



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

WHENUA MĀORI FUND

Investment Plan 2015-16

Te Kāwanatanga o Aotearoa

26 February 2016

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Purpose of the Investment Plan

- This Investment Plan sets out how the Whenua Māori Fund will support decision making by owners / trustees of Māori land aiming to improve the productivity of their whenua.
- The Plan will guide how the Whenua Māori Fund is invested – how, to whom, when and where.
- The Plan will be reviewed annually, starting in the 2016/17 financial year, providing the opportunity for successive plans to build on the results achieved in previous years of the Whenua Māori Fund.



Purpose of the Whenua Māori Fund

The Fund is allocated \$3.2 million per annum to improve the productivity of Māori land through the purchase of tools, interventions and research.

The Fund is focused on the more than 27,000 blocks of Māori freehold land, comprising 1.4 million hectares or approximately five percent of New Zealand's land area.

It is estimated that large tracts of Māori-owned land is under-performing for its owners. Improving the performance and productivity of Māori land will improve income for owners, their whānau, regions and the New Zealand economy.

Outcome of the Fund

The desired outcome for the Whenua Māori Fund is the improved productivity of Māori land.

Contribution to Government Goals

The outcome contributes to a number of government goals and strategies including:

- *Business Growth Agenda* goals related to Strategic Priority Two: Building a more productive and competitive economy; and
- *He Kai Kei Aku Ringa (The Crown-Māori Economic Growth Partnership)* goals and framework.

Alignment to Te Puni Kōkiri Vision and Outcome Framework

The outcome aligns with Te Puni Kōkiri's:

- **Vision** - *Iwi, hapū, and whānau Māori succeeding as Māori* [Te Puni Kōkiri 2015-19 Strategic Intentions]; and
- **Outcome framework**, particularly the outcome related to prosperity (Whairawa) - *A thriving Māori economy supported by high-performing people, assets and enterprises* (Te Puni Kōkiri Four Year Plan 2016-2020).

Whenua Māori Fund Approach

Achieving the purpose of the Whenua Māori Fund requires Te Puni Kōkiri to:

- a) work closely with owners / trustees of Māori land in the development of applications to the Fund; and
- b) work effectively with other stakeholders that have a role in influencing Māori land outcomes. This will include whānau, hapū and iwi Māori and other central government agencies working in the primary production area.

Setting the Direction of the Fund

Te Puni Kōkiri will confirm the broad direction of the Fund with the Minister for Māori Development at the beginning of each financial year, starting in July 2017. The direction of the Fund will be informed by research, market intelligence, and the results of Whenua Māori Fund initiatives.

Investment Principles

The Whenua Māori Fund is aimed at supporting initiatives which:

- demonstrate an ability to create long-term sustainable returns for Māori land and, ultimately, whānau; and
- have the potential to influence wider land development.

Guiding Principles

The Whenua Māori Fund will be guided by the following principles:

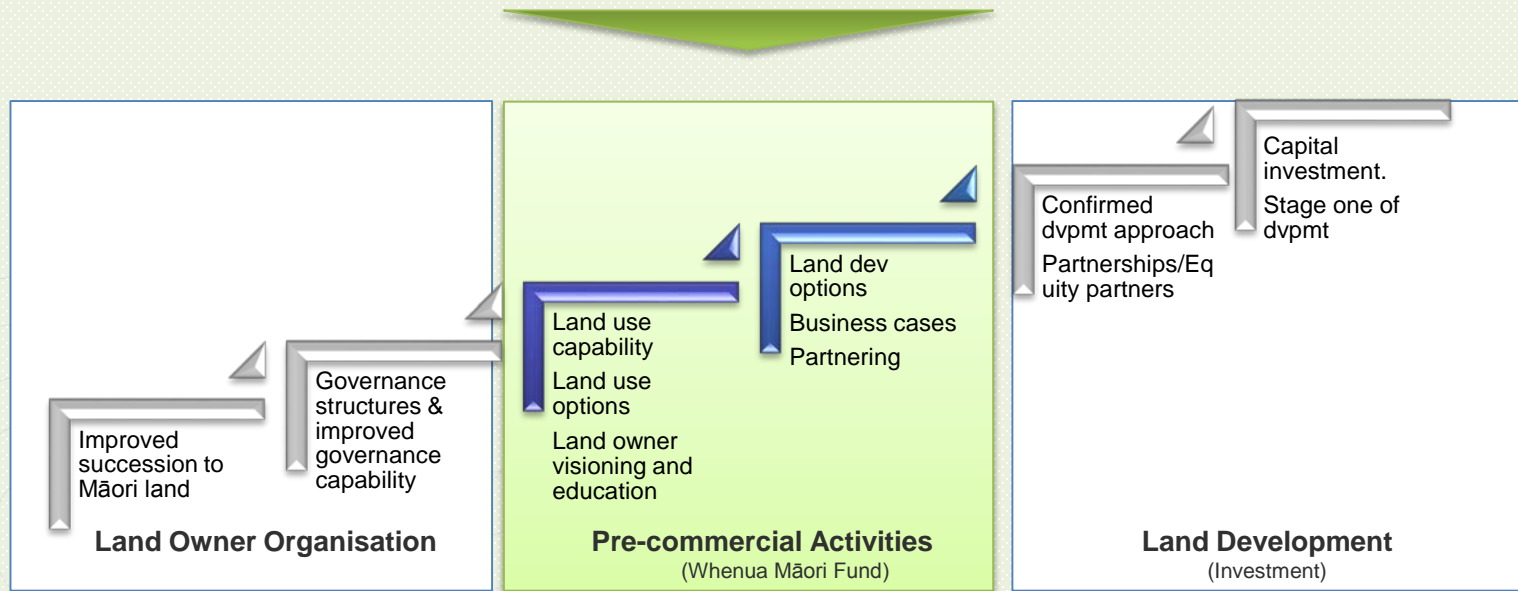
- **Transparency & Fairness:**
 - That the Fund is accessible to Māori land owners
 - That funding decisions can be robustly supported by transparent assessment and ranking processes.
- **Efficiency:**
 - That the Fund is administered efficiently, including decision making.
- **Autonomy:**
 - That Māori land owners are supported to make autonomous decisions over their whenua.
- **Pathways:**
 - That land owners are supported to follow through on their development aspirations.

Investment Focus

The Fund is targeted at pre-commercial activities (see Figure below) which support Māori land owners and trustees to:

- optimise the use of their land, including the active use of unoccupied and unused land;
- improve land use practices and productivity;
- prepare themselves for commercial ventures;
- overcome impediments to the more productive use of their land; and
- take advantage of other Government programmes (e.g. Irrigation Acceleration Fund).

Pre-commercial activities are those actions which prepare landowners for commercial development or improved land productivity. This might include education and training, confirming land owner vision/aspirations, confirming land use capability, land development options, business planning, identifying and working up value-added opportunities, and overcoming constraints to Māori land development.



Investment Focus

Focus Area	Potential Examples
Optimise the use of land	<ul style="list-style-type: none"> Investigate the establishment of a processing facility located in a certain location. Inventory of underutilised land in a region.
Improve land use practices and productivity	<ul style="list-style-type: none"> Scope, test and implement projects aimed at identifying high performing cultivars. Evaluate results from plantation trials with a view to expanding trials in a region. Mapping marginal land that would be suitable for crop. Develop a business case for the provision of on farm mentors.
Prepare for commercial ventures	<ul style="list-style-type: none"> Facilitating processes for large scale land aggregation; funding development of investment prospectus. Form Coalitions to identify opportunities to diversify and develop export markets. Undertake a strategic water resource assessment and validate development opportunities for increasing production of certain crop/s in an area.
Overcome impediments to more productive use of land	<ul style="list-style-type: none"> Facilitate fit-for-purpose action plans to increase Māori governance and operational capacity and capability. Identify fragmented freehold Māori Land Blocks in a region.
Assist to take advantage of other Government programmes	<ul style="list-style-type: none"> Identify opportunities for the efficient use of water on farms including water storage and irrigation infrastructure, e.g. Irrigation Acceleration Fund.

A hypothetical example of how the Fund could work

- “Trust A” owns several blocks of land within a region totalling 10 hectares. It would like to map those parts of the land that would be suitable for growing kiwifruit, explore opportunities to partner with neighbouring landowners to develop export markets for kiwifruit and develop a strategy for the use of its underutilised land.
- The trustees do not have sufficient income to have this work done.
- The Trustees of “Trust A” apply to the Whenua Māori Fund for assistance to have this work done.
- Part or all of the work might be funded.

Eligibility

Proposals will be accepted for funding to support pre-commercial activities from owners/trustees of Māori land.

Note 1:

For land blocks with seven owners or less, the application will need to be lodged by a relevant trust or incorporation.

The application form requires details of the land block(s) to which the application relates, including:

- Legal status (where appropriate)
- Registered address
- Confirmation that application is made by a person entitled to do so.

Note 2:

Applications will also need to:

- identify any conflicts of interest/ disputes that might affect activities to be carried out;
- Identify whether the matters for which funding is sought has previously been submitted to another agency; and
- Whether the proposal relates to any Iwi, sector organisation or government priorities or programmes .

Applicants will be able to specify particular professionals and organisations that they prefer to deliver the services they are seeking.

Note 3:

While applicants may specify a preferred provider for services, the final decision rests with the CEO, Te Puni Kōkiri, and the alternative providers and contract arrangements may be confirmed.

Funding Priorities

Priority will be given to proposals which:

- promote a co-operative development approach across Māori land units (a clustered approach);
- identify higher potential productivity gains from investment; and
- support existing hapū, Iwi, sector-led or government priorities (including regional growth strategies).

- *The priorities are aimed at encouraging applications that have a robust foundation and support. They also aim to encourage applications which span land holdings in order that greater economies of scale can be achieved by the Fund, and from land owners' proposed initiatives.*

Restrictions on Funding

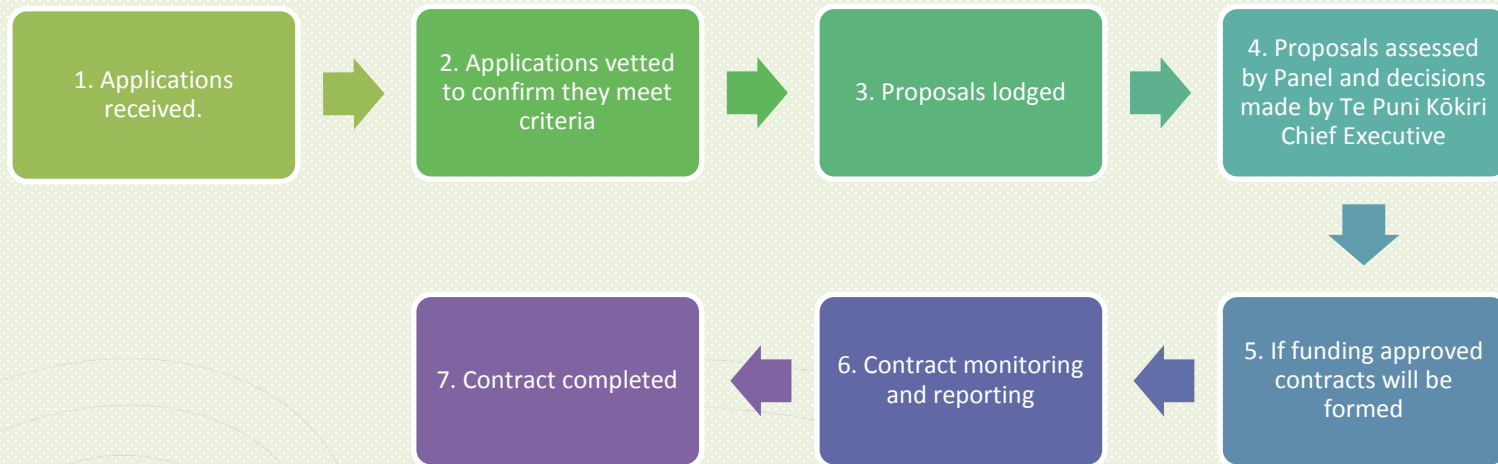
Applications **will not** be processed which:

- relate to general-title land;
- involve Māori land without a formal governance structure (other than Māori land blocks with seven owners or less);
- relate to capital investment;
- are for organisational administrative support;
- are for services and support available via existing government programmes and services; or
- are for legal advice.

- *Restrictions placed on funding for general title land development recognises that the focus of the Fund is on Māori land development.*
- *The requirement that applications be from formal governance entities recognises the importance of land investment decisions being guided by appropriate governance entities.*
- *The restrictions on administrative support recognise a focus on initiatives that are directed at Māori land development, as opposed to supporting governance and administrative systems.*
- *The restrictions on capital investment recognise that the emphasis of the Fund is on pre-commercial investment. Actual investment is a matter for land owners to address separately from the Fund.*
- *Funding for legal advice will not be considered as it has the potential to significantly deplete the Fund without achieving the Fund's objectives, noting that there are other sources of funding available for legal advice.*

Processing Applications

- The funding cycle involves seven stages, shown in the diagram below.
- Applicants will have the opportunity to discuss and work through their applications with Te Puni Kōkiri staff.



Additional information and questions

- Please direct any questions or requests for further information on the Whenua Māori Fund to Te Puni Kōkiri – contact details below.

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