



TUPU TONU  
Ngāpuhi Investment Fund

# STATEMENT OF INTENT

For the period 1 February 2021 to 30 June 2024

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## INTRODUCTION

Ngāpuhi Investment Fund Limited (trading as **Tupu Tonu**) is a new Public Finance Act 1989 Schedule 4A company. Tupu Tonu has been set up to establish and manage an investment portfolio that can support the Crown's commercial redress negotiations with ngā hapū o Ngāpuhi around historical Treaty of Waitangi claims.

This Statement of Intent (**SOI**), Tupu Tonu's first, has been prepared by the Board of Directors (the **Board**) pursuant to the Crown Entities Act 2004. It sets out the strategic intentions of Tupu Tonu for the period 1 February 2021 to 30 June 2024. During this period, Tupu Tonu will complete its operational establishment, begin making investments, and develop as an investment fund.

This SOI has been produced at an early stage in the operations of Tupu Tonu and so necessarily reflects only an initial view on strategic matters. The Board expects to publish a revised SOI prior to the end of this SOI period – when there is a deeper understanding of the strategic context and investment outlook for Tupu Tonu.

The Board is responsible for the statements contained in this SOI, including the appropriateness of any assumptions.



Sir Brian Roche KNZM  
Chair  
21 September 2021



Ripeka Evans  
Deputy Chair  
21 September 2021

### *Our Shareholders*

As a Schedule 4A company, Tupu Tonu has two shareholding Ministers' - the Minister for Treaty of Waitangi Negotiations and the Minister of Finance, who each own 50% of the company on behalf of the Crown.

Certain sections of the Crown Entities Act 2004 apply to Schedule 4A companies. Essentially, Tupu Tonu's operations and investment decisions are independent of shareholding Ministers', though shareholding Ministers' participate in the process of setting the strategic direction of Tupu Tonu by providing comment on planning documentation prepared by Tupu Tonu.

### *Our Board*

Our Board is appointed by shareholding Ministers'. The current Board members are:

- Sir Brian Roche (Interim Chair);
- Ms Ripeka Evans (Deputy Chair);
- Mr Lindsay Faithfull;
- Ms Sarah Petersen; and
- Mr Geoff Taylor.

### **COMPANY PURPOSE**

Tupu Tonu's purpose is to establish an investment portfolio which is intended to support any future agreements that may be entered into by the Crown in relation to the historical Treaty of Waitangi claims of ngā hapū o Ngāpuhi.

To achieve this, Tupu Tonu seeks to acquire and manage a portfolio of assets that collectively:

- support any future agreements that may be entered into by the Crown in relation to the historical Treaty of Waitangi claims of Ngāpuhi; and
- grow the value of Tupu Tonu's investment portfolio.

This sets Tupu Tonu up as a commercial investor, with the additional overlays outlined in its constitution to:

- operate as a responsible investor;
- to the extent possible, take a best practice approach to investment management; and

- to the extent possible, make investments that encourage and facilitate economic development in the Ngāpuhi rohe.

Shareholding Ministers' have an expectation that Tupu Tonu's investments will reflect two investment portfolios:

- a primary portfolio for the acquisition of non-listed commercial assets in Northland; and
- a secondary portfolio comprising investments such as public shares, bonds, managed funds, and direct investments outside Northland.

Tupu Tonu's focus for the next financial year will be investing in the primary investment portfolio. No investments will be made in the secondary portfolio unless on an exceptional and rare basis.

### ***THE INTERSECTION BETWEEN TUPU TONU AND TREATY SETTLEMENTS***

The settlement of historical Treaty of Waitangi claims has been a priority for the Crown for over 30 years. For settling groups, these settlements are, in part, an opportunity to acquire or re-acquire properties and other commercial assets that can grow value and strengthen iwi and hapū footprints in their rohe.

Settlement negotiations with ngā hapū o Ngāpuhi have been longstanding, and this presents a loss of opportunity for ngā hapū, including from growing value and taking up time-limited investment opportunities.

Tupu Tonu was established by the Crown in part to mitigate this lost opportunity by taking up suitable investments and growing value through a fund that is ultimately intended to be available to ngā hapū o Ngāpuhi as commercial redress in any future Treaty settlement negotiations.

It is up to shareholding Ministers' and ultimately Cabinet to decide how Tupu Tonu's asset portfolio enters settlement negotiations, and on what basis. Tupu Tonu's focus is on making and managing commercial investments in line with its mandate, while being cognisant of the commercial intentions of ngā hapū o Ngāpuhi.

#### *Approach to engaging with ngā hapū o Ngāpuhi*

The Board acknowledges the settlement context in which Tupu Tonu operates and its role in demonstrating the Crown's commitment to restoring its relationship with ngā hapū o Ngāpuhi.

Tupu Tonu sees itself as having a central role in supporting not only the Crown's settlement negotiations, but also, the long-term commercial aspirations of ngā hapū o Ngāpuhi.

To do this, Tupu Tonu will need to be aware of the general commercial intentions and specific investment suggestions of ngā hapū o Ngāpuhi.

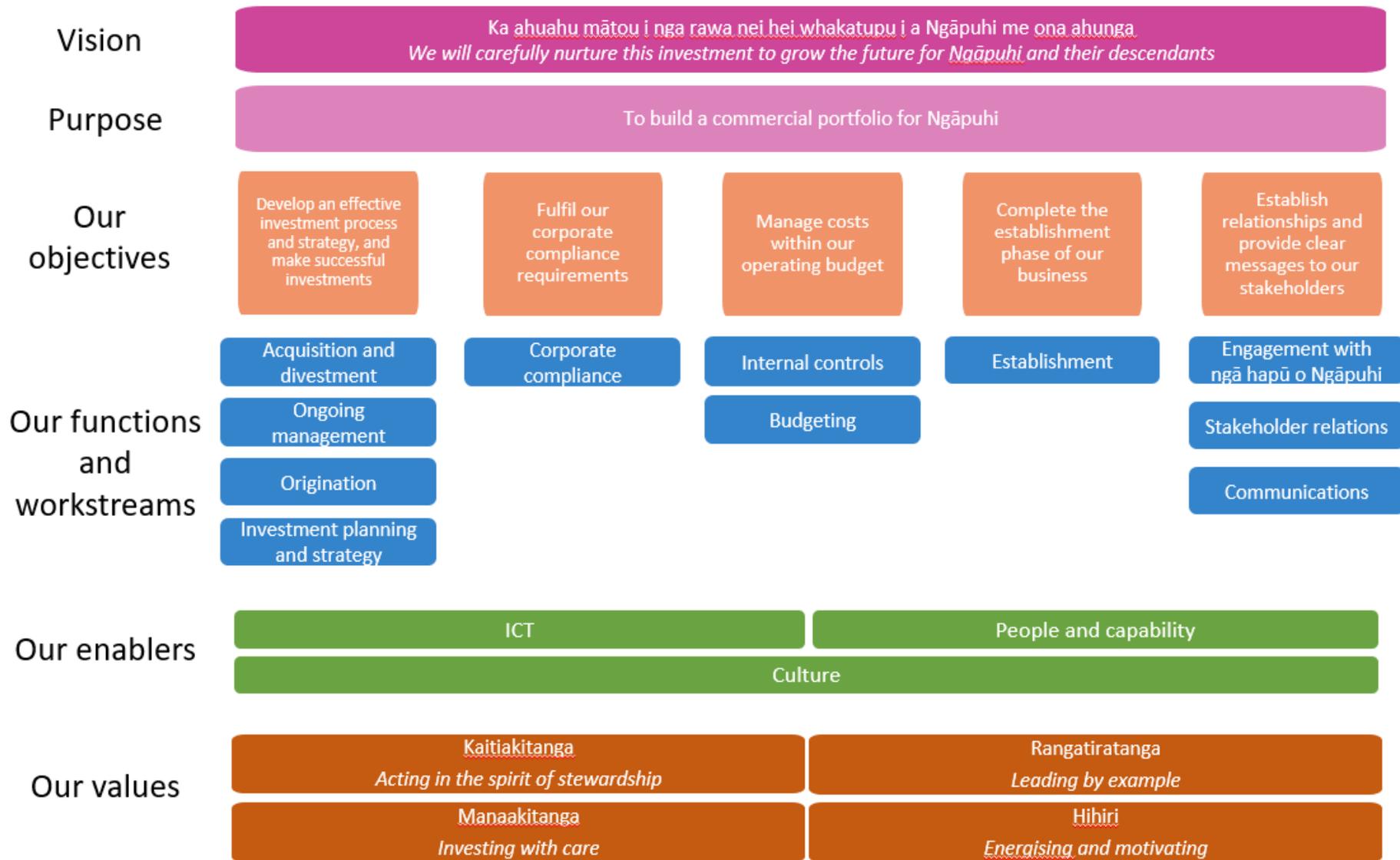
In the near term, Tupu Tonu expects to use a number of specific avenues to build this understanding:

- Entering a relationship agreement with Te Arawhiti, the Government agency responsible for Treaty of Waitangi Negotiations, to facilitate appropriate and effective information sharing in relation to Treaty of Waitangi negotiations and restoring the Crown's relationship with ngā hapū o Ngāpuhi;
- Targeted engagement with ngā hapū o Ngāpuhi with existing commercial interests or articulated commercial aspirations;
- Targeted engagement with Ngāpuhi business owners; and
- Engagement with ngā uri o Ngāpuhi, ngā hapū, local iwi and others to identify potential investment opportunities in Northland.

This approach is likely to evolve over time.

When investing outside of Northland, Tupu Tonu will take a best practice approach to responsible investment which will include engaging, and where appropriate, partnering with local iwi.

OUR STRATEGIC FRAMEWORK



## OUR OBJECTIVES

Tupu Tonu has five objectives, for the period through to July 2024, that guide us towards our vision of effective investment management.

### ***Develop an effective investment process and strategy, and make successful investments***

As a new investment fund, a critical first activity for Tupu Tonu is setting up fit-for-purpose investment policies processes and strategies.

*We will know we have achieved this objective when:*

We have...	by...
An investment policy	July 2021
A set of investment processes	December 2021
Made initial investments in line with our investment strategies	December 2021
Portfolio returns in line with benchmarks/targets set in our investment policy	Ongoing

### *Contributing Workstreams*



### ***Fulfil our corporate compliance requirements***

Tupu Tonu has corporate compliance responsibilities, many of which are legal requirements and/or are critical to legitimise the company's work. These responsibilities are set out in:

- the Companies Act 1993;
- the Crown Entities Act 2004;
- the Public Finance Act 1989
- the Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
- Financial Markets Conduct regulation; as well as
- general organisational and governance best-practice (e.g., around managing conflicts of interest, and information and physical security).

*We will know we have achieved this objective when:*

<b>We have...</b>	<b>by...</b>
Relevant corporate policies that outline and support corporate compliance	July 2021
Mechanisms in place to actively and regularly monitor compliance	December 2021
Mature and refined policies	July 2022

*Contributing Workstreams*

Corporate compliance

*We will know we have achieved this objective when:*

<b>We have...</b>	<b>by...</b>
Actual annual non-deal specific expenditure each year is less than 10% over the budgeted amount outlined in our Statement of Performance Expectations	Annually

*Contributing Workstreams*

Internal controls

Budgeting

***Complete the operational establishment phase of our business***

Tupu Tonu is still in an establishment phase as it develops its capacity and capability to make investment decisions, manage its assets, and embed organisational processes and settings.

*We will know we have achieved this objective when:*

<b>We have...</b>	<b>by...</b>
Implemented fit-for-purpose business systems	June 2021
A comprehensive risk framework	September 2021
Initial organisational structure in place	December 2021

*Contributing Workstreams*

Establishment

***Establish relationships and provide clear messages to our stakeholders***

Developing relationships with a wide range of stakeholders and producing a range of both accessible and effective communications materials will be important for the success of Tupu Tonu.

*We will know we have achieved this objective when:*

<b>We have...</b>	<b>by...</b>
Developed a communications strategy and stakeholder plan	October 2021
Publicised our investment policy	December 2021
Entered into a relationship agreement with Te Arawhiti to facilitate appropriate and effective information sharing in relation to Treaty of Waitangi negotiations and restoring the Crown's relationship with ngā hapū o Ngāpuhi	December 2021

*Contributing Workstreams*

Communications

Stakeholder relations

## *People and capability*

### *Our team*

Tupu Tonu is a small organisation with most staff working across a range of both organisational management and investment activities.

To ensure it is able to maintain the people capability it requires, Tupu Tonu has recruitment, professional development and remuneration policies that focus on attracting and retaining skilled, flexible, efficient and knowledgeable people.

Management regularly reviews Tupu Tonu's operating model to ensure that resourcing levels are right sized to support the company in achieving its strategic objectives while keeping costs low.

### *Health and safety*

Tupu Tonu is committed to being a zero-harm employer with no days lost to incident. Tupu Tonu has developed policies to encourage staff participation in health and safety. Our office environment is safe and well maintained. Regular observations are undertaken to identify hazards and unsafe workplace practices and any training required will be provided as appropriate. Any notifiable event will be reported to the CEO and Board Chair immediately.

A range of measures to support employee health are outlined in the '*Being a good employer*' section below.

Tupu Tonu has a COVID-19 policy and safety plan in place to protect staff and satisfy requirements for businesses around COVID-19 lockdowns and changes to alert levels.

### *Being a good employer*

Tupu Tonu offers a flexible working environment that enables staff to balance work, family and other commitments in line with the Government's flexible-by-default policy. Tupu Tonu supports staff to learn and develop their investment and commercial knowledge and skills, as well as build leadership capability, according to their individual needs.

We are committed to upholding our responsibilities as an Equal Employment Opportunities (EEO) employer and creating a workplace that attracts, retains and values diverse employees.

Tupu Tonu has a zero-tolerance approach to all forms of harassment and bullying and has policies in place to deal with harassment and bullying complaints should they arise.

These measures, and the wider efforts of management, are focused on ensuring Tupu Tonu has a productive work environment and a culture where staff are supported.

### ***ICT***

Tupu Tonu will seek to manage ICT and operating costs in a cost-effective manner.

Accordingly, Tupu Tonu will use All-of-Government contracts where possible to purchase necessary hardware, software, and services.

As an agency that holds official information, Tupu Tonu uses the New Zealand Information Security Manual and Protective Security Requirements as best practice guidance for its information security policies, practices, and procurement.

This includes our treatment in relation to any privacy-related, classified, or commercially sensitive documentation and ensuring our website and electronic and communication systems meet Government information security standards.