

Hon Andrew Little

Minister of Health
Minister Responsible for the GCSB
Minister Responsible for the NZSIS
Minister for Treaty of Waitangi Negotiations
Minister Responsible for Pike River Re-entry

Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques



20 April 2022

Sir Brian Roche
Establishment Chair
Tupu Tonu - Ngāpuhi Investment Fund Limited

By email: bjrochenz@gmail.com

Tēnā koe Sir Brian

EXPECTATIONS OF TUPU TONU FOR 2022/2023

I am writing on behalf of the Minister of Finance and myself as shareholding Ministers to outline our expectations of Tupu Tonu - Ngāpuhi Investment Fund Limited for 2022/2023.

We thank the Board for your work in the first year of operations and congratulate you on the investments you have made so far.

There has been no material change in our expectations for Tupu Tonu as outlined in 2021.

Tupu Tonu is an independent Crown-owned company whose purpose is to establish and manage an investment portfolio to support any future agreements that may be entered into by the Crown in relation to the historical Treaty of Waitangi grievances of ngā hapū o Ngāpuhi. This in turn should support the Crown's efforts to restore its relationship with ngā hapū o Ngāpuhi. As such, we expect the Crown's Treaty of Waitangi responsibilities and the importance of the Māori-Crown relationship will continue to be reflected in Tupu Tonu's strategy.

Investment considerations

We expect the Board to make investment decisions independently, based on how well any given investment opportunity aligns with the purpose and investment objectives of Tupu Tonu.

We expect Tupu Tonu investments to continue to be separated into two portfolios:

- a primary investment portfolio for the acquisition of commercial assets in Northland as set out below; and
- a secondary investment portfolio comprising any other investments, for the purpose of growing the value of the Fund.

Primary portfolio investments can:

- include assets and businesses with some operations/assets outside Northland, as long as there are material operations/assets in Northland;
- include publicly-listed shares in operations domiciled in Northland, provided Tupu Tonu does not acquire a controlling interest; and
- be made in areas of Northland where the ngā hapū o Ngāpuhi area of interest overlaps with those of other iwi, noting such assets will not be available to ngā hapū o Ngāpuhi until overlapping interests have been addressed to the satisfaction of the Crown.

We expect Tupu Tonu to take the following into consideration when making investments:

- as a Crown-owned company, Tupu Tonu should continue to act consistently with the Crown's Treaty of Waitangi responsibilities and in a way which reflects the importance of the Māori-Crown relationship;
- Tupu Tonu should continue to manage its investments towards medium- to long-term growth;
- Tupu Tonu should continue to operate as a responsible and ethical investor in line with its Environmental, Social, and Governance policy; and
- Tupu Tonu (and any of its subsidiaries as applicable) should continue to take a best practice approach to investment management.

As the intention is for Tupu Tonu primary portfolio investments to ultimately be made available to ngā hapū o Ngāpuhi as part of Treaty negotiations, Tupu Tonu should continue to focus primarily on investment in commercial assets in Northland.

As secondary portfolio investments will not be available as redress for ngā hapū o Ngāpuhi, we expect these to be exceptional and rare.

Investment and operating costs

We expect Tupu Tonu will not use the \$150 million in capital, or investment returns, to fund general operating expenditure.

S 9(2)(b)(ii)

Engagement with ngā hapū o Ngāpuhi and the Office for Māori Crown Relations – Te Arawhiti

We consider the views of ngā hapū o Ngāpuhi are important to inform Tupu Tonu. We expect Tupu Tonu to continue to engage with ngā hapū o Ngāpuhi to understand their commercial aspirations and consider these in its investment strategy over time, as well as to keep them informed about Tupu Tonu progress.

We expect Tupu Tonu to notify local iwi with relevant interests when making an investment outside Northland, as well as engaging and partnering with these iwi where appropriate.

Tupu Tonu will remain independent of Treaty settlement negotiations. Our expectation remains that Tupu Tonu and Te Arawhiti will enter a relationship agreement to facilitate appropriate and effective information sharing. We expect the relationship agreement to facilitate productive collaboration between Tupu Tonu and Te Arawhiti towards outcomes which support the achievement of Tupu Tonu's objectives and also improve the Crown's relationship with ngā hapū o Ngāpuhi.

Statement of Performance Expectations 2022/2023

For the Tupu Tonu 2022/2023 Statement of Performance Expectations to be finalised by 30 June 2022 (in accordance with section 149C of the Crown Entities Act 2004), we expect to receive a draft for review by 30 April 2022.

Disbursements

Thank you for putting thought into the disbursements framework. We look forward to the first disbursements being made to Ngāpuhi uri in late-2022.

We expect Tupu Tonu to continue to work with Te Arawhiti and Te Puni Kōkiri to develop a disbursements framework. We need to consider advice from officials before agreeing an approach to disbursements.

We thank you for your work thus far and look forward to further progress in the coming year.

Nāku noa, nā



Hon Andrew Little

Minister for Treaty of Waitangi Negotiations

For and on behalf of shareholding Ministers

cc: Tania Heyrick, Chief Executive Tupu Tonu - Ngāpuhi Investment Fund Limited,
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