



MĀORI TRUSTEE

June 27, 2010

BACKGROUND MATERIAL FROM MAORI TRUSTEE, JOHN PAKI

An independent review of the Tekau Plus programme, a Maori business export programme was released on Friday.

The review involved an export initiative from the Poutama Trust, Federation of Maori Authorities, and the Maori Trustee. The initiative was funded through Te Puni Kokiri.

Mr Paki, the Maori Trustee today commented: “The independent review was called for when the export programme was suspended. We called for answers and they appear to be provided in this document. The review has endorsed the continuation of the highly- demanding programme.

Recommendations included:

- A full stock take of all commitments made to exporting member companies be undertaken in good faith under the scrutiny of an independent advisor;
- Consideration be given to a review of the contracting and monitoring capability of Te Puni Kokiri with regards to contracts of this kind in particular placing emphasis on ensuring the right contractual and accountability arrangements are put in place;
- The Investment Agreement and service contracts be redesigned to focus on supporting the existing exporting groups (clusters) achieve a set of realistic and viable outcomes;
- A new funding and service model be designed that places emphasis on supporting clusters directly;
- Consideration be given to re-tendering all the roles in the Tekau Plus project to ensure the right capability is appointed to support the re-scoped project and to ensure transparency around the appointment of advisors is achieved;
- An independent director be appointed to the board immediately to oversee the redesign and re-scoping of the project.

Mr Paki said he was pleased that the report found there was no financial mismanagement, and all money was fully and accurately accounted for; the contract

has been met and all invoices have been paid on completion and delivery of outputs to the satisfaction of the funder, TPK; there is value being delivered, even at this early stage of the programme; the board's governance processes have been adequate for the purpose."

"I note that the review confirms that Tekau Plus initiatives promoting Maori exporting are working. They acknowledged that there have been many positive experiences cited in our engagements with cluster members working with the project. They further agreed there appears to be a service demand on the part of the businesses engaged by the Tekau Plus project to receive support for improving exporting potential and capabilities."

Till now:

Following the release of a PriceWaterhouse Coopers report through the Official Information Act, a value for money audit of the work of Tekau Plus was called for on March 24 by Mr Paki and Mr Comer, Chief Executive of Te Puni Kokiri. Mr Paki has been chairing the joint venture since October 2009 as the programme entered its third year.

Mr Paki was emphatic that the mountains of paper do not camouflage the real facts. "Quite simply:

- The high cost and complexity in developing new markets overseas;
- Rather than underperforming, progress in establishing the 10 clusters was well ahead of schedule;
- There was no tendering process for management. Te Puni Kokiri appointed the managers;
- Rather than the original claim that commercial interests were not disclosed, attention went towards stating these interests and ensuring any interests were neutralised."

"The focus was on developing businesses that have the scale and scope to develop niche products on international markets. The aim mirrors the government objective of getting NZ back into the top half of the OECD.

"Despite some critical media reports, I contend the objectives and methodology was effective. Simply, cluster businesses have been selected to foster Maori participation in global agribusiness, with the aim of 10 clusters earning \$10 million in foreign exchange in 10 years. We have eight clusters now in place towards this goal.

"Even at this early stage, there are examples of Tekau Plus businesses investing in exporting and starting to export, building pathways and relationships and earning foreign exchange. Surely this is a fair return on investment."

JOHN PAKI

MAORI TRUSTEE

Issued with the compliments of the Maori Trustee.

For further comment contact:

Ben Gordon, Office of the Maori Trustee

(04)819 6246

(027)4991849

Criticisms:

Value for money? Difficult to accept!

For example, Annex 5, Schedule of Services, page 79 of the review shows a high level of energy and activity. The quarterly report shows meetings were held with stakeholders, meetings with Cabinet members and foreign importers on their own turf as well as the ambitious trade delegation to China by cluster members.