

TE RŪNANGA O
NGĀTI MUTUNGA

ANNUAL REPORT

TO 30 SEPTEMBER

20 18



MIHI FROM THE CHAIR

Taranaki tītōhea

Tītōhea a runga, tītōhea a raro
E rere e te kīrehe o te rangi ki runga
ki ngā puna wai koropupū
Koropupū mai, koropupū atu
E kore e mimiti, e kore e mimiti
Ahakoa tukitukia
Ahakoa hokarikaringia
Ka koropupū, ka koropupū
E kore au e taea ko te uri anō a nge
au o taku tupuna Mutunga e

Horahia atu te takapou nei, ko te takotoranga o ngā kōrero tuputupua i ahu mai nei i ngā whare punanga kōrero tuaukiuki. Horahia atu te takapou, ko te takotoranga o ngā kōrero o hēnei o ngā rangi o te Rūnanga o Ngāti Mutunga.

E riringi nei a roimata mō te kāhui o Mutunga kua kopa atu ki te tatau o te pō. Nō reira kei ngā kura whakaingoinga ka ngaro nei moe mai rā.

E runga whai mai, e raro whai mai, e uta heke mai, e tai tapiki mai kia kotahi te tū, kia kotahi te rongo mō Mutunga e whakatūria nei, e te iwi heke mai. E kai hō whatu!

I am pleased to present the 2018 annual report for Te Rūnanga o Ngāti Mutunga. This report sets out the work and activity of the Rūnanga during the reporting period ending 30 September 2018.

This year has been a positive year for the Rūnanga as we look back and reflect on the last twelve months.

LOOKING TO THE FUTURE

One of our major kaupapa this year was the review of the strategic plan. It was great to meet many of you when we travelled around the motu to hear your kōrero and your feedback on how we are going and how we can be better in the future.

We have collated all of your feedback and are finalising a draft plan featuring our future goals and priorities based on what you have told us, to present at the Rūnanga Annual General Meeting in February 2019.

I am pleased that this has been a true bottom-up process with your input informing the discussion and shaping the final document.

ACHIEVEMENTS

We have again made pleasing progress towards achieving our goals, and in particular the work that you have contributed to in helping us build the foundations of a new strategic plan to take us through the next five years.

This year the report includes an account from Colleen Tuuta of the iwi relationship with the new NPDC joint iwi-council committee Te Huinga Taumatua which gives a comprehensive view of the background, mahi and future challenges for this committee.

HE KUPU WHAKAMIHI

I would like to pay a special tribute to Miriama Evans who passed this year. Miriama was a former Chair of Te Rūnanga o Ngāti Mutunga and gave years of service to both the Rūnanga and its predecessor the Ngāti Mutunga Iwi Authority. Nei ka mihi ki tēnei wāhine toa o Ngāti Mutunga, moe mai rā.

As always, I would like to thank my fellow kaitiaki for their support during the year. I would also like to thank our kaimahi and our directors for all of their mahi in working towards the achievement of our goals.

It is pleasing to look back on a year with a number of achievements, and with the Rūnanga in a strong position to be able to help shape our future.



GROUP DIRECTORY

TRONM KAITIAKI

Jamie Tuuta (Chair), **Colleen Tuuta** (Deputy Chair, Chair Te Whiringa), **Rodney Baker** (Chair NMICT, Maruehi Fisheries), **Sandra Julian**, **Brent Matuku**

TE POU HERENGA PĀKIHI LP DIRECTORS

Hinerangi Raumati - Tu'ua (Chair),
Tom McClurg, **Rohan Matuku**

NGĀTI MUTUNGA CUSTODIAN COMPANY LIMITED DIRECTORS

Jamie Tuuta, **Paul Cummings**



Sandra Julian



Colleen Tuuta



Jamie Tuuta



Rodney Baker



Brent Matuku



Hinerangi Raumati - Tu'ua



Tom McClurg



Rohan Matuku



Paul Cummings



OUR GROUP STRUCTURE

GROUP STRUCTURE AND ROLE OF EACH ENTITY

Each entity in the Group has a clearly defined role – with a charitable entity, commercial entity, fisheries entity and a custodian company.

We have set out below the role and purpose of each of the entities along with its governance.

The diagram over the page shows how the structure of the Group and how the entities relate to each other.

TE RŪNANGA O NGĀTI MUTUNGA

The parent entity of the group established in 2006 and mandated by a Charter which was amended last year. Five Kaitiaki (with provision for up to seven) are elected to the Rūnanga to be responsible for dealing with all matters relating to the iwi except cultural matters.

The goals and activities of the Rūnanga are managed by the office, led by our Pouwhakahaere.

NGĀTI MUTUNGA COMMUNITY DEVELOPMENT TRUST (TE WHIRINGA)

Te Whiringa is a registered charity established in 2007 and responsible for the social and cultural development of Ngāti Mutunga, including administration of our grants programmes to iwi members and delivery of our wānanga programme. It is governed by the same Kaitiaki as the Rūnanga.

The trust is also the owner and developer of our new iwi urupa. Administrative support is provided by the Rūnanga office.

TE POU HERENGA PĀKIHI LIMITED PARTNERSHIP

Our commercial entity set up last year to create value by aggregating our commercial assets and utilising the skills of our commercial board. There is an Investment Governance Policy in place setting out the investment policy and delegations agreed with Rūnanga Kaitiaki.

Three independent Directors govern the entity, with administrative support provided by the Rūnanga office.

MARUEHI FISHERIES LIMITED

The company was set up in 2006 to receive the iwi share of the 1992 Māori Fisheries settlement and administers the leasing of inshore and deep sea fishery quota. The Directors of Te Pou Herenga Pākihi LP are also the Directors of Maruehi Fisheries Limited.

NGĀTI MUTUNGA INVESTMENT CHARITABLE TRUST

A charity set up in 2007 to hold long term investment funds and commercial properties on behalf of the Group. The role of the Trust has now been taken over by Te Pou Herenga Pākihi Limited Partnership.

The assets of the trust have been purchased by the Limited Partnership at market value and the Trust is in the process of being wound up.

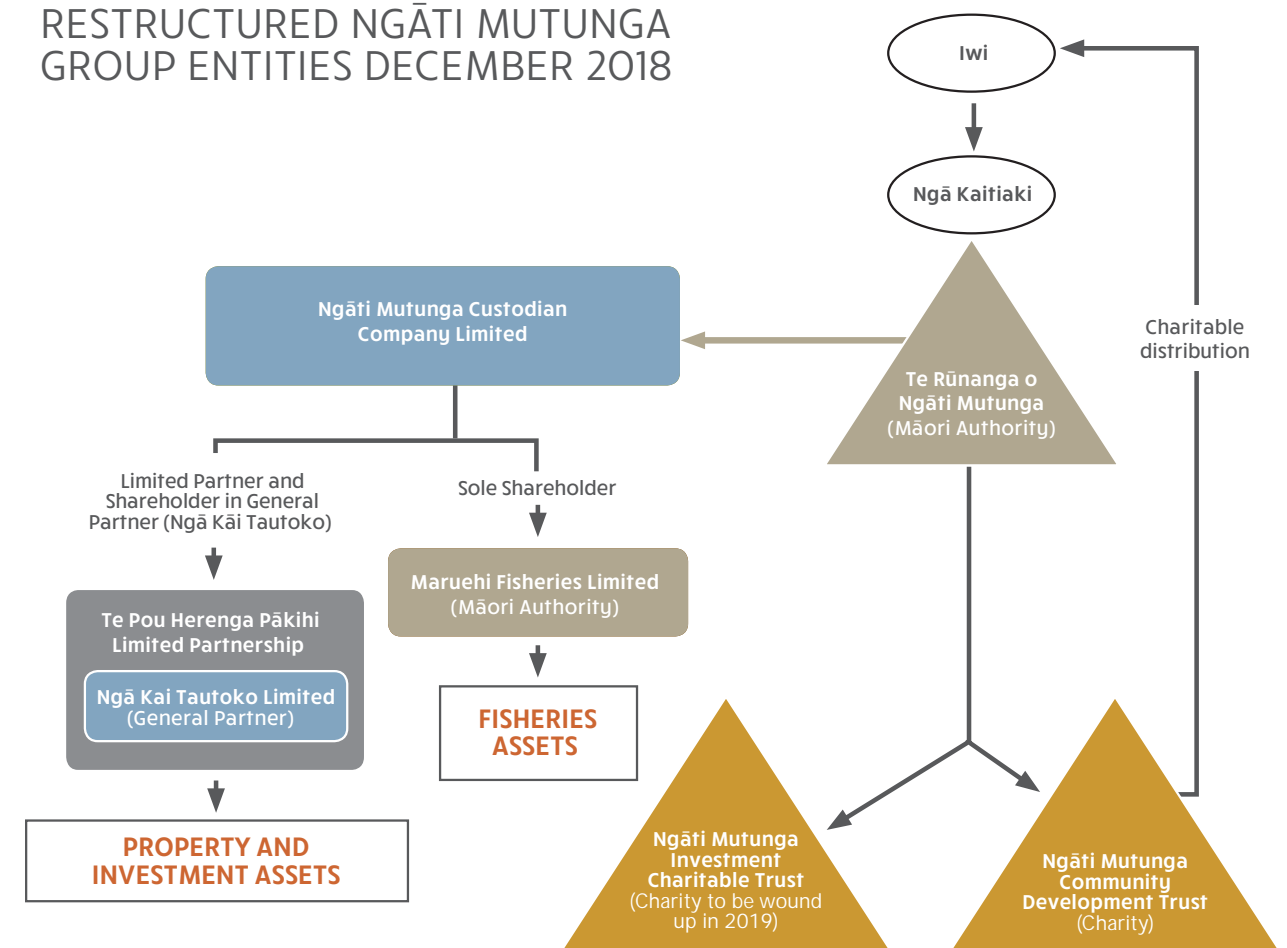
NGĀTI MUTUNGA CUSTODIAN TRUSTEE COMPANY LIMITED

This company was set up to simplify the administration of our assets held previously on behalf of the Group by Ngā Kaitiaki, by transferring them to our own custodian trustee company.

The custodian trustee company is a 'bare trustee' – so it holds assets on behalf of the Group but is only able to act on direction from the Rūnanga.

The custodian trustee company will hold the Rūnanga's partnership interest in Te Pou Herenga Pākihi, shares in Maruehi Fisheries Limited and all of treaty settlement properties returned to the Rūnanga on behalf of the iwi.

RESTRUCTURED NGĀTI MUTUNGA GROUP ENTITIES DECEMBER 2018



THE FINANCIAL YEAR IN REVIEW

2018 has been a year of transition as we have begun to move our investments to the Limited Partnership, which has coincided with a large proportion of our bond and fixed interest portfolio maturing during the year reducing the interest and dividend income, resulting in Revenue for the year being down (-\$421k)

The maturing investments had returns of over 6%, and the funds have been reinvested short term at interest rates of less than half that as we set aside funds to invest in the Tai Hekenga and Te Pūia Tāpapa investments, and for re-allocation to new funds following adoption of a new investment allocation model.

The new allocation model will see a slightly higher proportion of investments in growth funds, while retaining sufficient funds in income producing funds to provide for the operating requirements of the Group.

We continued to see strong growth in our investment portfolios during the year at a similar level to last year, however the new financial year looks likely to present challenges with a number of significant international events likely to impact financial markets with the possibility of increased volatility.

On the expense side, overall expenses are up on last year (+\$297k) with the major area of increase being a one off impairment cost of \$230K relating to the difference between the valuation of our property at 6 Ngakoti Street when transferred to the Limited Partnership, and the value including improvements made.

These improvements included earthquake strengthening to meet building code requirements as well as office remodelling to make it fit for purpose, and the refurbishment of the flat both to fix weather tightness issues in the thirty year old structure, and to meet our obligations as a Landlord under the Healthy Homes Guarantee Act.

It is important to note that the 2017 valuation was completed with an estimated completion value prior to the work being carried out. As a long term owner of the building, the upgrades were completed with more than the current valuation in mind, as we are an occupier of the building which is now 100% compliant with the new building code and has a useful life of fifty years plus.

We will be obtaining a new valuation on our buildings in 2019, and if the value of 6 Ngakoti Street were to increase part of the impairment charge would be reversed in next year's financial accounts.

GROUP STATEMENT OF REVENUE AND EXPENSES

	FY 18 000's	FY 17 000's	FY 16 000's
Total Revenue	2,075	2,496	2,063
LESS			
Total Expenses	1,302	1,003	1,170
Income Tax Expense	131	12	32
Net Surplus after tax	642	1,481	861

GROUP STATEMENT OF FINANCIAL POSITION

	FY 18 000's	FY 17 000's	FY 16 000's
Total Assets	27,010	26,417	25,019
LESS			
Total Liabilities	300	350	433
Total Capital (Equity)	26,710	26,067	24,586

Overall investment assets have increased by \$592k due to an increase in the value of our portfolios, while Group liabilities are down (-\$50k) reflecting a reduction in creditors and term lending.

OUR YEAR IN REVIEW



STRATEGIC PLAN

With our current Strategic Plan established in 2013 largely achieved, we spent the second half of this year in a planning and consultation process to develop a new draft plan to take us forward for the next five years.

We wanted the process this time to be shaped by what our uri want, so we asked uri from throughout the motu to be part of a workshop in Wellington at the end of August so we could hear their views.

The workshop was attended by 23 iwi members, who spent two days answering questions such as what was important to them, what being Ngāti Mutunga meant, and what they saw as the strengths and weaknesses of the iwi.

This allowed us to have a basis for our subsequent discussions as we then travelled to meet with uri in Auckland, Wellington and Christchurch as well as at home in Urenui, where we were fortunate enough to have attendees from the original workshop on hand to facilitate each wananga, ensuring there was a consistency to the process.

Thank you to all of those who took part and had their say at the various hui, or through the online survey.

The insights you have provided are being incorporated into a draft plan which will be presented at the Rūnanga AGM on February 16th 2019.



Image: Retiring Directors Bill Carter (L) and Richard Evans (R) with Rodney Baker and Paul Cummings.

CHANGE IN MARUEHI FISHERIES DIRECTORS

As part of the restructure of our entities we spoke about last year, the end of our financial year also marked the end of the term for our long serving independent directors Bill Carter and Richard Evans.

Along with former independent director Larry Crow, they ensured that we had a strong voice amongst other iwi fisheries, and advocated for the interests of smaller iwi in a meaningful way at national forums.

We recently held a dinner for the three as well as Ngā Kaitiaki and the Directors of Te Pou Herenga Pākihi LP to formally thank them and recognise them for their mahi.

PA TRUSTEES RELATIONSHIP

This year we continued to support the Urenui Pa Trustees with an operational grant to assist with the running costs at the Pa, and developed a support agreement setting out how we could further assist them operationally.

Our maintenance team (Sam MacDonald with support early in the year from Darren Cranson) also provided support to the Pa ensuring that the grounds always looked great, and assisted with minor maintenance requirements.

COMMUNICATIONS AND ENGAGEMENT

We continued to share information in our pānui via the website, Face book and e-mail. Not only informing our uri of what's happening at the Rūnanga and around the rohe, but also what our whānau are doing and the successes they have experienced.

Thank you to the whānau who shared their stories with us, and we would like to continue to hear about any successes that we can share with uri.

Looking forward to next year, we are getting ready to provide a platform to share uri generated video content, and you can expect to see more communications from us utilising video. Developing a phone app to share Ngāti Mutunga pānui is also a priority for 2019.

MEMBERSHIP

Our number of registered adult members has grown steadily this year, increasing by 158 to 2,174.

In the first quarter of 2019 we are working on providing the option for members to update their details via the website, then we will be looking to add the ability to register online.

ENVIRONMENTAL KAUPAPA

This year has seen an increased focus on our work in the environmental space both at the properties that we own, in education, and in conjunction with other iwi on regional kaupapa.

We partnered with the Curious Minds programme to explore the health and wellbeing of our local frog habitats and populations, involving all three local primary schools in field trips looking for signs of frogs with the valuable assistance of Coromandel scientist Paddy Stewart.



We have had funding approved for another Curious Minds project which we are excited about and will be announced in the New Year.

This year we also stepped up our efforts with pest control at two of our cultural sites - Okoki Pa and Pukemiro. This involved monitoring a trap network put in place with the assistance of Taranaki Regional Council and also work to control and eradicate invasive weed species.

Both of these sites have been recognised by the Council as having Key Natural Ecosystem (KNE) status, and the pest control is one aspect of the plans they have developed for the sites.

Next year, it is proposed to take the same approach with Te Urenui Pa which in addition to pest control requirements has additional needs to combat erosion and has the added issue of large pine trees growing on it which could cause damage to the site if they fall.

We have continued with our fresh water monitoring using both the SHMAK kit and Cultural Health indicators and are now regularly monitoring sites on the Urenui, Mangahia, Wai-iti and Onaero rivers.

We have assisted with work to protect Kiwi within our rohe - Kiwis for Kiwi along with Taranaki Mouna Project are working on a plan to project the Western Brown Kiwi which includes the kiwi within the Ngāti Mutunga rohe.

Over the next five years they will place transmitters on over 100 adult male kiwi, which means that they are able to locate the nests of these kiwi to remove their eggs. The eggs are then transported to the Kiwi Recovery Center at Rainbow Springs in Rotorua to be hatched and then raised until they are large enough to be safely released.

So far one juvenile Ngāti Mutunga kiwi - Manawanui has been released into the Maungatautari fenced Sanctuary in the Waikato, which has been chosen as the Kōhanga site for Western Brown Kiwi. Two more eggs were transported to Rainbow Springs in early December and these will be released on to the Mouna and back into Makino forest if they hatch successfully.

Ngāti Mutunga have been directly involved in the lifting of eggs, the transport of eggs to Rotorua and the release of the kiwi into Maungatautari.

We would prefer if more work was done to protect the kiwi in the forests in the Ngāti Mutunga rohe so there would be no need to remove them - however in the meantime this is the best option as it is estimated that only 5 out of every 100 kiwi chicks are able to survive to adulthood (3 years old) in forests where no pest control is carried out.

More cuttings were taken this year of the unique strain of Pohutukawa at Paparoa reef threatened by Myrtle Rust and coastal erosion - these continue to be looked after and grown at a nursery in New Plymouth.

Ngāti Mutunga made a submission on the Taranaki Regional Council's Proposed Coastal Plan - the final version of the plan is due to be released for comment early next year. Work has now started on the Taranaki Regional Council combined Freshwater/Land Use Plan.

We have continued to be involved with the development of the New Plymouth Council's District Plan through the Kaitiaki group - the final version of this plan is also due to be released for comment in April/May next year.

We are also involved with the NPDC Ngā Puna Wai group which is looking at the long term options for all New Plymouth District Council water supplies.

ANNUAL PLAN UPDATE

Our annual plan contains a number of goals under the pou of Culture and Identity, Infrastructure & Capability, and Commercial & Economic Development. Here is an update on the outcomes to date under each pou.

Just as we reported last year, there are a number of other goals underway in the Annual Plan which are not yet complete, or will build on some of the work mentioned here, so we have provided an update on progress towards achieving those goals.

CULTURE AND IDENTITY	
Develop a positive and supportive relationship with Urenui Pa Trustees	
Provide Education Grants and Implement Events Programme	
GOAL	UPDATE AND NEXT STEPS
Increase engagement with Ngāti Mutunga uri. Two way communications a focus via multiple channels.	Improvements continue to be made with the next enhancement the facility to upload user generated digital content to our website.

INFRASTRUCTURE & CAPABILITY	
GOAL	UPDATE AND NEXT STEPS
Implement Data Project	Agreement in principle has been reached with other iwi to share in the technology. Building of our database of information continues and will inform the implementation of our new Strategy.
Strategy Review and Approval of New Five Year Strategy	After wide consultation a draft strategy document will be presented to the Runanga AGM in February for feedback.

COMMERCIAL & ECONOMIC DEVELOPMENT	
Involvement in developing and implementing Tapuae Roa Regional Economic Strategy for Taranaki	

GOAL	UPDATE AND NEXT STEPS
Maunga and Taranaki Māori Trust Board Negotiations	Progress continues to be made on both. Significant progress with the TMTB negotiations expected to be announced in early 2019.
Develop projects that assist our commercial and economic development with DoC and MBIE	We expect to see significant progress with both DoC and involvement with housing opportunities in 2019.

LOOKING AHEAD TO 2019

We look forward to finalising the new Strategic Plan in the New Year, and putting in place the steps to work towards the initial goals for 2019.

Work on making our strategic goals a reality is likely to be the major focus for the year, along

with a continued focus on our environmental mahi, and collaboration with Nga Iwi o Taranaki on a range of kaupapa.





REGIONAL KAUPAPA

MAUNGA NEGOTIATIONS

The negotiation team continues to work towards a settlement which will give Ngā Iwi o Taranaki more of a say over the Mouna. Progress has been made in negotiations with the Crown, although there still remain a number of issues to resolve.

The first milestone was reached in December with the signing of a Record of Understanding which formally recorded the common understandings reached between the negotiation team and the Crown. The document also provides a framework for identifying and addressing the outstanding matters.

Since then, the negotiation team and iwi have been working on potential name changes for sites in the national park.

TARANAKI MĀORI TRUST BOARD

The Board has been in discussions with the Crown for some time now and is close to finalising a settlement over the annuity.

At the same time, the Board has been looking at options for a new regional body representing Ngā Iwi o Taranaki, and there will be further hui regarding this in the near future.

TE HUINGA TAUMATUA COMMITTEE (NPDC)

Te Huinga Taumata is the joint New Plymouth District Council committee established this year made up of five northern iwi representatives and five New Plymouth District Councillors (NPDC).

The purpose of the committee is set by Terms of Reference, however it is important to note that the committee also comes under the jurisdiction of the Mayor's office. Here is a report on the committee from our representative Colleen Tuuta.

Update

Te Huinga Committee has been in effect since August 2018 and in my view, is still very much at an infancy stage in terms of its development and possible potential. We as iwi representatives are still doing a lot of educating of our council colleagues. It is necessary at times to build the huge cultural matauranga (knowledge) gap that exists with this generation of councillors.

A co-chair arrangement is shared by Councillor Gordon Brown and Te Atiawa representative – Liana Poutu.

There have been several changes to the iwi representatives over this period. Glen Peri was replaced by Anaru Marshall representing Ngāti Maru and in November Andrew was replaced by Tamzyn Pue. Leeanne Horo of Taranaki iwi was replaced by Dr Dennis Ngawhare and then in November was replaced by Jacqui King.

Currently the iwi representatives are: Liana Poutu (Te Atiawa) Colleen Tuuta (Ngāti Mutunga) Larry Crow (Ngāti Tama) Tamzyn Pue (Ngāti Maru) and Jacqui King (Taranaki)

I would like to reiterate for the whanau o Ngāti Mutunga – that this is the first time that such a committee has ever been accommodated by the NPDC and was initiated under the previous Mayor – Anaru Judd and fortunately was accepted and adopted by the incoming Mayor, Neil Holdom as a priority and so Te Huinga Taumata was born.

Highlights and Reflections for 2018

- The development of the joint iwi - NPDC Te Huinga Taumata committee is a huge small step in the right direction for the NPDC in terms of tangata whenua and local Government relationships.
- It is early days and I anticipate that it will develop and change over time – local body elections will be held in 2019 – and the incoming Mayor will be critical to the continuation of Te Huinga Taumata.
- Agenda items at this point in time have been heavily driven by the Council (understandable to a point).

Here is a quick sample of some of the types of agenda items:

- Freedom Camping by laws attracted a lot of attention and this is quite a complex management issue for the Council.
- Marae Grants Allocation 2016/18 - \$26,836.50 to Katere Ki te Moana Marae.
- A submission from Peter Moeahu asking NPDC to undertake the care and maintenance of all Māori urupa in their catchment area
- Strategic Framework for Long Term Plan
- Raa Maumahara Report
- Road naming
- The Waitara Land Bill – Briefing to committee.
- Ngāti Maru Settlement Bill
- Tapuae Roa – Taranaki Economic Strategy (inclusive of Māori economy strategy)
- Iwi relationship team overview
- Report on submissions for Mana Whenua
- Wai oranga

In Conclusion

As mentioned it is still in its infancy stage in terms of development and potential. The greatest benefit for iwi – we are still at the table. There will be challenges – maintaining and consolidating relationships on a ship where the chairs will move constantly both on the NPDC side of the table with elections every three years and on the iwi side with Annual General elections and the rotation of iwi representatives at Te Huinga Taumata.

Is the world a better place for iwi with having the Te Huinga Taumata committee in place and in effect?

I say AE yes. Why? because iwi are still at the table, we have a voice, we have access, we are learning the Council tikanga and kawa and educating them at the same time. Next year will be interesting.

All agenda and minutes from the meetings are available on the NPDC website.

TAPUAE ROA ECONOMIC DEVELOPMENT STRATEGY

A new regional economic development strategy for the Taranaki region was developed during 2017, and the focus this year was on working via sector work groups to help develop work plans on the goals, as well as initial feasibility studies on kaupapa such as a proposed innovation hub precinct and satellite campuses around the region.

Work will continue on bringing the strategy to life, and we will be actively involved in the Māori Economy work programme, as well as contributing to other work programmes as the opportunity arises.

TE WHIRINGA

This was another busy year with a number of events being held, as well as attended.

In October, we attended Taranaki Tū Mai hosted by Nga Ruahine in Manaia, where a large contingent of uri and supporters were involved in all sporting event and kapa haka, taking out the touch title and placing in several other events.

The overall title at the event was won by Ngāti Maru, who will also host the next event in October 2019 in Inglewood. Our calendar for 2019 features images from the 2017 event.

In November we hosted Te Rangi Hiroa day at Urenui Pa. This saw us host a number of invited guests and hau kainga who heard from Ramari Oliphant-Stewart supported by Sophie White who gave us an indigenous perspective of how she views the environment, and the relationships between everything from the mountains to the sea.

We also heard from Dr. Inia Raumati on his inspiring journey of perseverance, persistence and determination to overcome barriers including racism to achieve his goals in medicine and in ultra-distance running as a means of raising funds for charity.

In December, our annual Kaumatua Christmas luncheon was held in Urenui and we had a good turnout for the luncheon hosted at Mud Bay café, where everyone enjoyed a lovely meal and great company.

Takawai and Chris Murphy ran their widely acclaimed Pumaomao course at Urenui Pa in April, with a mix of iwi and local community members attending. The course, which has been run for over twenty years all over the motu, is aimed at decolonising hearts and minds, and the format has been adapted for Ngāti Mutunga whānau so that it is not residential.

The group that attended was a diverse one, made up of people of all ages, and proved to be an inspirational wananga, and life changing event in the words of some attendees.

There will be another Pumaomao course held at Urenui Pa next year - on 13th & 14th April 2019.

We also attended the Maui Pomare day celebrations at Owae Marae in June, and supported our team entry in the Taranaki Māori Rugby League tournament in October.



EDUCATIONAL GRANTS

Again this year we invited applications for vocational and tertiary grants in Semester one and Semester two, with a total 26 grants totalling \$23,500 being made.

Since 2012, we have made educational grants available each year except for 2015. The grants in the first year were provided by the Taranaki Māori Trust Board, and we have funded them through Te Whiringa since then.

This year we have taken a look at all of the grants distributed since inception, and broken them down by course.

Since 2012, a total of 68 grants have been made, totalling \$69,500.

Health continues to be by far the most popular course of study, followed by Māori studies and social services.

The all others category had between 1-2 recipients in areas such as food & hospitality, horticulture, tourism, science and engineering.

COURSE OF STUDY	GRANTS MADE	TOTAL AMOUNT
HEALTH	17	\$ 17,375.00
MĀORI STUDIES	8	\$ 8,000.00
SOCIAL SERVICES	8	\$ 7,500.00
EDUCATION	6	\$ 7,875.00
BUSINESS	6	\$ 5,500.00
LEGAL	3	\$ 2,500.00
COMMERCE	3	\$ 3,000.00
DESIGN	3	\$ 3,000.00
ALL OTHERS	14	\$ 15,000.00
TOTAL	68	\$ 69,750.00

Iwi Urupa

Work continued in developing our new urupa, with work being done last summer in concreting paths between plot rows, and we recently saw the driveway and turning area covered with lime chip.

Remaining work to complete at the site is some final landscaping, addition of a low retaining wall and providing a shed for tools.

We have been giving some thought to how the urupa will be run, and administered, and will be starting that conversation in the New Year.





NGĀTI MUTUNGA INVESTMENT CHARITABLE TRUST

The Trust was set up in 2007 to hold long term investment funds and commercial properties, roles which have now been taken over by Te Pou Herenga Pakihi LP with the restructure of our group last year.

During the year the property portfolio was transferred to the Limited Partnership (LP), and after finalising our new investment strategy we are in the final stages of transferring the investment portfolios held by the Trust to the LP.

The wind up process is set to commence shortly, and the steps will take around six months to formally complete the process of winding up and de-registering the charity.

TE POU HERENGA PĀKIHI LP

This year has been one of finalising the transfer of commercial assets from other group entities into the stewardship of the Limited Partnership.

This establishment phase has now been completed, and we are transitioning to a new investment model. The new model increases the emphasis on growth assets to while retaining sufficient income producing investments to provide a regular cash flow. The change also gives us the flexibility to join with other iwi in collaborative investments (more about this below).

The investment model is formalised in a Statement of Investment Policies and sub-Policies approved by the Trust.

During the year we reviewed the makeup and target risk profile of our listed investment portfolios and took the opportunity to consolidate our current four investment portfolio managers down to two. Rutherford Rede continue to handle listed fund investments, while we have retained our bond portfolio with Iwiinvestor.

The consolidation has allowed us to reduce overall fund administration costs which we expect will save us \$15,000 annually while ensuring that we have access to the widest range of investment fund options.

We also have a small legacy investment portfolio with Cleary Wealth Management which is scheduled to be wound up as investments mature and pay out investors within the next three years.

There has been a recent shift in the investment market towards providing a wider range of Responsible Investing fund options. Responsible Investing is an approach becoming more prominent in the industry due to demand from investors.

It not only excludes investments in areas such as tobacco, alcohol, gambling and weapons, but also evaluates businesses through factors such as climate change, pollution, working conditions, employee diversity and corruption as well as governance policies.

As part of our Statement of Investment Policies we have decided that the listed funds we invest in must meet this standard.

As well as our listed investment portfolios, last year we said that we were looking to co-invest with other iwi in larger investments, and we can now report on our progress with two of them.

Te Pūia Tāpapa

Te Pūia Tāpapa is the \$115M Māori Investment Fund. The fund is an amalgamation of investment funds of 26 iwi and Māori entities. We are pleased to say Nga Iwi o Taranaki have taken the opportunity to invest as well.

The fund creates opportunities for smaller iwi and Māori organisations to pool resources

and look at long term investment in medium to large businesses with growth potential but no immediate cashflows for the first 5-7 years, as smaller investors such as ourselves currently have no access points for opportunities such as these.

The ten strong board includes Hinerangi Raumati and has in turn appointed an investment committee of four made up of very experienced individuals who will source and develop opportunities for consideration by the Board.

Directors have allocated \$2M towards this investment, which will be made progressively as opportunities arise.

Over time, we expect to see more of our portfolio transition to this type of investment as we have increased access to a wider range of investment opportunities by pooling our interests.

Tai Hekenga

This is an iwi investment collective looking to partner the Port Nicholson Block Settlement Trust in vesting in land purchase rights for Crown land mainly in Central Wellington.

The land purchases will be accompanied by long term leases back to the Ministries of Education, Internal Affairs and Justice which will provide stable cashflows for many years to come.

Directors have also allocated \$2M towards this investment, which is expected to be finalised next year.

Property Portfolio

The commercial properties owned by the Group were transferred to the Limited Partnership at the end of 2017.

This year we renovated the residential flat at the back of our office at 6 Ngakoti Street to bring it up to a modern standard and fully comply with the new insulation requirements under the Residential Tenancies Act.

We also completed some refurbishment at 4 Ngakoti Street, as part of the process of obtaining tenants. The building is now fully leased and we have also retained a space with kitchen facilities that is available for hui.



KA PŪ TE RUHA,
KA HAO TE
RANGATAHI



MARUEHI FISHERIES LIMITED

FINANCIAL YEAR IN REVIEW

Net profit for the year at \$64,698 is up on last year (\$58,517) due to an increase in dividends and interest income, and a slight reduction in overall overheads.

A dividend was paid to TRONM this year including Māori Authority Tax Credits totalling \$471,515 which reduces total equity to \$795,853.

Next year we enter the first year of a new deep sea fishing partnership with Sealord. This time the agreement involves a larger number of iwi representing around 80% of all iwi owned deep sea Annual Catch Entitlement (ACE). The iwi ACE entitlement comes from the Māori Fisheries Settlement negotiated some thirty years ago.

The new agreement features a cost recovery mechanism for Sealord which is considered reasonable, and the previous fixed five year term has been changed so that there will be an initial five year term and then an ongoing one year rollover.

DEEP SEA PATAKA

Last year we talked about the Deep Sea Pataka proposal developed in partnership with ourselves and twenty three other iwi along with 50% iwi owned fisheries company Sealord.

This has been with the Ministry of Primary Industries (MPI) since late 2016, and a final decision is expected prior to the end of 2018. A favourable outcome is expected as there is no opposition to the proposal.

Our Kaitiaki Rodney Baker has undergone training on the Pataka system, and following approval at year end, the only remaining step

will be for Sealord to fill the Pataka, which is expected to happen over the following few months.

Further information on how to access the Pataka will be published on our website when the process has been finalised.

LEGISLATION

Two Government processes of significance to Māori Fishing appear to have stalled.

First, no progress is being made on passing amendments to the Māori Fisheries Act 2004 following the completion of the statutory review in 2014.

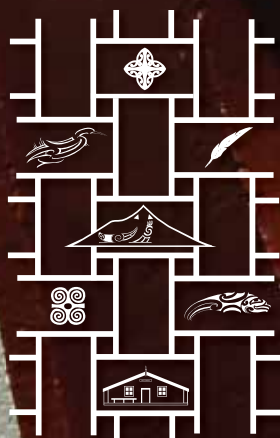
That review would provide Mandated Iwi Organisations direct powers to appoint Trustees of Te Ohu Kai Moana (TOKM) and TPHP a direct role in the appointment of Aotearoa Fisheries Limited Directors.

These are both changes supported by Ngāti Mutunga and we will push for them with or without legislative reform.

Second, the Government announced that the major review planned of the Quota Management System (QMS) in 2019 is not proceeding. This is wise as a total review of the QMS was not necessary and carried the danger of destabilizing the fisheries settlement.

However, there are several aspects of the current fisheries regime where a focussed review would be beneficial. For instance, we would support any TOKM initiatives to address the issues of discarding, deemed values and the smooth roll-out of electronic reporting in the industry.

WHIRA TE TANGATA,
WHIRIA TE KAUPAPA,
WHIRIA NGĀ TAONGA TUKU IHO



NGĀTI MUTUNGA
E KŌRE E MIMITI TE PUNA KOROPUPŪ