

Possible changes to the Māori Trustee Act 1953

Frequently Asked Questions

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MOST ASKED

What's the problem?

Te Tumu Paeroa has identified a set of discrete changes that could enable the Māori Trustee to better support Māori communities.

Currently, the Māori Trustee is limited in the support it can provide for Māori economic development.

It can't provide grants to help those who may need financial assistance and who cannot service a loan.

Also, the amount of unclaimed money in the Common Fund is increasing annually, as the beneficiaries entitled to this money cannot always be identified.

Te Tumu Paeroa is projecting that unclaimed money held in the Common Fund will grow to \$50 million within the next 10 to 12 years.

Te Tumu Paeroa considers there is an opportunity to use this money to improve outcomes for Māori, including through grants and loans, while at the same time preserve the rights of those to claim their unclaimed money balance plus interest.

We want to know what you think about the possible changes being explored.

What is the role of Te Tumu Paeroa?

As the Office of the Māori Trustee, Te Tumu Paeroa is the organisation that supports the Māori Trustee to carry out their statutory and other legal duties, responsibilities, and functions.

What is the purpose of the Māori Trustee?

The purpose of the Māori Trustee is to act as a trustee or agent to protect and enhance the assets and interests of Māori clients and their resources.

The Māori Trustee manages around seven percent of all Māori land and holds an important role in supporting landowners to protect their whenua.

Currently, the Māori Trustee administers approximately 1,800 Māori land trusts and other Māori entities. This is about one third of all Māori land trusts.

What does the Māori Trustee want to do?

Some Māori land trusts and businesses cannot afford to service loans, so grant funding is a way to address financial need.

The Māori Trustee cannot currently make grants, so wants to explore options that would enable it to do so.

The Māori Trustee also wants unclaimed money to be made available to broaden its support services to Māori to develop and utilise their lands and improve their businesses.

The Māori Trustee believes this can be achieved while at the same time preserving the rights of those to claim their unclaimed money balance plus interest.



What are the changes being explored?

The Māori Trustee currently has several accounts in which it holds funds. These include the General Purposes Fund (GPF), which holds the Māori Trustee's fees, commissions, accumulated profits and reserves, and the Common Fund, where money is held on trust for account holders.

Two discrete proposals that would enable the Māori Trustee to broaden its support services to Māori are being explored:

- i. Enable the Māori Trustee to make grant funding available from the General Purposes Fund (GPF).
- ii. Enable unclaimed money to be used for Māori development by transferring it from the Common Fund (CF) to the General Purposes Fund (GPF), while preserving the right of those entitled to unclaimed money to claim it.

We are also intending to progress work on five minor technical changes to how the Māori Trustee operates:

- i. Amend the definition of distributable income
- ii. Amend the Regulations to reflect equitable calculation of distributable income
- iii. Introduce a threshold for reporting distributable income to account holders on nominal amounts

- iv. Amend the Act and Regulations regarding disclosure requirements for fees charged or retained in relation to the Common Fund
- v. Provide for a new account into which the Māori Trustee's fees and commissions can be received to ensure greater transparency of the monies.

What benefits will the changes bring?

The minor amendments will simply tidy up parts in the Act making it easier for the Māori Trustee to carry out its responsibilities.

Te Tumu Paeroa considers that the two discrete changes being explored would enable the Māori Trustee to broaden its support services to Māori.

If the discrete changes being explored are progressed, it could enable the Māori Trustee to provide grant funding and use unclaimed money to support Māori development while preserving the rights of those entitled to claim unclaimed money.

How will the interests of those with a right to unclaimed money be protected?

It is intended that the right to claim unclaimed money will be preserved. The changes being explored are not expected to affect this.

How can I have my say?

Go to tpk.nz/korero-mai to have your say.

GRANT FUNDING

What could a grant be used for and who may be eligible?

We are interested in hearing from you about who should be eligible for a grant and what this money should be used for.

This feedback will help inform the criteria and policy for grant funding if the proposal is progressed. Go to tpk.nz/korero-mai to have your say.

At a high level, the proposal intends that grants will be provided to support Māori development. This could include activities like funding for a business venture, or for a land trust struggling to pay for the upkeep of their land.

What will happen to those who have loans?

Nothing will change. Loan commitments will still need to be met but those with loans may be eligible for grant funding in the future.



UNCLAIMED MONEY

What is being explored?

The Māori Trustee Act requires all money for beneficiaries to be held and invested in the Common Fund.

However, Te Tumu Paeroa has identified around \$28.5 million that has not been claimed and the Māori Trustee, despite reasonable efforts to find beneficiaries, is unable to pay out that money.

The Māori Trustee is proposing to use that money for the benefit of Māori development while at the same time preserving the rights of those entitled to unclaimed money to claim it at any time in the future.

The Māori Trustee proposes to do this by transferring unclaimed money from the Common Fund to the General Purposes Fund where it could be used for development purposes (e.g., by issuing loans or grants). All future claims would then be paid from the General Purposes Fund.

What is unclaimed money?

The Act provides certain reporting obligations on the Māori Trustee when unclaimed money is held for 10 or more years without being claimed by beneficiaries. (*Section 30 of the Māori Trustee Act 1953*).

However, Te Tumu Paeroa treats any money that cannot be paid out after taking reasonable steps to identify beneficiaries as unclaimed money and reports this money as

unclaimed. Unclaimed money is a common occurrence and over the years the balance of this money has grown to approximately \$28.5 million dollars.

Will beneficiaries still be able to claim their money?

Yes.

How do I find out if I am owed unclaimed money by the Māori Trustee?

Go to <https://www.tetumupaeroa.co.nz/search/SearchForm> and search the Te Tumu Paeroa database.

If you find that you or your whānau have money showing, contact Te Tumu Paeroa at contact@tetumupaeroa.co.nz or on 0800 943 682 to confirm your contact details. The office will answer any questions you have.

Does Te Tumu Paeroa try to find owners of unclaimed money?

Yes. Te Tumu Paeroa encourages owners to check the database for unclaimed money.

It liaises with the Māori Land Court to identify what money they hold for deceased owners and works with the successors to ensure the money is paid to them.

It also runs targeted campaigns at major events, such as hui-ā-iwi, to improve owner details.

NEXT STEPS

How will my feedback be used?

Your feedback will help inform whether the discrete changes being explored should be progressed further.

Will a summary of feedback received be made available?

Yes, in early 2023. We will make it available on our webpage tpk.nz/korero-mai.

Is it guaranteed that the Government will make these changes?

No. Te Puni Kōkiri and Te Tumu Paeroa are at an early exploration stage, and your feedback will help inform whether the discrete changes being explored should be progressed, or if further work might be needed.



STATISTICS

How much unclaimed money is there?

Te Tumu Paeroa estimates there to be approximately \$28.5 million in unclaimed money.

How much does the unclaimed fund grow per year?

At the end of the 2022 financial year (as of 31 March 2022), Te Tumu Paeroa estimates it grew by \$1.1 million, so approximately \$1 million per year.

How much unclaimed money was paid in 2021?

In 2021, \$270,999 was claimed and distributed.

How many beneficiaries are there with unclaimed money?

Te Tumu Paeroa advises that there are approximately 81,000 beneficiary accounts with unclaimed money held in the Common Fund.

MORE INFORMATION

More information is available on our webpage tpk.nz/korero-mai.

You can also email korero-mai@tpk.govt.nz if you have any further questions. We will respond within two working days.

Or subscribe to our [korero-mai](#) newsletter to be kept up to date.

