



FoMA
Federation of Maori Authorities
Me Uru Kahikatea

13 May 2008

Maori Affairs Committee
Parliament House
Wellington

The Federation of Māori Authorities submission on the *Māori Trustee and Māori Development Bill*

Mihi

Ka rere atu ai ngā mihi mahana ki a koutou e awahi i ngā take i runga i ngā āhuatanga o tēnei kaupapa, arā, te uru whenua. Ki a rātou e takahi ana i te ara whānui a Tāne, haere aru ra, okioki ai. Ki a tātou nei te hunga ora, tēnā koutou, ā, tēnā hoki tātou katoa.

Points of the Submission

The Federation of Māori Authorities wishes to acknowledge their support of the separation of the Māori Trustee to form its own separate independent entity.

The Federation of Māori Authorities is not supportive of the current proposal of the establishment of the Māori Business Aotearoa New Zealand fund.

Background

The Federation of Māori Authorities (FoMA) represents a membership comprising of Ahuwhenua (Land Owning) Trusts, Māori Incorporations, Runanga and Māori Trust Boards. There are currently 143 members of FoMA collectively administering approximately 800,000 hectares of land on behalf of an estimated 100,000 Māori beneficial owners. FoMA's membership ranges from small, single farm businesses to diversified enterprises managing interests across many primary industry sectors, processing and servicing sectors, and equity interests in the New Zealand and global stock markets. The collective asset base of the FoMA membership is significant.

FoMA has as its principal objective Māori economic independence. One approach FoMA takes towards achieving this objective is the collective representation of the interests of the FoMA membership in dealing with the issues that may affect the sustainability of Māori land and moana assets or impede the economic development of Māori and Māori resources.

FoMA members and representatives participated in the hui that were held throughout the motu in 2007. FoMA made a submission on the initial proposal to Te Puni Kokiri in September 2007¹

Submission

This submission has been addressed in two parts.

1. The Māori Trustee as a separate entity
2. The development of the Māori Business Aotearoa New Zealand (MBANZ) fund.

¹ Appended to this submission (appendix 1).

The Māori Trustee

FoMA is pleased to see that progress is occurring in the separation of the Māori Trustee from TPK, this has been an ongoing argument. There have been many reviews such as the Butterworth report and the Charters, Sykes and Nikora, with insufficient Government outcomes.

FoMA sees this as a significant step in establishing the Māori Trustee's independence.

FoMA is aware that the consequence of separation could have a significant value to Māori and Māori businesses if the implementation is undertaken adequately.

Transparency and accountability is important for all organisations in operation today, and we agree that this Bill would provide for these requirements.

It is FoMA's view that the Maori Trustee should be a service provider to Maori owners, and we support the Bill in considering the fragmentation of Maori lands. It is known that some Maori lands are currently uneconomic; nevertheless they are still a valuable resource and need a management strategy. It is considered that the Maori Trustee could provide services to increase the capability of Maori owners to manage their lands

The Bills explanatory note states

“... The Bill establishes the Māori Trustee as a stand-alone organisation, and able to appoint employees. This change will underline the independence of the Māori Trustee when exercising the Trustee's responsibilities.

“Reflecting the stand-alone nature of the Māori Trustee, the Bill amends the way in which the Māori Trustee is appointed. The Minister of Māori Affairs will appoint the Māori Trustee for a renewable term of up to five years.”

FoMA does not agree that the appointment of the Trustee by the Minister of Māori Affairs is appropriate. This political protocol does not promote the independence of the Māori Trustee which the Bill intends to establish.

Further to this argument, in the explanatory note, support for Māori involvement from the consultation states that

“There were a number of requests that the beneficial owners have some role in the appointment of the Māori Trustee”

It is in our opinion that there needs to be stronger safeguards than what is presently available for Māori to be included in the appointment process of the Trustee.

There are already examples of this such as the Māori Fisheries Act, whereby the Māori affairs Minister appointed the initial directors, however subsequent directors were appointed by Māori².

The Māori Trustee needs to be funded by the Crown to maintain a sustainable and modern entity.

² Maori Fisheries Act 2004, s 45 and s 46.

Māori Business and Aotearoa New Zealand Fund

FoMA members have expressed disappointment in the consultation stage of the Māori Trustee reform. This consultation process did not discuss the establishment of MBANZ.

The hui outlined that

“Key proposals include establishing the Māori Trustee as a stand-alone organisation, separate from Te Puni Kōkiri, and changes to the way in which interest rates are set for funds held in trust in what is called the Common Fund.”³

This does not mention anything about MBANZ and did not provide for consultation on the issue.

FoMA sees the potential of a MBANZ type fund, but does not see how the fund can be established within the current proposal.

According to the Hui Taumata 2005 Māori enterprises are concentrated in export-oriented areas of primary production and processing (about 60% of Māori commercial assets are reliant on international trade). Market access is important to Māori businesses.

It is in the view of FoMA that MBANZ should be a strategic partner in the development of the Māori economy, becoming a partner with Māori businesses in developing and investing in strategic assets and business development domestically and internationally.

In the current proposal the \$35 million would not be substantial enough to achieve this end. There are opportunities that need to be discussed to achieve the ends that the Bill through MBANZ is proposing.

Currently there are issues of the \$35 million that has been proposed, namely ownership. This is an issue that needed clarification before this Bill was put before the house and select committee.

The current proposal for the Chair of MBANZ to be the Māori Trustee and the Board to be appointed by the Minister of Māori Affairs and the Minister of Finance is paternalistic, there is no consideration of Māori wants and needs in the said proposal. This takes Māori back a hundred years; it is time to move forward. This aspect of the Bill in its current state does not allow for forward movement.

There needs to be a requirement that Māori stakeholders determine the appointment of the Board.

Conclusion

The Bill should be considered in two parts

1. The Māori Trustee Reform
2. The Māori Business Aotearoa New Zealand Fund

³ Te Puni Kōkiri. Maori Trustee Proposed Changes Fact Sheet available from <http://www.tpk.govt.nz/en/in-print/our-publications/fact-sheets/mto-proposed-changes/download/mto-proposedchanges-2007-en.pdf> [accessed 12 May 2008]

FoMA supports the separation of the Māori Trustee from Te Puni Kōkiri.

FoMA is supportive of the ideas and proposals that this Bill will accomplish, such as transparency and accountability.

FoMA is supportive that the Māori Trustee be an independent body separate from the Crown. We are not supportive of the current appointment of the Trustee by the Crown as this will not allow for complete independence.

FoMA acknowledges that growth in the economy is essential, and is crucial for Māori businesses and the economy if we are to have future success.

FoMA is supportive of the concept of MBANZ, but not in its current form, there is more work that needs to be done and full consultation has not occurred to appropriate levels.

FoMA would like time to appear before the select committee.

We thank you for the opportunity to make a submission on the Māori Trustee and Māori Development Bill.

Nga Mihi

A handwritten signature in black ink, appearing to read 'Paul Morgan', with a long horizontal flourish extending to the right.

Paul Morgan
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