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# BILLS DIGEST

Digest No. 1673

## Māori Trustee Amendment Bill 2008 (2008 No 181-2A)

<b>Date of Introduction:</b>	23 November 2007 (as part of the Māori Trustee and Māori Development Amendment Bill 2007)
<b>Portfolio:</b>	Māori Affairs
<b>Select Committee:</b>	Māori Affairs
<b>Date report presented:</b>	04 September 2008
<b>Published: 31 March 2009</b>  Prepared by <b>John McSoriley</b> BA LL.B, Barrister  Legislative Analyst  P: (04) 471-9626 (Ext. 9626)  F: (04) 471-1250	<b>Caution:</b> This Digest was prepared to assist consideration of the Bill by members of Parliament. It has no official status.  Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Bill. Other sources should be consulted to determine the subsequent official status of the Bill.

### Purpose

The Bill as introduced was intended to make changes, arising out of a review of the Māori Trustee and Māori Trust Office, to bring together functions supporting Maori business being undertaken by Te Puni Kokiri, the Māori Trustee, and perhaps other organisations. The Bill as introduced changed the title of the Māori Trustee Act 1953 to the Māori Trustee and Māori Development Act 1953 ..."<sup>1</sup>.

*The Bill was part of the Māori Trustee and Māori Development Amendment Bill. That Bill was described in [Bills Digest No 1598](#).*

### Background

#### Division of the Māori Trustee and Māori Development Amendment Bills

The Select Committee has stated in its report: "The bill as introduced addresses two distinct subjects. First, it would introduce changes to establish the Māori Trustee as a stand-alone organisation. These

<sup>1</sup>Māori Trustee and Māori Development Amendment Bill, 2007 No 181-1, Explanatory note, General policy statement, p. 1.

proposed changes arose out of a review of the Maori Trustee and Maori Trust Office. Secondly, the bill sets up a new independent statutory corporation to further Māori economic development by utilising the resources available to Māori.

"Having considered and heard submissions on the bill, we concluded that the first intention of the bill, to establish the Māori Trustee as a stand-alone organisation, has considerable merit and support. We believe, however, that the arrangements proposed for the statutory corporation to further Māori economic development are contentious and deserve further consideration.

"Because it is desirable that changes to establish the Māori Trustee as a stand-alone organisation be passed into legislation before the close of this Parliament, we resolved that splitting the bill along these lines was prudent.

"The new bill, which would establish the Māori Trustee as a stand-alone organisation, has been renamed the Māori Trustee Amendment Bill. The new bill to set up the independent statutory corporation to further Māori economic development will continue to be known as the Māori Trustee and Māori Development Amendment Bill"<sup>2</sup>.

## Main changes to the Bill

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### Termination of appointment of Maori Trustee

The Select Committee has recommended that in exercising his or her power to terminate the appointment of the Māori Trustee, the Minister " ... must observe the rules of natural justice" (*Part 1, Clause 7, inserting New Part 1 into the Māori Trustee Act 1953, amending New Section 6B by inserting new subsection (4)*).

### Operation of the Māori Trustee's Account

Section 19 of the Māori Trustee Act 1953 provides that the Māori Trustee's Account must be operated only by cheques or other instruments signed by authorised officers. Section 21 of the Māori Trustee Act 1953 sets out how the Māori Trustee would give authority to officers to sign cheques or other instruments.

The Select Committee has recommended that these requirement be deleted as they no longer reflects contemporary practice (*Part 1, inserting New Clauses 9A and 9B, repealing Sections 19 and 21 of the Māori Trustee Act 1953*).

### Money held in Common Fund invested in Fund

The Select Committee has recommended that the term "distributable income" replace the term "interest" in Clause 11 of the Bill.

The Māori Trustee Act 1953 currently requires that interest earned from the investment of money in the Common Fund be paid into the General Purposes Fund, and payments to account holders are then made out of the General Purposes Fund. The Select Committee has recommended that income from the investment of money in the Common Fund form part of the Common Fund and that this should be done on and from 1 July 2009 (*Part 1, Clause 11, amending New Sections 26, 26A and 26B of the Māori Trustee Act 1953; inserting New Clause 11A, amending Section 28 of the Māori Trustee Act 1953*).

#### Comment

For some background to this issue see *pages 4, 5 and 7 of [Bills Digest No 1598](#)*.

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<sup>2</sup> Māori Trustee and Māori Development Amendment Bill, 2007 No 181-2A, As reported from the Māori Affairs Committee, Commentary, pp. 1 and 2.

## Accumulated debt to the Crown to be written off

Section 41 of the Māori Trustee Act 1953 allows the Minister of Finance to recover amounts paid for the expenses of the Māori Trust Office before 1 July 2008. "The Government has authorised the writing off of the Māori Trustee's accumulated debt to the Crown, once the Bill has been passed"<sup>3</sup>.

The Select Committee has recommended that Section 41 of the Māori Trustee Act 1953 be repealed (*Part 1, substituted Clause 12, repealing Section 41 of the Māori Trustee Act 1953*).

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<sup>3</sup> Māori Trustee Amendment Bill, 2008 No 181-2A, Amendments, p. 9.