor			
Audit of the financial statements		35	28
Other services		5	-
Facilities and rental		229	241
Travel and accommodation		274	202
Directors' remuneration	(14f)	358	337
Remuneration of Te Kāwai Taumata members		28	-
Employee entitlements		1,846	1,852
Professional services		664	988
External reporting and communication		318	266
Quota related fees and levies		283	265
Administration		97	101
Scholarships		-	4
Depreciation			
Fixtures and fittings		26	25
Leasehold improvements		27	19
Office equipment		1	2
IT hardware		30	30
Software		3	-
Costs recovered from associated entities		(610)	(642)
TOTAL OPERATING EXPENDITURE		3,614	3,718

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Note 5 – Māori Fisheries Act and Other Classified Reserves

	NOTES	2019 \$000	2018 \$000
Māori Fisheries Act reserves	5a)	29,083	31,122
Global Fisheries Scholarship Trust	5b)	1,165	1,117
ACE round disputes held in trust	5c)	2,962	2,813
Balance as at 30 September		33,210	35,052

a) Maori 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.

	2019 \$000	2018 \$000
Quota shares to be allocated s140 – s148	20,160	21,252
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)	868	754
Maori authority tax credits received held in trust for Iwi	595	571
Te Wai Māori Trust capital s137(1)(b) and s103(3)	1,000	2,000
Cash top-up for quota shortfall s137(1)(c)	399	494
Cash to Iwi s137(1)(f)	616	606
TOTAL	29,083	31,122

(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 Māori Trust, including the \$10 million transferred under s137(1)(b) in October 2009.

(ii) Settlement assets to be allocated

During 2019, no Iwi was recognised as a mandated Iwi organisation by Te Ohu Kai Moana and therefore no population settlement assets were allocated (2018: nil).

No coastline agreements were completed during the year (2018:nil) and one harbour agreement was completed (2018: nil).

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b) Global Fisheries Scholarship Trust

The Global Fisheries Scholarship (GFS) Trust 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.

	2019	2018
	\$000	\$000
Balance as at 1 October	1,117	1,045
Income	63	77
Scholarship costs	(15)	(5)
Balance as at 30 September	1,165	1,117

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.

	2019	2018
	\$000	\$000
Balance as at 1 October	2,813	4,713
Income from sale of ACE	692	569
Income from interest	41	40
Administration costs deducted	(20)	(57)
ACE Round Disputes Held in Trust	713	552
Settled disputes distributed	(564)	(2,452)
Balance as at 30 September	2,962	2,813

Te Ohu Kai Moana Group

Details of Iwi / Disputes and funds held	2019	2018
	\$000	\$000
Southern FMA8 Iwi	1,281	1,082
Far North Rangaunu Harbour (Te Rarawa)*	12	185
Coromandel Scallops	326	321
Whakatōhea	159	157
Ngāi Takoto	144	143
Mōtītī Island	307	266
CRA9 Iwi	105	104
Ngāi Tahu and Ngāti Toa Rangatira	85	84
Te Rarawa	-	249
FMA7 (OYS7C)	39	38
Ngāitai	198	82
Ngāti Kahungunu (freshwater)	17	16
Ngāti Porou/Māhaki/Rongowhakaata	254	56
Rongomaiwahine/Ngāti Kahungunu	14	13
Ngāi Tahu/Te Tau Ihu	6	6
Far North Harbour	8	4
Te Ātiawa (Taranaki) (freshwater)	3	3
ORH7A (Ngāi Tahu, Rangitāne (Te Tau Ihu) and Ngāti Toa Rangatira)	2	2
Ngāti Pūkenga, Ngāi Tāmanuhiri, Ngāti Whare, Ngāti Ranginui (freshwater)	2	2
Total	2,962	2,813

*The coastline and harbour agreement between Ngāi Takoto, Ngāti Kurī, Te Aupōuri and Te Rarawa was agreed on 21 September 2017. On 2 October 2017, Te Ohu Kai Moana distributed \$2.45 million to Ngāi Takoto, Ngāti Kurī and Te Aupōuri. Te Rarawa were paid out in 31 July 2019. The remaining balance represents the Rangaunu Harbour dispute.

Te Ohu Kai Moana Group

Note 6 – Receivables and Prepayments

	2019	2018
	\$000	\$000
Trade receivables	149	392
Insurance settlement claim	-	407
Receivable from Inland revenue – MATCs	-	437
Other receivables	46	34
Prepayments	47	49
TOTAL	242	1,319

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.

Note 7 – Investment in Subsidiaries

			Percentage held	Percentage held
	Principal Activity	Balance Date	2019	2018
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 Pūtea Whakatupu Trustee Limited	Trustee	30-Sep	100%	100%
Te Wai Māori Trustee Limited	Trustee	30-Sep	100%	100%

The single share in Te Pūtea Whakatupu Trustee Limited and Te Wai Maori Trustee Limited is held jointly by the Directors of Te Ohu Kai Moana Trustee Limited.

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Note 8 – Assets held for Distribution to Iwi

	NOTES	2019 \$000	2018 \$000
Te Ohu AFL shares	a)	81,713	81,713
AFL income shares held in trust for Iwi	b)	5,447	5,447
Redeemable preference shares	c)	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 b) below.

On 4 June 2015, Iwi resolved to make significant changes to the governance arrangements established under the Maori 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 was subsequently delivered to the Minister by the end of 2016 for consideration and inclusion in the government's legislative programme. 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.

At the Māori Fisheries Conference held in March 2019, the Minister of Fisheries addressed the attendees stating that Labour does not have sufficient coalition support to progress the amendments and is unlikely to do so before the end of this Parliamentary term. Te Ohu Kai Moana will continue to advance the Iwi-mandated amendments to the Maori Fisheries Act 2004.

a) 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 c) below), were 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 2019.

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.

Te Ohu Kai Moana Group

b) AFL income shares held in trust for Iwi

	2019	2018
	\$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 Maori 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 2019 is as follows:

Iwi	Number of shares held in trust	Number of shares held in trust
	2019	2018
	\$000	\$000
Te Whānau a Apanui	2,978	2,978
Ngāti Tama	354	354
TOTAL	3,332	3,332

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

Iwi	2019			2018		
	AFL income share value	Dividends	MATCs	AFL income share value	Dividends	MATCs
	\$000	\$000	\$000	\$000	\$000	\$000
Te Whānau a Apanui	4,866	775	530	4,866	674	509
Ngāti Tama	579	92	63	579	80	60
Muaūpoko	-	-	2	-	-	2
TOTAL	5,445	867	595	5,445	754	571

Refunds of Maori authority tax credits (MATCs) relating to AFL income shares held in trust are accounted for when received from IRD.

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c) 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 2024. During the year, a variation to the agreement was signed that extended the date from 8 years to 13 years to take into account the slow progress of the Maori Fisheries Act review. 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.

	2019	2018
	\$000	\$000
Carrying value at reporting date	20,000	20,000

Note 9 – Financial Investments

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 Pūtea Whakatupu and Te Wai Maori.

The Directors of Portfolio Management Services are currently members of Te Ohu Kai Moana Trust’s Audit and Risk Committee plus the Chair of Te Ohu Kai Moana Trustee Limited as an ex officio member.

The legal title of all investments in the joint portfolio is 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.

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	2019	2018
	\$000	\$000
Balance as at 1 October	90,440	85,494
Gains on investment portfolio	5,081	6,746
Withdrawals during the year	(2,500)	(1,800)
Balance as at 30 September	93,021	90,440

Note 10 – Quota Shares

	2019	2018
	\$000	\$000
Year ended 30 September		
Opening net book amount	21,436	24,862
Allocated to Iwi	(1,092)	(3,426)
Closing net book amount	20,344	21,436
Deemed cost	20,344	21,436
Net book value	20,344	21,436

Cost is represented by the fair value of the quota parcel vested in the Trust on 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 2019 was tested for impairment by having the quota shares valued on 1 October 2019 by two independent valuers.

The market value of the portfolio of the quota shares held ranged from \$27.8 million to \$50.2 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 (2018: \$184,000) of quota shares relating to the Trust's participation in development fisheries at the 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 2019 is 11,938 units (2018: 11,938 units). No value was ascribed to the NZUs at balance date.

Te Ohu Kai Moana Group

Note 11 – Payables and Accruals

	2019	2018
	\$000	\$000
Trade payables	227	196
Employee entitlements	75	129
Income received in advance	58	60
Other payables	300	240
TOTAL	660	625

Income received in advance relates to the April 2019 ACE round. All income from the sale of ACE is accrued and amortised over the 12 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 6 months from 1 October 2019 to 31 March 2020.

Note 12 – Māori Fisheries Act Assets Allocated but not Transferred

There were no assets allocated but not transferred as at 30 September 2019 (2018: nil).

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Note 13 – Property, Plant and Equipment

	Office equipment	Fixtures and fittings	IT hardware	IT software	Leasehold improvements	Work in Progress	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 October 2017							
Cost or revaluation	115	168	182	63	457	177	1,162
Accumulated depreciation	(114)	(159)	(144)	(63)	(457)	-	(937)
Opening Net Book Value	1	9	38	-	-	177	225
Year ended 30 September 2018							
Opening net book value	1	9	38	-	-	177	225
Additions	3	132	48	-	126	15	324
WIP allocated to asset categories	-	-	-	-	177	(177)	-
Depreciation charge	(2)	(25)	(30)	-	(19)	-	(76)
Closing Net Book Value	2	116	56	-	284	15	473
At 30 September 2018							
Cost or revaluation	118	300	230	63	760	15	1,486
Accumulated depreciation	(116)	(184)	(174)	(63)	(476)	-	(1,013)
Closing Net Book Value	2	116	56	-	284	15	473

Te Ohu Kai Moana Group

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 2019							
Opening net book value	2	116	56	-	284	15	473
Additions	-	10	28	122	102	3	265
WIP allocated to asset categories	-	-	-	-	15	(15)	-
Depreciation charge	(1)	(26)	(30)	(3)	(27)	-	(87)
Closing Net Book Value	1	100	54	119	374	3	651
At 30 September 2019							
Cost or revaluation	118	310	258	185	877	3	1,751
Accumulated depreciation	(117)	(210)	(204)	(66)	(503)	-	(1,100)
Closing Net Book Value	1	100	54	119	374	3	651

Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure

a) Distributions of settlement assets to Iwi

2019	Quota Shares	Total cash	Total
	\$000	\$000	\$000
Assets allocated and transferred			
Te Rarawa	1,092	95	1,187
Total assets allocated and transferred	1,092	95	1,187

2018	Quota Shares	Total cash	Total
	\$000	\$000	\$000
Assets allocated and transferred			
Raukawa ki te Tonga	52	1	53
Total assets allocated and transferred	52	1	53

Assets from previous year allocated but not transferred

Te Urungi o Ngāti Kuri Limited	1,127	70	1,197
Te Aupōuri Fisheries Management Limited	1,127	70	1,197
Ngaitakoto Holdings Limited	1,120	70	1,190
Total assets allocated and transferred	3,426	211	3,637

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 (2018: \$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 2019, \$0.478 million (2018: \$0.556 million) of invoices were issued to related parties for the October 2018/19 and April 2019/20 fishing years.

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Note 14 – Related Party Disclosure continued

d) ACE round disputes held in trust

Sale of ACE from disputes arising in relation to the October 2018 and April 2019 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.

	2019	2018
	\$000	\$000
Balance as at 1 October	2,813	4,713
Income from sale of ACE	692	569
Income from interest	41	40
Administration costs incurred	(20)	(57)
Settled disputes distributed	(564)	(2,452)
Balance as at 30 September	2,962	2,813

Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure continued

e) Payments to Te Ohu Kai Moana Directors

	\$000	\$000	\$000	\$000	\$000	\$000
Te Ohu Kai Moana Board Members	Board	Audit and Risk	Remuneration and Appointments	Portfolio Management Services	2019 Total	2018 Total
Jamie Tuuta (Chair to 5 July 19)	57	-	2	-	59	78
Rangimarie Hunia (Chair from 16 July 19)	44	-	3	-	47	38
Sir Mark Solomon (Deputy Chair)	50	4	5	4	63	55
Ken Mair	35	-	-	-	35	35
Hinerangi Raumati-Tu'ua	27	5	-	2	34	44
Selwyn Parata	35	-	3	-	38	38
Paki Rawiri	35	-	-	-	35	35
Bella Takiari-Brame	8	1	-	1	10	-
Pahia Turia (alternate to 30 July 19, Director from 31 July 19)	18	-	-	-	18	2
Kim Skelton (alternate)	12	-	-	-	12	2
	321	10	13	7	351	327
Independent Audit and Risk Committee members and Directors of Portfolio Management Services						
George Crosby	-	-	-	-	-	2
Colleen Neville	-	0.5	-	0.5	1	6
Debra Birch	-	3	-	3	6	2
TOTAL	321	13.5	13	10.5	358	337

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 and Risk	Remuneration	Portfolio Management Services	Total Meetings
Number of meetings held during the year			7	4	2	4	17
Te Ohu Kai Moana Board Members							
Jamie Tuuta (Chair from 22 Dec 15)	1 July 11	5 July 19	5	-	-	-	5
Sir Mark Solomon (Deputy Chair from 22 Dec 15)	14 Feb 13		5	4	2	4	15
Rangimarie Hunia (Chair from 16 Jul 19)	10 Feb 15		6	-	2	-	8
Ken Mair	23 Nov 11		7	-	-	-	7
Selwyn Parata	1 Dec 15		7	-	2	-	9
Hinerangi Raumati-Tu'ua	1 July 11	5 July 19	6	3	-	3	12
Paki Rawiri	1 Dec 15		4	-	-	-	4
Kim Skelton	31 Jul 18		6	-	-	-	6
Pahia Turia	31 Jul 18		7	-	-	-	7
Bella Takiari-Brame	8 Jul 18		2	1	-	1	4
Independent Audit and Risk Committee members and Directors of Portfolio Management Services:							
George Crosby	4 Jun 13	6 Mar 18	-	-	-	-	-
Colleen Neville	10 Feb 15	14 Nov 18	-	-	-	-	-
Debra Birch	6 Aug 18		-	4	-	4	8

Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure continued

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

	Appointed	Retired	2019	2018
			\$000	\$000
Directors				
Ken Mair (Chair)	17 Feb 12		27	27
Miria Pomare	2 Apr 13		13.5	13.5
Lisa Te HeuHeu	13 Apr 17		13.5	13.5
Donna Flavell (alternate)	9 May 17		10	10
Ian Ruru (alternate)	25 Feb 19		6	-
TOTAL			70	64

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

	Appointed	Retired	2019	2018
			\$000	\$000
Directors				
Rangimarie Hunia (Chair to 27 Nov 17)	4 Jul 17	27 Nov 17	-	4.5
Norman Dewes (Chair from 28 Nov 17)	1 Mar 17		18	22
William Jackson	1 Mar 17	24 Oct 17	-	3
Yvonne O'Brien	28 Nov 17		14	11
Kate Cherrington (Chair from 1 Feb 18)	28 Nov 17		26	13
Awerangi Tamihere (alternate)	16 Jul 19		1	-
Maria Ngawati (alternate)	16 Jul 19		1	-
Tatiana Greening (alternate)	16 Jul 19		1	-
TOTAL			61	53.5

Te Ohu Kai Moana Group

Note 14 – Related Party Disclosure continued

i) Payments to Te Kāwai Taumata

	2019	2018
	\$000	\$000
Sam Tamarapa	2.4	-
Kevin Robinson (Chair)	3.6	-
Heemi Biddle	2.4	-
Puhirake Ihaka	2.4	-
Joseph Thomas (Deputy Chair)	3	-
Judith MacDonald	2.4	-
Mike Paku	2.4	-
Glenn Tootill	2.4	-
Amiria Reriti	2.4	-
Rikirangi Gage	2.4	-
Sonny Tau	2.4	-
TOTAL	28.2	-

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 Maori Fisheries Act 2004 are considered to be related parties of the Trust.

	2019		2018	
	Income received/ Cost recoveries	Expenses paid	Income received/ Cost recoveries	Expenses paid
	\$000	\$000	\$000	\$000
Aotearoa Fisheries Limited	53	14	84	12
Sealord Group	114	-	1	-
Te Pūtea Whakatupu Trust	163	-	151	-
Te Wai Māori Trust	447	15	351	-
Takutai Trust	328	14	389	12
TOTAL	1,105	43	976	12

Note 14 – Related Party Disclosure continued

k) Key management remuneration

			2019	2018
	From	To	Total	Total
			No.	No.
Salaries and employee benefits	\$100,001	\$150,000	2	4
	\$150,001	\$200,000	2	1
	\$200,001	\$250,000	-	2
	\$250,001	\$300,000	1	-
	\$300,001	\$350,000	-	1
			5	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 2019, the Directors have the following interests:

RANGIMARIE HUNIA (CHAIR)

- > Manaiakalani Education Trust (Trustee)
- > TupuToa Charitable (Co-Chair)
- > Ngāti Whātua Ōrākei Whai Maia Limited (Chief Executive)
- > Ngāti Whātua o Ōrākei Health Clinic Limited (Director)
- > Ngāti Whātua o Ōrākei Health and Social Needs Limited (Director)
- > Ōrākei Health Services Ltd (Director)
- > Western Springs College – Ngā Puna o Waiōrea (Trustee)

- > Deep South National Science Challenge Governance Board (Member)
- > Sustainable Seas National Science Challenge Governance Board (Member)
- > Liquid Media Operations Limited (Shareholder)
- > Te Ohu Kai Moana Portfolio Management Services Limited (Director)
- > Pure Advantage (Trustee)
- > Taranaki Capital Partners (Director)
- > New Zealand Police Commissioner's Māori Focus Forum (Member)
- > Post Settlement Advisory Group (Member)
- > Kaikōura Marine Guardians (Member)
- > Te Korowai o Te Tai ō Marokura (Member)
- > Seed Limited (Chairman)
- > QuakeCoRE (Member)

SIR MARK SOLOMON

- > Oaro M Incorporation (Member)
- > Ngāti Ruanui Holdings (Director)
- > He Toki ki te Rika / ki te Mahi (Patron)

Te Ohu Kai Moana Group

- › Rangitāne Holdings Limited (Board Chairman)
- › Rangitāne Investments Limited (Board Chairman)
- › Māori Carbon Foundation (Chair)
- › Te Roopu (Member)
- › Te Pūtahitanga o Te Waipounamu (Chair)

KEN MAIR

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

PAKI RAWIRI

- › Ngāti Tūwharetoa Asset Holding Company Limited (Director)
- › University of Waikato Council (Member)

SELWYN PARATA

- › Te Rūnanganui o Ngāti Porou (Chairman)
- › Whareponga Marae (Chairman of Marae Committee and Trustee)
- › Hiruharama Marae (Chairman of Marae Committee and Trustee)
- › Pākihiroa Farms Limited (Chairman/Director)
- › Ngāti Porou Whānui Forests Limited (Director)
- › Pōhutu Incorporation (Chairman)

- › Te Matatini (Chairman)
- › New Zealand Police Commissioner Maori Focus Forum (Member)
- › Iwi Chairs Forum (Member)
- › Te Pihopatanga o Aotearoa Trust Board (Chairman)
- › Hīkurangi Takiwā Trust (Trustee)

PAHIA TURIA

- › Te Rūnanga o Ngā Wairiki/Ngāti Apa (Chair)
- › Whānau Ora Commissioning Agency (Director)
- › Tūhono Limited (Member)
- › Te Hou Farms Limited (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 Pae Tawhiti (Chairman)
- › Iwi Chairs Forum, Coordination Group (Member)
- › Taipak Limited (Director)
- › Appliance Repair Care Limited (Director)
- › JP Global Limited (Director)
- › Taipak Properties Limited (Director)
- › Taipak Developments Limited (Director)
- › PART4U Limited (Director)
- › Ngā Wairiki Ngāti Apa Developments Limited (Director)
- › Te Kūmete o Paerangi, Ngāti Rangī AHC (Director)

Te Ohu Kai Moana Group

BELLA TAKIARI-BRAME

- › Maniapoto Māori Trust Board (Trustee)
- › Te Wānanga o Aotearoa (Council Member)
- › Hamilton City Council Finance Committee (Independent Member Maanga Maaori)
- › Te Kūpenga o Maniapoto Limited (Director)
- › Waikato Tainui Group Audit and Risk Committee (Independent Member)
- › North King Country Economic Development Trust (Trustee)
- › Maniapoto Fisheries Trust (Trustee)
- › Luana Limited (Managing Director)

KIM SKELTON

- › Te Kotahitanga o Te Ātiawa Trust (Trustee)
- › Te Ātiawa Iwi Holdings Ltd Partnership (Director)
- › Te Ātiawa (Taranaki) Holdings Limited (Director)
- › Wellington Water Committee (Member)
- › Taranaki Whānui ki te Upoko o te Ika (PNBST) (Trustee)

DEBRA BIRCH

- › THR General Partner Limited (Director)
- › LGNZ Independent Assessment Board (Director)
- › Ngāti Awa Group Holdings Limited and subsidiaries (Director)
- › Taupō Moana Investments Limited and subsidiaries (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 AHC Limited – (Director)
- › Te Ohu Kai Moana Portfolio Management Services Limited (Director)

- › New Zealand Venture Investment Fund Limited (Director)
- › Te Ohu Kai Moana Trust (Independent Member of Audit and Risk committee)

m) Employees' interests

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

As at 30 September 2019 senior employees have the following relevant interests:

DION TUUTA

- › Te Ohu Kai Moana Custodian Limited (Director)
- › Port Nicholson Facilities General Partner Limited (Director)
- › Kōura Inc General Partner Limited (Director)
- › TSB Bank (Director)
- › Parininihi ki Waitōtara Incorporation (Committee Member)
- › PKW Farms General Partner Limited (Director)
- › Seafood New Zealand Limited (Director)
- › Southern Seabird Solution Trust (Director)

KIM DRUMMOND

- › Deepwater Group Limited (Director)
- › Seafood New Zealand Limited (Alternate Director)

KIRSTY WOODS

- › Potaka Whānau Trust (Trustee)
- › Te Wehi o Te Rangi Trust (Trustee)
- › Deepwater Group Limited (Alternate Director)
- › Aquaculture New Zealand Limited (Alternate Director)

Te Ohu Kai Moana Group

GRAEME HASTILOW

- › Hongoeka 6A Trust (Trustee)
- › Kāpiti Island Strategic Advisory Committee (Ngāti Toa Representative)
- › Te Rūnanga o Raukawa Whāiti (Alternate Representative for Parewahawaha Marae)

DESIREE REYNOLDS

- › Te Ohu Kai Moana Custodian Limited (Director)

TE TAIAWATEA MOKO-MEAD

- › Mokorina Whānau Trust (Trustee)
- › Federation of Māori Authorities (Committee Member)

Te Ohu Kai Moana Group

n) Aotearoa Fisheries Limited Directors trading as Moana New Zealand 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-Tu'ua	Appointed 29 Nov 12
Jamie Tuuta	Appointed 15 Jul 11
Elizabeth Ward	Appointed 1 Nov 13
Gregory Summerton	Appointed 1 May 19
Jason Witehira	Appointed 1 Dec 18

Note 15 – Commitments

	2019	2018
	\$000	\$000
o) Operating Lease Commitments		
Future minimum rentals payable under non-cancellable operating lease as at 30 September are as follows:		
Payable within 1 year	131	131
1 to 2 years	128	131
2 to 5 years	244	372
Beyond 5 years	-	-
	503	634

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

These leases have an average life of between 1 and 6 years with no renewal option included in the contracts, except for the office building which has two 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 2019 (2018: 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, which includes maintaining sufficient cash in accordance with its cash flow forecast and an investment portfolio that includes instruments that are readily convertible to cash.

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 among 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 counterparty, with a maximum exposure equal to the carrying amounts 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 \$15,000 (2018: \$8,000) and a payroll letter of credit facility limit of \$100,000 (2018: \$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 Māori Trust, including the \$10 million previously transferred under s137(1)(b). \$1 million was transferred to Te Wai Māori Trust on 5 November 2019 (2018: \$1 million). Total transferred to date is \$20 million (2018: \$19 million).

At the Special General Meeting held on 3 July 2019, Iwi voted unanimously to accept Te Ohu Kai Moana's decision to distribute Te Ohu Kai Moana's share of the Moana dividend for the year ending 30 September 2019 to mandated Iwi organisations. This distribution will be based on the allocation methodology contained in the Maori Fisheries Act 2004. This distribution must be consistent with the purpose of Te Ohu Kai Moana, being to advance the interests of Iwi individually and collectively primarily in the development of fisheries, fishing and fishing-related activities (fisheries purpose). As Te Ohu Kai Moana is charitable, the distribution needs to be used for charitable purposes. The Trust has sent out written undertakings to mandated Iwi organisations to confirm that the distribution will be used for fisheries purposes that are charitable. The response from mandated Iwi organisations is due by 22 November 2019.

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 71 to 105, which comprise the balance sheet of the Group as at 30 September 2019, 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 71 to 105 present fairly, in all material respects, the financial position of the Group as at 30 September 2019 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.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Chartered Accountants
Wellington
3 December 2019



TE OHU KAI MOANA TRUSTEE LIMITED

Performance Report

For the Year Ended 30 September 2019

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- 109 — Directors' Report
- 110 — Annual Report
- 111 — Statement of Financial Performance
- 112 — Statement of Changes in Equity
- 113 — Balance Sheet
- 114 — Notes to the Financial Statements
- 115 — 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:

Rangimarie Hunia (Chair)	Appointed 1 Dec 2015
Sir Mark Solomon (Deputy Chair)	Appointed Director 14 Feb 2013
Ken Mair	Appointed 23 Nov 2011
Selwyn Parata	Appointed 1 Dec 2015
Paki Rawiri	Appointed 1 Dec 2015
Bella Takiari-Brame	Appointed 8 Jul 2019
Pahia Turia	Appointed 8 Jul 2019
Jamie Tuuta	Retired 3 Jul 2019
Hinerangi Raumati-Tu'ua	Retired 3 Jul 2019

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

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

3/12/2019

Date

Te Ohu Kai Moana Trustee Limited

Annual Report

For the Year Ended 30 September 2019

The Board of Directors present their annual report including the performance report of the company for the year ended 30 September 2019.

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

3/12/2019

Date

Te Ohu Kai Moana Trustee Limited

Statement of Financial Performance

For the Year Ended 30 September 2019

	2019	2018
	\$	\$
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.

Te Ohu Kai Moana Trustee Limited

Statement of Changes in Equity

For the Year Ended 30 September 2019

	Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2018	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2019	-	-	-

	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	-	-	-

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 2019

	2019	2018
	\$	\$
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 3 December 2019.



Director



Director

Notes to the Financial Statements

For the Year Ended 30 September 2019

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 Pūtea Whakatupu Trustee Limited and Te Wai Māori Trustee Limited.

In 2009, the Trustee became the single shareholder in Te Ohu Kai Moana 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 and 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 111 to 114, which comprise the balance sheet of the Company as at 30 September 2019, 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 111 to 114 present fairly, in all material respects, the financial position of the Company as at 30 September 2019 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

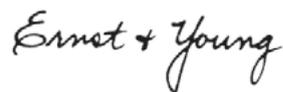
The directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting - Cash (Not-For-Profit), and for such internal control as the directors determine is necessary to enable the 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
3 December 2019

THE MĀORI COMMERCIAL AQUACULTURE SETTLEMENT TRUST (TAKUTAI TRUST)

Financial Statements

For the Year Ended 30 September 2019

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Takutai Trust

Trustee's Report

For the Year Ended 30 September 2019

Legal Name of Entity:

Māori Commercial Aquaculture Settlement Trust
(Takutai)

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

Entity's Purpose or Mission:

The Trust was established pursuant to the Māori Commercial Aquaculture Claims Settlement Act 2004 (the Act). In accordance with the Act, the objectives of Takutai Trust involve representing Māori 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 Trust does not raise funds.

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

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

For and on behalf of the Trustee:

Director

3/12/2019

Date

Takutai Trust

Statement of Service Performance

For the Year Ended 30 September 2019

Trust Outcomes

Te Ohu Kai Moana Trustee Limited (Te Ohu Kaimoana) is the corporate trustee of the Māori 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
- › facilitate the allocation and transfer of those regional aquaculture settlement assets to relevant Iwi.

Trust Outputs

Priorities for 2018/19 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 the Bay of Plenty and Wellington and Northland regions sign allocation agreements for regional pre-commencement space settlement assets and Te Ohu Kai Moana transfers those assets in accordance with those agreements.

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Bay of Plenty	Regional agreement signed.	2014	The assets cannot be allocated and transferred without an amendment to the Māori Commercial Aquaculture Claims Settlement Act 2004 (the Act).	We have engaged with Bay of Plenty Iwi about amending the Act and are continuing to work with them to develop an allocation methodology.

Takutai Trust

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Wellington	The Crown transferred the remaining settlement pre-commencement assets for Wellington to Te Ohu Kai Moana using the financial equivalent method.	March 2017	Allocation discussions between all six Wellington IAOs have been paused while some of these same Iwi carry out separate conversations between themselves regarding allocation of Fisheries Settlement assets. Once an outcome is reached in terms of those discussions, discussions on allocation of the remaining settlement pre-commencement assets will resume.	Ongoing.
Northland	The Crown transferred the remaining settlement pre-commencement assets for Northland to Te Ohu Kai Moana using the financial equivalent method.	March 2017	Allocation agreements for Pārengarenga Harbour and Houhora Harbour and assets transferred to Iwi. The remaining assets cannot be allocated and transferred without an amendment to the Act.	Harbour assets were allocated in October 2016 and transferred in March 2019. We have engaged with Northland Iwi about amending the Act as an alternative to a disputes resolution process.

Interim space settlements

- › All Tasman IAOs signed an allocation agreement for the settlement authorisations in each of the eight subzones in September 2018. Te Ohu Kai Moana transferred the settlement authorisations to the jointly owned Iwi asset-holding companies in the Tasman region.

Region	Representative Space Agreement	Date of Representative Space Agreement	Allocation agreement	Date of Allocation Agreement
Tasman	Representative space agreements signed between Iwi, Te Ohu Kai Moana and the applicants for each of the eight subzones.	October 2017	Allocation agreement executed and assets transferred in accordance with that agreement.	Allocation agreement executed September 2018. Authorisations transferred October 2018.

Takutai Trust

New space settlements

- › Iwi in the Southland, Bay of Plenty and Waikato West regions signed regional agreements with the Crown to satisfy the Crown's regional new space obligations.
- › Iwi in the Northland, Wellington, Southland, Bay of Plenty and Waikato West regions signed allocation agreements and Te Ohu Kai Moana transferred assets in accordance with those agreements.
- › Iwi in the Canterbury region had transferred to them assets allocated to them through the regional allocation agreement.

Region	Regional agreement	Date of Regional Agreement	Allocation agreement	Date of Allocation Agreement
Southland	In progress	-	-	-
Bay of Plenty	In progress	-	-	-
Waikato West	In progress	-	-	-
Northland	S11(5) default transfer of assets to Te Ohu Kai Moana.	December 2015	Schedule 1 coastline allocation entitlement claims submitted by some IAOs (not all) for a portion of the assets. The remaining assets cannot be allocated and transferred without an amendment to the Act.	Schedule 1 claims submitted in August 2019. Work to achieve an allocation agreement is ongoing.
Wellington	S11(5) default transfer of assets to Te Ohu Kai Moana.	June 2016	Allocation discussions between all six Wellington IAOs have been paused while some of these same Iwi carry out separate conversations between themselves regarding allocation of Fisheries Settlement assets. Once an outcome is reached in terms of those discussions, discussions on allocation of the remaining settlement pre-commencement assets will resume.	Ongoing.
Canterbury	Regional agreement signed	September 2018	Allocation agreement executed. Assets transferred in accordance with that agreement.	Allocation agreement executed September 2018. Transfer of assets completed in October 2018 and March 2019

Takutai Trust

In addition:

- › We worked with the Minister of Fisheries and his officials to progress our proposal to amend the Act.
- › We worked with Fisheries New Zealand to progress the review of the Minister's new space plan.
- › We assisted with the establishment of a working group to review the 2011 GLM9 management plan and its associated operations, including the code of conduct to apply to any spat harvesting on Te Oneroa-a-Tōhē (Ninety Mile Beach).
- › We engaged with Iwi, the Crown and industry about the potential for open ocean aquaculture development in New Zealand. This involved participating in a series of MPI-convened workshops focused on the development of a policy framework to guide open ocean aquaculture development.
- › Investigations for suitable aquaculture space in Southland are ongoing. To accommodate these searches, the Minister of Fisheries granted two further extensions to the timeframe during which a regional new space settlement needs to be completed. The expiry date is now 31 May 2020.
- › We assisted Marlborough IAOs to develop a proposal with New Zealand King Salmon in response to 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 Director of Aquaculture New Zealand.

Takutai Trust

Statement of Financial Performance

For the Year Ended 30 September 2019

	Note	2019 \$000	2018 \$000
Revenue			
Interest received on settlement assets held by Trustee		253	649
Funding received from Ministry for Primary Industries		597	557
Total Revenue		850	1,206
Expenses			
Administration		3	4
Fees paid to auditor – financial statements		5	5
Fees paid to auditor – funding agreement review		4	4
Apportioned Trustee overheads	6	217	319
Professional services	6	310	185
External reporting and communication		17	7
Travel and accommodation		41	31
Interest paid		-	2
Allocations to settlement assets held on behalf of Iwi		253	649
Total Expenses		850	1,206
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 2019

	Trust Capital \$000	Retained Earnings \$000	Total \$000
Balance at 1 October 2018	-	-	-
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 2019	-	-	-
	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	-	-	-

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 2019

	Note	2019 \$000	2018 \$000
Equity			
Retained Earnings		-	-
Total Equity		-	-
Represented by -			
Current Assets			
Bank accounts and cash	7	5,717	9,043
Ministry for Primary Industries		-	29
GST receivable		13	11
Receivables		16	1,283
Total Assets		5,746	10,366
Current Liabilities			
Settlement assets held on behalf of Iwi			
Pre-commencement settlements	4	2,982	2,892
New space settlements	5	2,228	7,225
Ministry for Primary Industries		179	-
Other current liabilities	7	357	249
Total Liabilities		5,746	10,366
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 3 December 2019.



Director



Director

Takutai Trust

Statement of Cash Flow

For the Year Ended 30 September 2019

	2019	2018
	\$000	\$000
Cash Flows from Operating Activities		
Cash was received from:		
Funding from Ministry for Primary Industries	597	557
Interest, dividends and other investment receipts	253	646
Cash was applied to:		
Payments to suppliers and employees	291	835
Distributions to Iwi	3,885	29,845
Net cash flows from operating activities	(3,326)	(29,477)
Net decrease in cash	(3,326)	(29,477)
Opening cash	9,043	38,520
Closing cash	5,717	9,043
This is represented by:		
Bank accounts and cash	5,717	9,043

Notes to the Financial Statements

For the Year Ended 30 September 2019

Note 1 – Reporting Entity

The Māori Commercial Aquaculture Settlement Trust (Takutai Trust) was established pursuant to the Māori Commercial Claims Settlement Act 2004 (the Act). In accordance with the Act, the objectives of Takutai Trust involve representing Māori 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 held with Westpac.

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 (2018–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 \$217,000 (2018: \$319,000). Cost incurred by the Trustee on behalf of the Trust of \$112,000 (2018: \$70,000) 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

	2019	2018
	\$000	\$000
Pre-commencement settlements		
Bay of Plenty regional coastline and Ōhiwa Harbour	2,498	2,419
Wellington	38	37
Northland	446	436
Pre-commencement settlements held on behalf of Iwi	2,982	2,892
Pre-commencement settlement assets received and distributed		
Opening balance at 1 October	2,892	5,565
Interest received while funds held by Trustee	90	122
Total settlements received	2,982	5,687
Distributions of settlement assets to:		
Clifford Bay settlement		
Ngāti Apa ki te Rā Tō Trust	-	(35)
Ngāti Kōata Trust	-	(35)
Te Rūnanga o Ngāti Kuia Trust	-	(35)
Ngāti Rārua Iwi	-	(35)
Ngāti Tama ki te Waipounamu	-	(35)
Te Rūnanga o Toa Rangatira	-	(35)
Te Rūnanga o Rangitāne o Wairau Trust	-	(35)
Te Ātiawa o Te Waka-a-Māui	-	(35)
Te Rūnanga o Ngāi Tahu	-	(35)
Marlborough post agreement in principle settlement		
Ngāti Apa ki te Rā Tō Trust	-	(165)
Ngāti Kōata Trust	-	(165)

Takutai Trust

	2019	2018
	\$000	\$000
Te Rūnanga o Ngāti Kuia Trust	-	(165)
Ngāti Rārua Iwi	-	(165)
Ngāti Tama ki te Waipounamu	-	(165)
Te Rūnanga o Toa Rangatira	-	(165)
Te Runanga o Rangitāne o Wairau Trust	-	(165)
Te Ātiawa o Te Waka-a-Māui	-	(165)
Te Rūnanga o Ngāi Tahu	-	(165)
Marlborough		
Ngāti Apa ki te Rā Tō Trust	-	(47)
Ngāti Kōata Trust	-	(47)
Te Rūnanga o Ngāti Kuia Trust	-	(46)
Ngāti Rārua Iwi	-	(47)
Ngāti Tama ki te Waipounamu	-	(46)
Te Rūnanga o Toa Rangatira	-	(47)
Te Rūnanga o Rangitāne o Wairau Trust	-	(47)
Te Ātiawa o Te Waka-a-Māui	-	(46)
Te Rūnanga o Ngāi Tahu	-	(47)
D'Urville Island, Marlborough Region		
Ngāti Apa ki te Rā Tō Trust	-	(63)
Ngāti Kōata Trust	-	(63)
Te Rūnanga o Ngāti Kuia Trust	-	(62)
Ngāti Rārua Iwi	-	(63)
Ngāti Tama ki te Waipounamu	-	(62)
Te Rūnanga o Toa Rangatira	-	(63)
Te Rūnanga o Rangitāne o Wairau Trust	-	(63)
Te Ātiawa o Te Waka-a-Māui	-	(62)
Te Rūnanga o Ngāi Tahu	-	(63)
Resident withholding tax	-	(11)
Total settlements distributed	0	(2,795)
Pre-commencement settlement funds held on behalf of Iwi as at 30 September	2,982	2,892

Takutai Trust

Note 5 – New Space Settlements

	2019	2018
	\$000	\$000
New space settlements		
Canterbury region	-	1,263
Northland	2,218	5,952
Wellington	10	10
New space settlements held on behalf of Iwi	2,228	7,225

New space settlements assets received and distributed

Opening balance at 1 October	7,225	32,875
Settlements received:		
Canterbury region	-	1,263
Interest received while funds held by Trustee	162	526
Total settlements received	7,387	34,664

Distributions of settlement assets to:

Canterbury Region

Te Rūnanga o Ngāi Tahu	(1,263)	-
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Northland Region

Ngātiwai Trust Board	(1,096)	
Te Rūnanga o Te Rarawa	(585)	-
Ngā Taonga o Ngāi Takoto Trust	(515)	-
Te Rūnanga o Ngāti Whātua	(808)	-
Te Rūnanga-Ā-Iwi o Ngāpuhi	(880)	-

Marlborough Region

Ngāti Apa ki te Rā Tō Trust	-	(3,049)
Ngāti Kōata Trust	-	(3,049)
Te Rūnanga o Ngāti Kuia Trust	-	(3,021)
Ngāti Rārua Iwi	-	(3,049)
Ngāti Tama ki te Waipounamu	-	(3,021)

Takutai Trust

	2019	2018
	\$000	\$000
Te Rūnanga o Toa Rangatira	-	(3,049)
Te Rūnanga o Rangitāne o Wairau Trust	-	(3,049)
Te Ātiawa o Te Waka-a-Māui	-	(3,021)
Te Rūnanga o Ngāi Tahu	-	(3,045)
Resident Withholding Tax	(12)	(86)
Total settlements distributed	(5,159)	(27,439)
New space settlements assets held on behalf of Iwi as at 30 September	2,228	7,225

Note 6 – Analysis of Expenses

Expense item	Analysis	2019	2018
		\$000	\$000
Apportioned Trustee overheads	Infrastructure	72	55
	HR charge	145	264
	Total	217	319
Expense item	Analysis	2019	2018
		\$000	\$000
Professional services	Consultant	284	112
	Legal	26	73
	Total	310	185

Takutai Trust

Note 7 – Analysis of Assets and Liabilities

Asset Item	Analysis	2019 \$000	2018 \$000
Bank accounts and cash	Westpac cheque account	2,239	36
	Westpac call account	980	636
	Westpac term deposit	2,498	8,371
Total		5,717	9,043

Liability Item	Analysis	2019 \$000	2019 \$000
Other current liabilities	Accounts payable	85	159
	Accruals	272	90
Total		357	249

Note 8 – Events Subsequent to Reporting Date

There were no events that have occurred after the balance date that would have a material impact on the performance report. (2018: nil).

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 118 to 132, 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 2019, the statement of financial position of the Trust as at 30 September 2019, 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 118 to 132 presents fairly, in all material respects
 - ▶ the Trustee's report for the year ended 30 September 2019;
 - ▶ the service performance for the year then ended; and
 - ▶ the financial position of the Trust as at 30 September 2019, 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.

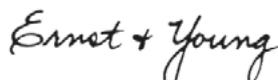
Auditor's Responsibility

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.

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.



Chartered Accountants
Wellington
3 December 2019



TE OHU KAI MOANA TRUSTEE LIMITED

Annual General Meeting Minutes

Novotel Airport Hotel Auckland
29 March 2019

Present

Jamie Tuuta (Chair), Tā Mark Solomon (Deputy Chair), Hinerangi Raumati-Tu'ua, Ken Mair, Rangimarie Hunia, Herewini Parata, Pahia Turia, Kim Skelton, Dion Tuuta (Chief Executive)

Apologies

Paki Rawiri

Mihi/karakia

Herewini Parata

Chair's presentation

Jamie Tuuta (Chair) noted the role of Te Ohu Kaimoana and the importance of forging a strong relationship with government. This continues to be a challenge to ensure that sensible policy is developed that recognises our Treaty rights.

One of Te Ohu Kaimoana's key areas of focus in our year in review is how do we add value to Iwi? Over the past year, our engagement with Iwi has been very positive. The quarterly reports have included detail as to what Te Ohu Kaimoana has been doing, and we will continue to work on providing information in a helpful way for Iwi.

The Chair reported on the following matters as part of the strategic overview presentation:

- > **Crown engagement:** The Minister of Fisheries attends Te Ohu Kaimoana's Board meetings for discussion.

> Amendments to the Maori Fisheries Act 2004:

- > The Minister of Fisheries noted the current situation and New Zealand First's lack of support for the proposed amendments at the Māori Fisheries Conference.
- > Iwi and Te Ohu Kaimoana need to think about advocacy to attempt to progress this further.
- > The Chair noted that Te Ohu Kaimoana is exploring ways in which some review matters could be given effect to without legislative amendment.

> Governance and succession:

- > Kim Skelton and Pahia Turia have been appointed as alternate directors.
- > Three directors are retiring this year as they will be reaching their statutory maximum term – Jamie Tuuta, Hinerangi Raumati-Tu'ua and Ken Mair.
- > Te Kawai Taumata will be called together this year to make director appointments.

> Rights protection:

- > QMA 10 – The current government is keen to progress the Kermadec Ocean Sanctuary. Te Ohu Kaimoana has been clear that any proposals need to be discussed with Iwi. We have had discussions with the current government about the Kermadecs.
- > 28N rights – Te Ohu Kaimoana has outlined the underlying principles for this issue. We have met with the Minister to provide solutions.
- > High seas policy – We have been actively involved in international discussions and are working alongside MFAT and MPI to ensure that our views are understood at both the domestic and international level. We need to work to ensure the

international threats do not encroach on our Treaty rights.

- > Trans-Tasman Resources Limited (TTRL) appeal – Te Ohu Kaimoana is a party opposing TTRL's application to mine for ironsands off the Taranaki Coast. That matter will progress through the court this year.

Chief Executive's report

Dion Tuuta (Chief Executive) presented his report.

> **Staffing and reorganisation:**

- > 17/18 financial year was a big year for the organisation.
- > Peter Whittington, Simon Karipa and Laws Lawson left Te Ohu Kaimoana as employees (Laws Lawson continues to act on a contract basis).
- > New policy team working under Kim Drummond. Although Te Ohu Kaimoana has more policy staff, the work is also increasing. We try to work as efficiently as possible.
- > Communications support confirmed.

> **Policy:**

- > October Sustainability Round – 32 stocks reviewed rather than the usual 10. That was a big undertaking for staff.
- > Noted the situation for tarakihi and hoki.
- > Tuna harvest strategy for the Rangitaiki.

> **Allocation:**

- > There have been allocations made in the past year.
- > This year, Te Ohu Kaimoana will be focusing a lot of effort on final remaining allocations.

> **Aquaculture:**

- > A lot of work is happening in aquaculture.
- > Regional space agreement in Canterbury.
- > Nearly at the conclusion of transferring assets in Te Wai Pounamu.
- > This year, Te Ohu Kaimoana will be focusing on Bay of Plenty and Northland.

> **Financials:**

- > Noted income from portfolio; surplus.
- > Assets – held for distribution.

Pātai from the floor

Mark Ngata (Ngāti Porou) noted Te Ohu Kaimoana should keep being open and transparent. However, Mark noted it is not good enough for Iwi to be told to lobby the government on the Maori Fisheries Act amendments. We should be going back to the Minister and to New Zealand First together as a force. A plan needs to be developed on that front.

Mark noted further that Moana New Zealand should have alternate directors as well as Te Ohu Kaimoana to ensure we have appropriate director succession.

TE WAI MĀORI TRUSTEE LIMITED

Ken Mair (Chair) acknowledged the Board of Directors and staff for the work completed over the previous year.

There has been a range of strategic matters that Te Wai Māori has been working on including:

- > Conservation (Indigenous Freshwater Fish) Amendment Bill
- > review of whitebait Management
- > Fisheries New Zealand – review of sustainability measures (TAC, TACC) for North Island tuna.

In addition, the Chair reported on the following pieces of work:

- > Te Mana o Ngā Tuna (2017) conference in Whanganui was very well attended and received.
- > Te Wai Māori has been working on a piharau/kanakana strategy.
- > Wai 2358 and Pou Taiao Iwi Leaders Group resource management toolkit has been developed.
- > Wai Ora Fund past recipients:
 - > Millan Ruka – awarded Member of New Zealand Order of Merit for services to conservation.
 - > Whangawehi – winner – International Asia Pacific River Award.
- > Funding recipients 17/18: \$1.5 million over the past half dozen years.
- > National body to achieve the health and wellbeing of tuna.
- > New fund – Tiaki Wai Fund (open now) for projects up to \$5,000.

Looking forward to the next financial year, the focus will be on:

- > climate change research
- > MfE – Essential Freshwater Programme; RMA reform
- > regional council scorecard
- > Freshwater Fisheries Conference – 18–19 June, Whangarei.

The Chair noted that we need to continue to be values based and achieving balance in the context of our commercial operations. Our values should permeate all of our mahi.

TE PŪTEA WHAKATUPU TRUSTEE LIMITED

Kate Cherrington (Chair) presented Te Pūtea Whakatupu report. Apologies were noted from the other Board members Norm Dewes and Evie O'Brien.

Te Rautaki strategy was launched last year by Te Pūtea Whakatupu. The Chair noted lofty outcomes but that they would be relational and reciprocal in approach. Year one was about ngā uri whakatupu. Year two is about long-term service delivery. Karleen Everitt provided a management update and noted Te Rautaki.

Closing remarks from Te Ohu Kaimoana Chair

Jamie Tuuta noted the following in terms of looking forward for Te Ohu Kaimoana group:

- > **Governance changes** – Te Kawai Taumata has a very important role to appoint directors of Te Ohu Kaimoana. Alternate director programme also very important for Te Ohu Kaimoana. That process will be under way this year.
- > **Proposed fisheries policy consultation and reforms** – The Minister has confirmed his intention for these reforms. We need to work together to ensure that we are able to influence these.
- > **Maori Fisheries Act amendments** – Iwi agreed the changes together so Iwi and Te Ohu Kaimoana must finish it together. We need to be united in our kōrero to the government.
- > **Moana New Zealand dividend** – The Board has agreed in principle, subject to consultation and further advice, for Te Ohu Kaimoana's share of the next Moana dividend to be distributed to Iwi. Dion and the team will hold a series of meetings culminating in a Special General Meeting later in the year to consider the matter properly.

Jamie thanked Dion and Te Ohu Kaimoana staff. Last year was a very busy year, and succession has occurred. We have been very fortunate to have a lot of talented and passionate people coming through. On behalf of those directors finishing this year, Jamie thanked Iwi for the privilege for serving Iwi on Te Ohu Kaimoana.

Sonny Tau (Ngā Puhī) thanked the exiting directors for their leadership and mahi and noted that it has been a pleasure to work with them all.

Resolutions

The Chair put forward the following resolutions:

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 the auditor and authorise the directors to agree the auditor's remuneration.

Moved by Ngāti Porou

Seconded by Whanganui

PASSED

The Chair confirmed that Te Ohu Kaimoana intends to go to market next year for the auditor.

Sonny Tau (Ngā Puhī) queried whether another resolution is required for the Moana dividend matter. Jamie (Chair) confirmed that no resolution is required today as a series of regional hui will be held and then the matter will be formally considered at a Special General Meeting later in the year.

Meeting closed.



TE OHU KAI MOANA TRUSTEE LIMITED

Special General Meeting Minutes

Distribution of Moana NZ's Annual Te Ohu Kaimoana Dividend to Mandated Iwi Organisations

Novotel Airport Hotel Auckland 3 July 2019, 10 am

Board attendees present

Jamie Tuuta (Chair), Tā Mark Solomon (Deputy Chair), Rangimarie Hunia, Herewini Parata, Kim Skelton and Pahia Turia

Te Ohu Kaimoana staff present

Dion Tuuta (Chief Executive), Charlie Mackey, Kirsty Woods, Kim Drummond, Te Taiawatea Moko-Mead, Bede Dwyer, Horiaan Irwin-Easthope, Fran Olds

MIO authorised representatives present

Ngāti Whātua, Te Rarawa, Te Aupōuri, Ngāti Kurī, Ngāti Wai, Whaingaroa, Ngāi Takoto, Ngāpuhi, Ngāti Maniapoto, Hauraki, Te Arawa, Tapuika, Ngāti Tūwharetoa, Ngāi Te Rangī, Whakatōhea, Ngāti Ranginui, Ngāti Manawa, Ngāti Whare, Ngāti Porou, Te Whānau a Apanui, Ngāti Kahungunu, Rongowhakaata, Te Atiawa (Taranaki), Te Atihaunui a Pāpārangī, Taranaki, Ngā Rauru, Ngāruahine, Ngāti Apa, Muaūpoko, Ngāti Mutunga (Taranaki), Ngāti Tama (Taranaki), Ngāti Maru (Taranaki), Ngāti Raukawa ki te Tonga, Ngāti Toa, Te Atiawa (Wellington), Ngāti Kuia, Rangitāne (Te Tau Ihu), Ngāti Koāta, Ngāti Rārua, Ngāti Apa ki te Waipounamu, Ngāti Tama (Te Tau Ihu), Te Atiawa ki Whakarongotai, Ngāi Tahu, Ngāti Mutunga (Chatham)

Waiata/karakia

Herewini Parata

Welcome/mihi

Jamie Tuuta (Chair) welcomed everyone and noted the process for the day that would be followed including the resolutions regarding Te Ohu Kaimoana's share of the Moana New Zealand dividend.

General update

Dion Tuuta (Chief Executive) provided a general update:

- > **Maori Fisheries Act amendments:**
 - > Situation as at today is as it was at the AGM. New Zealand First do not support the resolutions passed by Iwi following the 2015 review.
 - > Te Ohu Kaimoana has received advice that the amendments are unlikely to pass in this Parliamentary term.
 - > Te Ohu Kaimoana Board has directed management to think about how to give effect to the intent to those resolutions of the 2015 review that do not require legislative amendment.
- > **Hector's and Māui Dolphins Threat Management Plan – key priority.**
- > **Marine protected areas:**
 - > South-eastern coast reserve – no-take marine reserves.
 - > Aware that the government wants to push ahead on Kermadecs. Te Ohu Kaimoana is continuing to work on this matter.
 - > Your fisheries – your say – landing and discards policies; wholesale introduction of cameras on boats (have significant effects on operations of Māori fishers, particularly smaller Māori fishers).

- > **Tarakihi – large cuts proposed.**
- > **Trawling in EEZ – NGO are challenging to push for the banning of trawling in the Exclusive Economic Zone.**
- > **South Pacific Regional Fisheries Management Organisation (SPRFMO) – Te Ohu Kaimoana is involved in those international discussions.**
- > **28N rights – there are discussions that are ongoing with the government about this issue (alongside parallel litigation).**

Moana New Zealand dividend

Jamie Tuuta (Chair) provided the context for this kaupapa, and Dion Tuuta (Chief Executive) spoke to the presentation. If the amendments to the Maori Fisheries Act 2004 had been passed, we would not need an SGM on this matter (as the Iwi resolved for legislative amendments to be made, which would enable all of Moana New Zealand’s shares to be held by Iwi through asset-holding companies).

The Chief Executive noted Te Ohu Kaimoana had received legal advice, which confirmed that Te Ohu Kaimoana could distribute its share of the Moana New Zealand dividend but that must be done on the following basis:

- > In accordance with the Schedule 3 (Maori Fisheries Act 2004) allocations (i.e. on the basis of population, not equally).
- > The funds could only be used for charitable fisheries purposes.

Charities Services also confirmed there was no issue with Te Ohu Kaimoana making the distribution to charitable mandated Iwi organisations (MIOs) for charitable fisheries purposes. MIOs will have to provide undertakings to that effect.

The Chief Executive noted that some analysis had been completed by Cambridge Associates in terms of affordability (61% probability that the fund can

achieve its target over the next 10 years) and Te Ohu Kaimoana can afford to make the distribution this year. However, from a risk mitigation perspective, both the legal and financial advice recommended the matter be put to Iwi for a vote.

This vote should not be seen as setting a precedent. The Board’s decision has been made in relation to the FY18/19 dividend only at this stage. The purpose of this SGM is to determine whether Iwi want Te Ohu Kaimoana to make the distribution.

The Chief Executive noted the general feedback received from Iwi at the regional hui held around the motu in advance of this SGM:

- > Frustration about a lack of progress on the Maori Fisheries Act amendments.
- > Appreciation of general intent of what the Board was trying to do.
- > Some called for a larger distribution to Iwi.
- > Others thought Te Ohu Kaimoana should retain the proposed distribution until such time as the amendments to the Maori Fisheries Act are passed.
- > Calls for certainty in relation to Te Ohu Kaimoana’s long-term funding.
- > Growing threats to Māori fisheries and how we balance those things.
- > Other ideas were also put forward. For example, Ngāpuhi (Paul Knight) queried whether Te Ohu Kaimoana could consider classifying its shares (A and B shares) in terms of distribution methodology. We are looking into this.

The Chief Executive also noted what would be considered charitable fisheries purposes and what is not a charitable fisheries purpose.

Tā Matiu Rei arrived at 10.30am.

The Chief Executive called for any further questions. There were no further questions.

The Chair stepped through the voting process. The Chair confirmed he would put Te Ohu Kaimoana resolutions to the floor, ask for a mover or a seconder and then call for any discussion. The Chair noted further that the resolutions could be amended, and that proposed amendment would also need a mover and a seconder, with 20% of MIOs in attendance approving that amendment. The Chair confirmed that 42 MIOs were in attendance (some through proxies). On that basis, at least eight MIOs would need to pass any amendments to Te Ohu Kaimoana's proposed resolutions, and 22 MIOs are required for a majority to pass any resolution.

The Chair confirmed that the resolutions are not binding but that the Board would consider the outcome of the hui today.

The Chair noted Ngāti Maniapoto provided another proposal and Keith Ikin would speak to those resolutions following Te Ohu Kaimoana's resolutions.

The Chair noted further that a distinction between what Te Ohu Kaimoana was proposing and what would have happened through the Maori Fisheries Act amendments is that the distribution proposed will go to the MIO, and under the amendments to the Maori Fisheries Act, the distribution would have gone to the asset-holding companies.

The following resolutions were put to the floor:

1. **NOTE** that the purpose for which the distribution of Te Ohu Kai Moana Trustee Limited's 2018/19 annual dividend from Aotearoa Fisheries Limited (trading as Moana New Zealand) to mandated Iwi organisations (the **distribution**) must be consistent with the purpose of Te Ohu Kai Moana, being to advance the interests of Iwi individually and collectively primarily in the development of fisheries, fishing and fishing-related activities (**fisheries purpose**).

2. **NOTE** that the distribution can only be used by mandated Iwi organisations (**MIOs**) for charitable fisheries purposes.
3. **NOTE** that non-charitable MIOs would have to provide written undertakings as to how the distribution would be spent for charitable fisheries purposes.
4. **NOTE** that Te Ohu Kai Moana Trustee Limited has sought and received external legal, tax and financial advice in considering the distribution.
5. **NOTE** that Charities Services has confirmed that Te Ohu Kai Moana Trustee Limited can make the distribution on the proposed terms.
6. **AGREE** for Te Ohu Kai Moana Trustee Limited to distribute Te Ohu Kai Moana Trustee Limited's 2018/19 annual dividend from Aotearoa Fisheries Limited (trading as Moana New Zealand) to mandated Iwi organisations in accordance with the Maori Fisheries Act 2004 and Te Ohu Kai Moana Trust Deed (namely on the basis of the notional populations set out in Schedule 3 of the Maori Fisheries Act 2004).

Ngāpuhi moved the resolutions. Ngāti Maniapoto seconded the resolutions.

Simon Karipa noted some are voting for multiple Iwi through proxies. The Chair noted he will call for those who are not in favour of the resolution for simplicity.

There was no further discussion on the resolution. The Chair put the resolutions to the floor:

- > 34 Iwi voted in favour of the resolutions.
- > Eight Iwi voted against the resolutions – Ngāti Porou, Te Atiawa (Wellington), Ngāi Tahu, Ngāti Tama (Te Tau Ihu), Ngāti Toa, Ngāti Mutunga (ki Wharekauri), Ngāti Mutunga (Taranaki) and Te Atiawa ki Whakarongotai.

The resolutions were passed by majority.¹

The Chair invited Keith Ikin (Ngāti Maniapoto) to speak to the resolutions proposed by Ngāti Maniapoto. Ngāti Maniapoto proposed the following resolutions:

1. The combined body of mandated Iwi organisations and recognised Iwi organisations appreciate the initiative taken by the Chairman, Board and Management of Te Ohu Kaimoana in proposing the distribution of Te Ohu Kaimoana's 20% share of Aotearoa Fisheries Limited's (AFL's) annual dividend relating to its 2018/19 financial year to Iwi.
2. We consider that Te Ohu Kaimoana should ensure the continuation of this process on an annual basis until Iwi are transferred all of the issued shares in AFL or for 5 years commencing from the 2018/19 financial year, at which time the arrangement would be reviewed.
3. We further consider that Te Ohu Kaimoana should review its ongoing operations and establish a cap on the quantum of investment funds it needs to hold moving forward with a view to distributing the excess to Iwi.

Keith acknowledged Te Ohu Kaimoana Board for the proactivity about the distribution. Keith noted that the purpose of the Ngāti Maniapoto resolutions was to provide certainty to ensure that the distributions should be made on this basis for the next 5 years and then reviewed after 5 years.

The Chair noted that Ngāti Maniapoto is proposing for this distribution to be made for 5 years and Te Ohu Kaimoana is taking advice on deemed dividends.

Ngāti Maniapoto moved its resolutions.

Paul Majurey (Hauraki) queried whether the Board or management had considered the Ngāti Maniapoto resolutions in light of the fiscal advice. The Chair and

Chief Executive noted that no advice had been taken in light of Ngāti Maniapoto's resolutions. The Chair noted that, if Ngāti Maniapoto's resolutions did pass, it would need to be conditional on Te Ohu Kaimoana receiving further advice. Tā Mark Solomon noted that Te Ohu Kaimoana lost \$8 million in December, and that was made back but there is ongoing volatility. Paul Majurey queried whether Ngāti Maniapoto was willing to wait and therefore withdraw the resolution. Ngāti Maniapoto wanted to determine whether there was support for the resolution now.

The Chair noted that, if Ngāti Maniapoto withdrew its resolution today, the Board and management could give an undertaking to look at the substance of the proposal.

Dickie Farrar (Whakatōhea) supported the Chair's proposal of the Board and management considering it and bringing advice back to Iwi.

Tā Matiu Rei (Ngāti Toa) noted Ngāti Toa was not in favour of the first set of resolutions (Te Ohu Kaimoana's) and not in favour of the second set of resolutions (Ngāti Maniapoto's). Tā Matiu noted his view that the distribution does not need to be done now or for the next 5 years. The Board should always retain the discretion to determine these matters. There are a range of issues that Te Ohu Kaimoana is dealing with on behalf of Iwi, and Te Ohu Kaimoana needs to be resourced. There are a range of future uncertainties. Tā Matiu also noted that Iwi need to know what is happening with the review. The Chair reiterated that Te Ohu Kaimoana had been advised that the amendments would not be passed in this political term.

The Chair queried whether Ngāti Maniapoto was happy with the suggestion for management to consider their resolutions and report back at the next AGM. Ngāti Maniapoto was comfortable with this course, and the Ngāti Maniapoto resolutions were removed from the floor.

1. Ngāi Takoto and Te Aupōuri arrived after Te Ohu Kaimoana resolutions were voted on.

Tom McClurg (Ngāti Mutunga) noted he agreed with Tā Matiu. Tom noted his view that the explanation about the Maori Fisheries Act review is inadequate. Iwi went through the review in 2015 and Iwi Māori agreed that legislative amendments were required that would have made the resolutions not possible. This is another Treaty grievance and explored the Board to do more. The Chair noted that Te Ohu Kaimoana is exploring what other avenues we have. The Chair noted it will require Iwi to unite again. Te Ohu Kaimoana team are committed to this kaupapa.

General business

- > Maru Samuels (ICP – Ngāti Manawa) noted that there would be exposure for Te Ohu Kaimoana Board if we lock into a 5-year distribution term.
- > Di Rump (Rangitāne) – 2015 review: has this been looked at in terms of a contemporary Treaty breach? Jamie noted that we are considering the issue.
- > Hori Elkington (Ngāti Koāta) noted his interest to know if there is a strategy with regards to the risks that Dion spoke about. Dion noted the work under way in FMA8 and alongside Moana New Zealand. Te Ohu Kaimoana is working on it, but the strategy needs to be focused. There are a range of political dynamics at play also.
- > Mark Ngata (Ngāti Porou) queried the cost of the various workstreams Dion spoke about. Mark would like Te Ohu Kaimoana to report on the costs of the workstreams at the next AGM. That will accurately show how much money Te Ohu Kaimoana needs to address these threats. We need to be unified to fight these threats and Te Ohu Kaimoana needs our support, otherwise the settlement is not a settlement.

- > Tā Matiu Rei (Ngāti Toa) noted there will be multiple challenges placed upon us as a collective not just in fishing but in aquaculture and other areas. We suck money out of Te Ohu Kaimoana and then expect Te Ohu Kaimoana to do all of this work. We shouldn't be taking money out because we don't know what is ahead of us.
- > Herewini Parata noted that Te Hā o Tangaroa is our overarching strategy for the various workstreams.

Before the meeting closed, Tā Mark Solomon acknowledged Jamie Tuuta's work as Te Ohu Kaimoana Chair and noted that, during Jamie's time as Chair, the Board always operated on consensus decision making. Tā Mark wished Jamie all the best.

The Chair closed the meeting at 11.10am.



NOTICE OF 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 26 March 2020,
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. Approve the minutes of the 2019 Annual General Meeting (Hui-ā-Tau)
 2. Approve the minutes of the 2019 Special General Meeting
 3. Approve the annual report of Te Ohu Kai Moana Trustee Limited
 4. Approve 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
1. Moana New Zealand business overview
 2. 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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