

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



01 DEC 2021

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

By email: [REDACTED]

Tēnā koe Sir Brian

RE: Response to annual letter of expectations for Tupu Tonu

Thank you for providing the finalised Statement of Intent and Statement of Performance Expectations, and for incorporating shareholding Ministers' expectations into them. These are a good first set of public accountability documents, and it is great to have them in place to provide a foundation for the company to build from.

It was good to meet with you on 4 October and hear about the progress Tupu Tonu - Ngāpuhi Investment Fund Limited is making, especially regarding its first investment. It is pleasing to hear Tupu Tonu have several more investment opportunities in the pipeline, and I look forward to further investments being made.

Thank you also for your letter of 21 September. I have discussed the issues raised for clarification with the Minister of Finance, and write in response on behalf of shareholding Ministers for Tupu Tonu.

Investments domiciled in Northland with operations and assets outside Northland

You noted Tupu Tonu propose to treat any asset or business with material (but not necessarily exclusive) operations or assets domiciled in Northland as 'in Northland'.

We are comfortable with primary portfolio investments including assets and businesses domiciled in Northland with operations and holding assets outside Northland.

Publicly-listed shares

With reference to the primary portfolio, you stated Tupu Tonu proposes to be agnostic as to whether investments are via listed shares, unlisted shares, direct interests in land, etc., provided the investment is in Northland.

We are comfortable with publicly-listed shares being included in the primary portfolio for redress, as long as the investment is domiciled in Northland and Tupu Tonu does not acquire a controlling interest, in accordance with Section 100 of the Crown Entities Act 2004.

Secondary portfolio

In relation to investments outside Northland, you suggest investees may choose not to partner with Tupu Tonu in the knowledge partnership may terminate in the short-term, and an approach may be to advise other iwi that such assets will not be available as redress for Ngāpuhi until any issues with local iwi are addressed to the satisfaction of the Crown.

It is in the nature of Tupu Tonu that investments may need to be realised as commercial redress discussions with ngā hapū o Ngāpuhi progress. We accept this may have an impact on Tupu Tonu's ability to enter long-term investment partnerships with others. You suggest a solution might be that investments outside Northland would not be available to Ngāpuhi until issues with local iwi are addressed. I cannot agree.

While such a process will be appropriate for Tupu Tonu investments in areas of overlapping interests in Northland (where Ngāpuhi have at least a *prima facie* customary interest), Tupu Tonu direct investments outside Northland could be seen as investment by the Crown for the benefit of Ngāpuhi. Other iwi may perceive such investment to be the Crown establishing Ngāpuhi influence in their rohe. For that reason, I reiterate that investments outside Northland for the secondary portfolio are to be exceptional and rare and will not be available as redress for ngā hapū o Ngāpuhi.

To protect all Crown Treaty partners, I am conscious that the Crown communicates that potential Tupu Tonu direct investments outside Northland will not be available as redress to ngā hapū o Ngāpuhi – they are for growth purposes alone.

Engagement

The views of ngā hapū o Ngāpuhi are important to inform Tupu Tonu's work. 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 and decisions, as well as to keep them informed about Tupu Tonu investment decisions and outcomes.

In terms of engagement with local iwi when Tupu Tonu is making an exceptional and rare investment outside Northland, you wrote that Tupu Tonu will take a best practice approach to investment, including engaging, and where appropriate partnering, with local iwi. This accurately reflects our expectations. Tupu Tonu investment outside of Northland should not come as a surprise to local iwi.

Thank you again for our meeting on 4 October, and I look forward to hearing further on the progress Tupu Tonu is making.

Nāku noa, nā



Hon Andrew Little
Minister for Treaty of Waitangi Negotiations

For and on behalf of shareholding Ministers

cc: Tania Heyrick, Interim Chief Executive Tupu Tonu - Ngāpuhi Investment Fund Limited,
tania.heyrick@tuputonuinvestments.co.nz