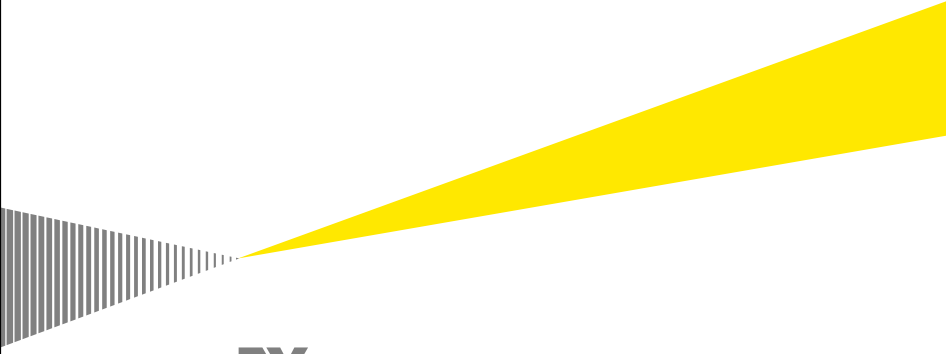


**Federation of Māori Authorities**  
AGM  
26 September 2014



**EY**  
Building a better  
working world

## Outline

---

### Review of the Te Ture Whenua Māori Act 1993

- ▶ Timeline – progress to date
- ▶ Positive aspects of the proposed reform
- ▶ Further points for discussion
- ▶ FOMA member stance – Survey 1
- ▶ Next Steps

## Timeline – Progress to date



Page 3

EY

## Progress of the TTWMA Review to Date

### 2011

- ▶ Ministry of Agriculture Forestry released report 'Māori Agribusiness in New Zealand: A Study of the Māori Freehold Land Resource'

### 2012

- ▶ Review of the Te Ture Whenua Māori Act announced and Review Panel appointed to recommend improvements to the Act

### 2013

- ▶ Ministry of Primary Industries released the report 'Growing the Productive Base of Māori Freehold Land'
- ▶ Review Panel tested five propositions with Māori Land owners.

### 2014

- ▶ Review Panel's five propositions accepted by the Government
- ▶ TPK held 19 hui across the country to discuss the proposed reform and possible changes

Page 4

EY

## Positive Aspects of the Proposed Reform



Page 5

EY

## Positive Aspects of the Review

---

- ▶ Empowering Maori Land owners
- ▶ Realigning Act to owners
- ▶ Focus on Governance
- ▶ Utilising land with no operational Governance / participating owners
- ▶ Highlighting fragmentation as a key issue
- ▶ Input on the final shape of the reform

---

Page 6

EY

## Points for Further Discussion



Page 7

EY

## Points for Discussion

---

- ▶ No single comprehensive policy
- ▶ Lack of judicial input
- ▶ Economic drivers are not compelling
- ▶ Need a shift from land utilisation to land optimisation
- ▶ Cost of compliance
- ▶ Loss of TTWM literacy
- ▶ No resourcing recommendations to improve Governance

---

Page 8

EY

## Points for Discussion

---

- ▶ Implications of universal Rangatōpū
- ▶ Fragmentation – what's the solution?
- ▶ Change to how intestate succession is dealt with
- ▶ Tikanga based mediation
- ▶ Support required to receive returns

## Next Steps



## Next Steps

---

### Short to Medium Term

- ▶ Further discussion of the Review during FOMA Conference.
- ▶ Develop official FOMA policy position.
- ▶ Ensure FOMA's policy position is communicated to TPK and key stakeholders in the TTWMA reform process.

### Longer Term

- ▶ Develop membership education materials on draft TTWM Bill.
- ▶ Facilitate Select Committee Engagement.

EY | Assurance | Tax | Transactions | Advisory

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities. EY refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organisation, please visit [ey.com](http://ey.com). © 2014 Ernst & Young, New Zealand.

**All Rights Reserved.**

The information in this document and in any oral presentations made by EY is confidential to EY and should not be disclosed, used, or duplicated in whole or in part for any purpose other than the evaluation by the Ministry of Justice of EY for the purposes of this proposal. If an engagement is awarded to EY, the right of the Ministry of Justice to duplicate, use, or disclose such information will be such as may be agreed in the resulting engagement contract. If an engagement is not awarded to EY, this document and any duplicate copy thereof must be returned to EY or destroyed. [ey.com](http://ey.com)



## Initial Survey Findings



Page 13



## FOMA Stance: Initial Survey Findings

Overview of Respondents:

<b>Location of Respondents</b>	Waiariki (30.6%), Tairāwhiti (30.6%), Tākitimu (13.9%), Aotea (11.1%), Taitokerau (8.3%) and Waikato Maniapoto (5.6%), Te Waipounamu (-)
<b>Governance Members</b>	Average number of governance members 7.5
<b>Full Time Employees (FTE)</b>	1-2 FTE (43.8%), 3-5 FTE (15.6%), 6-9 FTE (12.5%) and 10+ (28.1%)
<b>Land Size</b>	Average land size 5737 ha (Min 1ha, Max 42,000ha)
<b>Net Value of Assets</b>	Total net value \$1,140,578,168 Average net value \$31682726
<b>Net Revenue 2013/2014</b>	Total net revenue \$187,799,632 Average net revenue \$5,365,703
<b>No Shareholders</b>	Average no of shareholders was 2381 (Min 2, Max 12000).

Page 14



## FOMA Stance: Initial Survey Findings

---

- ▶ Retaining the land for future generations is the primary aspiration followed by maximising returns
- ▶ 68% of participants believe their land is being optimally utilised.
- ▶ There is a clear consensus that TTWMA is enabling land owners to meet their aspirations for the land.
- ▶ 'Non-Participating' owners are not currently seen as a barrier to utilising land.
- ▶ There is no clear consensus on whether the definition of preferred class of alienee should be extended to include Post Settlement Governance Entities with tikanga association with the land.
  - Yes 42.9%
  - No 57.1%

## FOMA Stance: Initial Survey Findings

---

- ▶ There is 100% agreement that good governance is a key determinant of the successful utilisation of Māori land. Governance issues were also cited as being a key factor hindering the optimal utilisation of land.
- ▶ The duties and accountabilities of governors are not widely considered to be clear under the current TTWMA.
- ▶ Fragmentation is a common issue. There is no consensus on whether proposed collective ownership provision would fix this problem.
- ▶ There was no consensus over whether the introduction of a dispute resolution service would allow entities to resolve issues more efficiently.