
IMPLICATIONS AND OPPORTUNITIES FOR MAORI LAND IN THE ROTORUA CATCHMENT

Arapeta Tahana

Arapeta is the Portfolio Manager, Waiariki Region, at Te Tumu Paeroa. He works with Maori land owners to enable them to achieve higher aspirations for their land and assets. He also collaborates with a wide range of other people and organisations, from owners in Māori land blocks, to government agencies, private sector companies and experts in many fields to find innovative and pragmatic solutions to the challenges of growing Māori. He is an elected member on the Māori Advisory Committee to RDC working to develop a meaningful partnership between Te Arawa and the Council.

I work for Te Tumu Paeroa, previously the Maori Trustee which I will tell you about later on. Before that, I grew up at Lake Rotoiti, right on the lake edge. All my life I have been near the water, around our land and, probably more importantly for me, on my tribal lands viewing it from a Maori and cultural perspective. I have been in my role with Te Tumu Paeroa for about 8 months so I am definitely not the expert in terms of this particular kaupapa but I will share with you some of the generic challenges that we face as Maori and the development of our land and how it applies to this particular catchment. I will also give you information about Maori land in the catchment and what proportion that makes up and the challenges that we face.

Unfortunately I was not able to be here this morning so some of what I say may be repetition or out of context with other discussions but bear with me. I am not a technical person, nor an economical analyst, so do not ask me any of those questions or the mechanics of TDRs. There are plenty of smart people in this room who can tackle that.

I also acknowledge that there are other Maori land owners here who are welcome to chip in. This presentation is from my perspective and what I have learned in my life in Rotorua and involvement with Maori land. I would also add that I cannot verify the accuracy of some of the data in this presentation. It is a difficulty for many people involved with this programme. Having a true and accurate understanding of the numbers is an on-going challenge that we all face, and for Maori we are a bit further behind in that.

Current N load to Lake Rotorua is = **755tN/yr**

The sustainable lake load = **435tN/yr**

(to achieve water quality target of TLI 4.2)

Reduction needed = **320 tN/yr**

Pastoral sector needs to reduce by **270tN/yr**

**A Rotorua Community Challenge,
not limited to the Lake Rotorua catchment**

You may have seen these figures many times but I wanted to recap briefly. The difference is that it is not a Lake Rotorua catchment challenge, it is a Rotorua community challenge and from a number of perspectives. From our Maori world view we are connected not only from a people and genealogy, but also in terms of our environment. Growing up beside Lake Rotoiti I realised that what happens at Lake Rotorua obviously affects Lake Rotoiti. Many here are directly involved in the Lake Rotorua catchment, but the challenge is for the wider community.



Slide1

I will start my korero with where I come from and what Maori land means for me. **Slide 1** shows the view from our dining room table. I do not say that to impress you, but the whole picture is to impress upon you the perspective of Maori land. At the top right is my daughter, Te Kirihana. On the left is her great great-grandmother, Hana. The land we live on is from Hana's side of our family. Her father's name was Tanu and the name of the particular land parcel we live on is Te Waiora a Tanu, which in English is translated to the 'invigorating waters of Tanu'. This picture illustrates that for Maori, land ownership is inter-generational. Between my daughter and my great grandmother, there are 200 odd years of history. Back further, to her father and beyond there is potentially 400-500 years of history.

Our connection with the land is much more than just a place to live and the economic benefit that we get out of it. Recently I buried my daughter's placenta on

our land, as is mine, and many of my nephews and nieces. My father and his generation are all buried there too.

I want to paint the picture of how important land is from a cultural perspective. Through history, Maori land has been our economy; our sustainability came off Maori land, the economic side of things makes sense to us.

Maori land development, Maori land business and sustainability

Maori Land Development, Business and Sustainability



Slide 2

These paintings show that when Europeans settled in Aotearoa Maori were traders. 'Once we were Warriors', but also 'Once we were Traders'. We were entrepreneurial people trading with settlers and other countries. Part of what our organisation, Te Tumu Paeroa, is trying to do is inspire our people in business development and the development of our land. We were entrepreneurial and innovative and we need to get back to that thinking. Something happened between European settlements and now, but it is turning around and there are huge opportunities in the Maori economy.

Koura, or kewai the name we use for them, is the fresh water crayfish that are in our lakes. When I was a kid we had rules about when we could get koura. Not rules written in legislation, rules that my grandfather told my father and my father

told me. Allocation and sustainability are not foreign concepts to Maori. At Lake Rotoiti there were boundaries between each hapu and we only fished within our boundary and it was all about sustainability and making sure that there was enough to feed everybody.

The Maori Economy

Slide 3

The Māori economy is growing fast



Source:
BERL, The Asset Base, Income, Expenditure
and GDP of the 2010 Maori Economy

Source:
Maori Economic Taskforce/BERL Economics

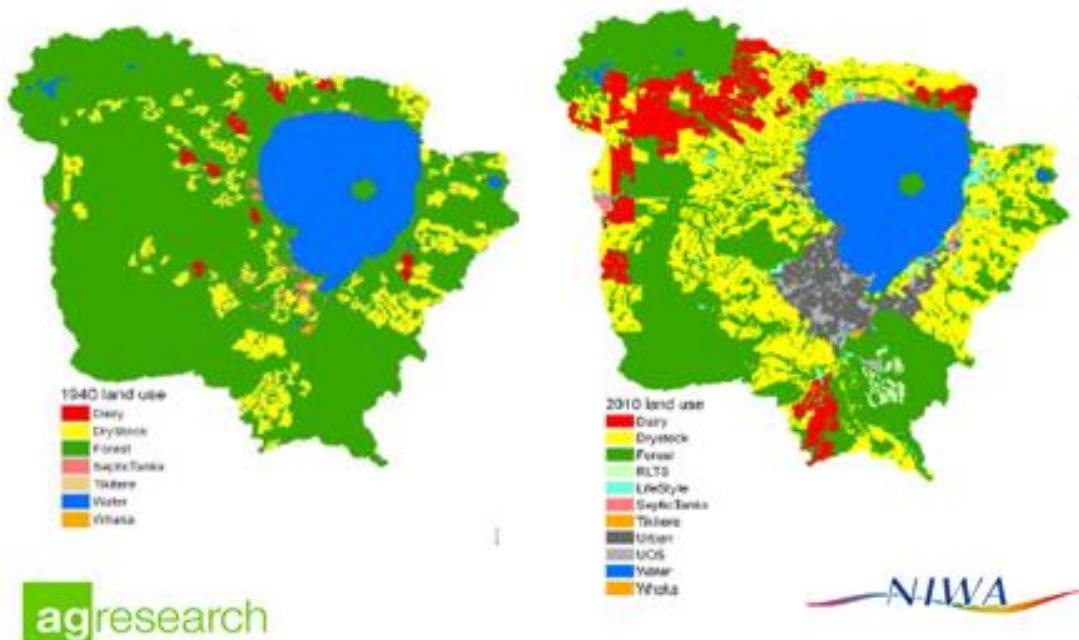
In 2006 it was estimated that the Maori economy was \$16.4 billion, in 2010 \$36.9 billion. Maori land sits in the institution side of things, as well as Treaty settlements. Of that \$10.6 billion, about 80% of it relates to Maori land. There is a misnomer that people believe Maori are wealthy now because of Treaty settlements. In fact the bulk of our wealth is in our Maori Land Trusts and that is very true of Te Arawa. Although we have three settlement organisations and settlement redress, the wealth actually sits outside of those in our Maori Land Trusts.

However the Maori economy is growing fast and brings with it a whole lot of opportunity for Maori. We are challenged with being asset rich, and cash poor. But things are changing rapidly and with it the opportunity to unlock potential with Maori land and other assets that we have.

Slide 4 shows the land use change from 1940 to 2010 and the rapid growth and intensity. The challenge is how do we reverse that picture, in an innovative way that does not impact the economics and social make up of our community?

Slide 4

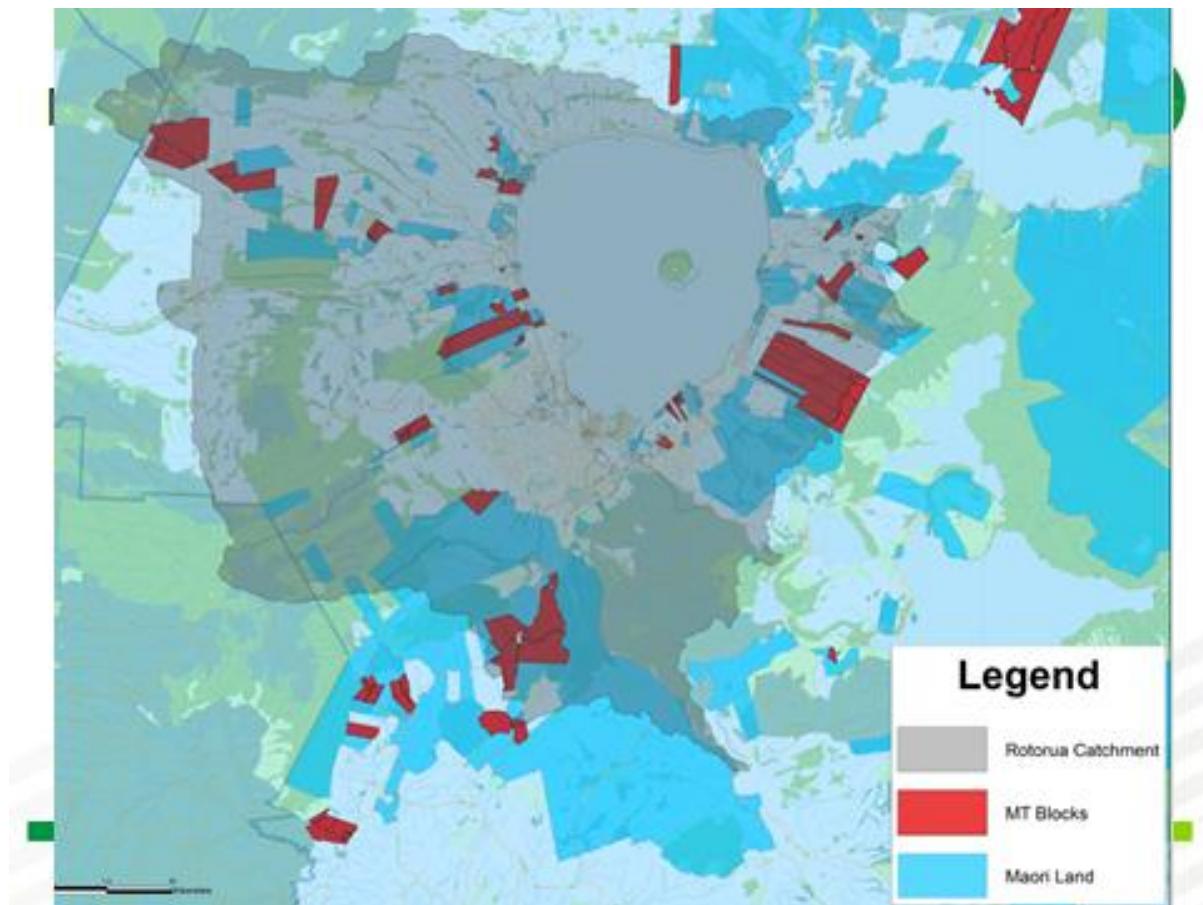
LAND USE 1940 & 2010



Maori Land in the Rotorua Catchment

- 740 Maori land blocks making up approximately 20% of catchment land area
- 60 blocks greater than 50 ha making up 87% of Maori land area
- 587 blocks are less than 5ha in size making up 3% of Maori land area
- 72% of Maori land classed LUC 4-6
- 16% of Maori land classed LUC 7-8
- Estimated 20,000 – 30,000 owners affiliated with this land

Slide 5 shows Maori land within the Rotorua catchment. The grey area denotes the catchment boundaries and the blue and red parcels are all Maori land. The red parcels are administered by Te Tumu Paeroa and I will talk more about the detail as we go on. Maori land is significant, estimated at about 20% of the catchment.



Slide 5

A lot of our land is not appropriate for dairy and pastoral activities. That said though, Rotorua is an anomaly in the way the land is used. Dairy farms are on quite steep land. The challenge for Maori is understanding what can be done on this kind of land to provide a decent return for our people.

Another important point to note is that of those 740 entities we estimate that there are about 20,000 to 30,000 owners. I am a trustee on one block with 13,000 shareholders, which creates a big challenge.

Approximately 50% of Maori land is involved in sheep, beef and dairy which equates to about 5,000 hectares. I have had a real challenge pulling together these numbers with limited or inaccurate data so take this data with a grain of salt. As part of the StAG group, my job going forward is to get more accurate data and to understand the true picture of ownership of Maori land.

What contribution does the 20% of Maori land in the Rotorua catchment make to the nutrient loss? Knowing that would tell us how much is our part of the problem. At the moment I assume it is 20% of the problem and we want to work with everybody else to solve the problem.

Maori land	20% of catchment
Rule 11 land use	% of Maori Parcels
Sheep/Beef	39.01
Bush	36.22
Pines	8.67
Dairy	8.21
Other	6.03
Cropping	1.45
Deer	0.41

Te Tumu Paeroa Administered Maori Land

Approximately 68 blocks totalling 5,000 ha

- Dry stock 3,222ha 64%, 31 blocks
- Dairy support 1,033 ha 21%, 11 blocks
- Forestry 578 ha 12%, 7 blocks
- Cropping 112ha 2%, 9 blocks
- Other 91 ha 1%, 11 blocks

Total Dairy Support & Drystock = 4,255 (21% of pasture in catchment)

Te Tumu Paeroa administers 68 blocks in the Rotorua catchment. Te Tumu Paeroa was previously the Maori Trustee which since 2009 has been independent of government. It previously was part of the Ministry of Maori Affairs. In 2011 Jamie Tuuta was appointed as the new Maori Trustee, the CEO of the organisation. In the last year and a half he has changed the direction and focus of the organisation.

The Te Tumu Paeroa Vision is around mobilising Maori land and assets to create this generation's legacy. In Maori we say:

Utaina te waka, hapaina ko te hoe,kia tuputupu te whai oranga
*By finding and executing solutions that allow Maori to
realise higher aspirations for their land and assets*

It has a slightly different meaning than the English that I prefer. *Utaina te waka* talks about loading your waka, your ship, your vehicle with the right tools, the right people to get the job done. Historically we have not necessarily had the right capabilities amongst our organisations to drive our development. We have relied on pulling in outside consultants. I have nothing against that; there is a place for it. But we have found that outside consultants do not always understand the wider perspective of Maori land development and the multiple objectives we are trying to achieve.

Hapainga ko te hoe talks about lifting up the paddle and paddling. There is no point in having a great vision if we are not willing to do the work. The message for Maori is that we need to take more responsibility and work harder in changing the situation. That waka has already left; the Maori economy is growing quite significantly and we are right on track.

Kia tuputupu te whai oranga is about creating wellbeing for our people and our whenua, our land. The way to do that is by finding and executing solutions that allow Maori to realise high aspirations for their land and assets.

Historically Maori land owners tended to have low aspirations for their land. They accepted what they had, partly through unawareness of how to play the game of business and work in a western world. But that is changing and Te Tumu Paeroa wants to inspire Maori to have higher aspirations. We have been benchmarking the best farms and horticultural units in the country. One of our goals is to have Maori land performing in the top quartile, because at the moment the land utilised is about 30 to 40% below average.

There is a whole chunk of underutilised land, about 1.5 million hectares of Maori land throughout the country, 20% of it performing averagely, 40% of it under performing and another 40% unutilised. That is 500,000 hectares of land which, if its potential could be unlocked, would provide a huge contribution not only for Maori, but also the wider New Zealand economy.

We have three pillars to our strategy. One is connecting with our people. It is important that owners are engaged in the development of their land. The second is how to get the most potential out of the assets we already have? The third is how do we grow those assets once we have achieved the potential out of our land?

The Key Challenges Facing Maori

1) Multiple bottom lines to align with our world view

A Maori land administrator assisting a trust to manage their business balances a number of factors. How to get the best economic growth out of the land, but at the same time protecting the land to a standard that our people are happy with? How to distribute the wealth that we create in a way that makes a meaningful difference for our people? Although the Maori economy is growing, Maori wellbeing is not, so how do we transfer that wealth creation to our people in a way that lifts the quality of their lives?

2) Asset rich, cash poor but rapidly changing picture

We are asset rich with land and the resources that come from it, but cash poor. However that is rapidly changing here and many other areas around the country.

3) Limited but growing Maori capability and capacity to drive integrated economic, social and cultural growth

I mentioned earlier external consultants. Te Tumu Paeroa has specialist roles to achieve good quality thinking in different areas. Maori currently represent approximately 20% of our staff numbers. We believe in getting the best person for the job and learn what we can.

4) European land title system conflicts with Maori concepts of ownership

When the European Land Title system was put in place it conflicted with Maori concepts of ownership which did not refer to land as belonging to an individual. It was always about collective ownership and not about saying this piece is yours. Unfortunately to participate in a western legal system we had to adopt this which presented some challenges to our way of thinking. Some of our people think from an individual ownership perspective. A lot of owners say, 'What money am I going to get out of it?' But to me that is not a Maori way of thinking. There is work going on in the Maori economy on the integration of business principles – how we do business, how we can be profitable in the way that we traditionally think and marrying the two up.

5) Te Ture Whenua Maori Act 1993

This is the legislation that governs Maori land and comes with restrictions and challenges in the way we develop our land and the need to seek Maori Land Court approval in certain circumstances. Currently there is a review of the Te Ture Whenua Maori Act to unlock some of those issues. For example, we need to go to the Maori Land Court to enter into long term leases. This is one of the things that we are trying to change to give us the same rights as a company would have.

6) Fragmentation of ownership

I have been a trustee for 3 years on a trust with 13,000 owners. The ownership list was 10,000 when I started, and in 3 years it has grown by 3,000, partly to do with the baby boom and timing. There are a lot of people coming into that age and succeeding to their shares. The challenge is that every year we accommodate more people. The economics of distributing benefits to 13,000 people becomes very difficult. Another difference for Maori land is that owners are not shareholders as in a listed company and do not bring cash to the table. We have to make the most out of what we already have and the cash flows the other way.

7) Disengaged owners

Many people have not lived near their land, or know where it is, or even have an interest in their land, yet we have to account for them as shareholders and send correspondence. It is hard to know if what we are doing is making a difference to those owners. This is why connecting with our people is a strategic pillar for Te Tumu Paeroa in order to change that picture and have our people involved and

interested in their land again and bring back the technical capability and capacity which those owners potentially represent.

8) Diaspora of the Maori Population

Many of my relations now live in Australia. I want to give them the opportunity to come back. The economics are better for them over there, but we have an opportunity to change that and bring our people home.

9) Low/Undefined Aspirations

We want to raise our aspirations not only from a purely Maori point of view. What are our aspirations and also benchmark ourselves against the best in the country.

Implications of TDRs

Assume that 20% of the nutrient reduction challenge lies with Maori. Our fear is that potentially we will be locked in low producing/profitable land use. This is not just a concern for Maori, but all land owners in the district. There is also a fear that we will pick up a disproportional share of the cost to clean up partly because of the historical context of Maori gifting land to support the development of the city, reserving land not only for Maori purposes in terms of culturally sensitive land, but also in terms of scenic reserve, bush that can be enjoyed for the public good. However I am fairly confident that is not how it is going to play out. The involvement I have had in the StAG group is that it is about being equitable; it is about everyone chipping in and doing what they can.

88% of Maori land is LUC 4-8 land use classification, steep land. What is the best use for this land within N-loss constraints? In general we start from a lower cash capital or profitability base and are never going to realise the capital value of our land. Te Tumu Paeroa is focussed on cash flow because we cannot farm for capital gain. We are never going to sell that land so we have to think differently in managing our business. We have some of the largest farms in the catchment with highly productive farms. Even though there are 740 entities that are involved in this conversation, probably we can only make a difference with about 50 or 60.

Opportunities for Maori Land

My view is always to look at the glass half full and there are a lot of opportunities. The principle of sustainability and collective responsibility aligns with Maori Values; it aligns with our traditions, the way we used to do things historically.

There are opportunities to look at offsetting the impacts of nutrient and profit loss collectively as Maori land owners. We own land within the catchment, but also a significant amount outside the catchment. I am not specifically talking about nutrient trading, but there are a lot of opportunities to work together in business ventures by bringing in capital from outside the catchment.

Te Tumu Paeroa encourages leveraging scale through collective development. We have been involved around the country with collective dairy farms, multiple land blocks that are not big enough in themselves to support a dairy farm. There are opportunities in this catchment.

Potential catchment use and innovation relates not only to TDRs. I am interested in getting down hard numbers on what other opportunities there are. As Maori we do not know yet what we can do or what our options are.

There has been a lot of research on goat farming within Te Tumu Paeroa. Potentially it is a great solution for this catchment if we can get a processing plant in the area and Maori are keen to investigate other parts of the value chain.

Integrated (in and out of catchment) farming systems, aquaculture, small block innovation and collective developments are other opportunities for our land in and outside the catchment. I have been involved in research over the last couple of years looking at potential koura farming within our lakes. We have salmon farms around the country, is there an opportunity to grow koura within a lake? There is a market for it both nationally and internationally. Restaurants were paying about \$90 a kilo for koura. We think there is huge opportunity to use our lakes as farms for koura. We have been working with the Cawthron Research Institute who have scoped a scientific programme to work out how to do it. It is about a \$2 million cost in going through that process. I am open to any idea that we can look at. It is about being smart with the resources we have.

For me the greatest challenge is really about innovative thinking and I have stolen this quote from Abraham Lincoln who said:

'The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our case is new so we must think anew and act anew.'

That is one of the challenges that we have here, we need to let go of some of dogmas of the past and the way that we used to think about farming, land development and economics and think anew and come up with some innovative solutions.

John Green - Thank you Arapeta that is one of the best and most insightful speeches I have heard on the Maori economy and all the details of it. Thank you very much for your contribution. The more we can understand each other's resources and opportunities the more likelihood there is that we can achieve them collectively. Hopefully that makes it even better for us all.