



Pumautanga Korero

JANUARY-FEBRUARY 2007

A newsletter for Te Arawa descendants about the settlement of the historical Treaty of Waitangi claims of the iwi and hapu affiliated to Te Pumautanga O Te Arawa

From the desk of the General Manager

The signing of the Deed of Settlement (**DoS**) on 30th September last year, was a significant milestone for the Arawa iwi and hapu affiliated to Nga Kaihau O Te Arawa Executive Council (the **Affiliates**). The very next day on 1st October, the establishment or transitional period began. In this period work must be done to consolidate the settlement assets.

The establishment period (**EP**) is expected to extend from 1 October 2006 to either February 2009 or October 2009, approximately a three year period. The passing of settlement legislation will determine whether it is the earlier or later date.

On 30th November 2006, the Kaihau Executive Council was officially phased out. This was because its mandate was to achieve a settlement, after which its operations were to cease and a new Post Settlement Governance Entity (the **PSGE**) established.

The new PSGE was formally established on 1st December 2006. It involved the signing of a Deed of Covenant (**DoC**) with the Crown. As an interim step, the KEC members have transitioned into the interim members on the PSGE for the EP only. The clear signal that the EP is at an end, will be the holding of full elections of trustees in 2009.

The new PSGE which held its inaugural meeting on 1st December 2006 following the signing of the DoC is known as **Te Pumautanga O Te Arawa Trust (TPT)**. This was reported in the final issue of Kaihau Korero.

On 25th and 26th January 2007, TPT trustees held a two-day workshop at Wairakei. The focal point was the proposed Transitional Development Plan (**TDP**) which outlines how the TPT trustees plan to manage operations through the EP. The plan involves the implementation of five major work streams which are designed to complete existing strands of work, as well as manage the EP within a specified timeframe. I report here on the five major work streams.

Historical Text-Based Resource Work Stream

This work stream attempts to record as a text-based resource, the history of the direct negotiation process between the Kaihau Executive Council (**KEC**) and the Crown. The two key objectives of this text-based resource are:

- (a) to trace the settlement pathway undertaken by Te Arawa affiliate iwi and hapu through the KEC, as part of their personal journey to settle their historical Treaty of Waitangi claims through the direct negotiation process; and
- (b) to effectively communicate key messages that provide practical support for other Maori claimant groups intending to progress their historical Treaty of Waitangi claims through direct negotiations.



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Pumautanga Korero

Pumautanga Korero is produced every two months by Te Pumautanga O Te Arawa Trust. It aims to inform Te Arawa descendants about the settlement of the historical Treaty of Waitangi claims of its affiliate iwi and hapu.

To support the communication of affiliates, articles may be presented for possible publication. For all editorial inquiries please contact:

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E-News

To receive our newsletters by email, please contact us during office hours.
Kia ora...

Message from the Chairman

STRATEGIC PLANNING WORKSHOP

Tena koe e matirotiro mai a matau tuhituhinga korero e whai ake nei. Na matau e hangaia te Anga Whakamua, a, ko tenei te huarahi hei whaingā ma matau.

Welcome to the first issue of 'Pumautanga Korero'. The KEC set high standards with respect to communication to Affiliates. These are standards that Te Pumautanga O Te Arawa (TPT) will want to emulate.

January 2007 saw TPT trustees travel to Taupo for a two-day strategic planning workshop. The sessions were intensive, peppered by intensive debate around the important work streams and timelines that face TPT over the next 2-3 years. The planning sessions were more than enhanced by the quality of the keynote speakers who presented to trustees over the 2 days of the workshop. The speakers included:

- Hinerangi Raumatī, Chief Financial Officer, Tainui Group Holdings Limited;
- Tahu Potiki, Chief Executive, Ngai Tahu Group Holdings Limited; and
- Shane Jones, Labour Party List MP

Hinerangi gave us insight into the inner workings of the best performing company for 2006. She provided food for thought with respect to the Tainui structure and tax strategy. This is an area in which TPT will want to explore all available options before determining the most efficient tax strategy going forward.

Tahu spoke about the journey for Ngai Tahu from settlement to the present day. He too talked about the Ngai Tahu structure, changes made to that structure since the 1995 settlement, and the reasons for those changes. Trustees were able to glean from his korero, information that will hopefully help us to avoid the pitfalls discovered by Ngai Tahu during their journey.

Shane is chairman of Parliament's powerful Finance Select Committee. He brings with him the benefit of his experience with the Te Ohu Kaimoana settlement. His knowledge of parliament, of his parliamentary colleagues within the Labour Party and across party lines, and his understanding of the legislative process is proving invaluable in the development of our political and communication strategies.



ERU GEORGE
Chairman



KAUPAPA KORERO

Following the two-day workshop, TPT held the first regular meeting of the year on 9th February. That meeting has finalised the recommendations made at the workshop, recommendations which are encapsulated in the 'Transitional Development Plan' (**TDP**). The TDP will be rolled out over the next 2-3 years and will provide the focus and direction for TPT going forward to full elections.

There will be many challenges for TPT in the drive to complete the settlement legislation process, viz. to finalise the negotiations over commercial assets available as a result of the deferred selection mechanism, and to formalise the TPT structures ready to receive settlement assets. We are confident we can meet these

challenges,

We report on the development of Affiliate entities able to receive the initial \$100,000 distribution. We plan to make formal presentations to Affiliates at the Annual General Meeting due in June 2007. The AGM will receive full reports on the KEC operations. I have no doubt that Affiliates will be well pleased with the fiscal responsibility shown by the KEC in its 3 years of operation.

Finally, we report too on the status of the distributions being made to Affiliate Marae. \$50,000 has been distributed to date.

ERU GEORGE
Chairman

REGISTRATION

If your hapu, marae or whanau are having a gathering over coming months, why not contact Te Pumautanga for registration support.

We can provide support, registration forms and newsletters to assist in the registration of yourselves and/or your whanau.

Registered beneficiaries will ultimately benefit from this settlement.

If you have a hui, birthday, sports day, family reunion, Marae working bee, land trust meeting or anything that involves a gathering for our people, phone our registration team on 0800 524 428 or email on registration@tpota.org.nz so we can help register your whanau.

We would love to be of assistance.

Continued from cover page

Residual Negotiations Work Stream

The historical Treaty of Waitangi claims of the Affiliates under the KEC were settled as of the 30th September 2006. The settlement includes a quantum \$36 million and 23 sites of cultural significance to the Affiliates. It also includes Crown Forest Licensed (CFL) lands secured by means of the settlement quantum and an arrangement under what is called a deferred selection mechanism (DSM). The DSM has secured in total, 50,000 ha of CFL lands.

The CFL lands will involve ongoing discussions with Treasury and Kaingaroa Timberlands (KT) with regard to the forestry roading network that runs through the relevant CFL lands. Also around mid-2008 will be the General Review of rentals in respect to all CFL lands. This will predominantly be driven by the Crown and KT, but TPT must participate.

In addition TPT will have opportunity to secure under the DSM other Crown assets such as:

- four geothermal wells in the Nga Tamariki field at Reporoa;
- a 68 hectare dairy farm at Horohoro;
- a 1,450 hectare non-Crown Licensed forest lands in the Horohoro / Mamaku area;
- the land under six schools – Ngongotaha Primary, Horohoro Primary, Lynmore Primary, Owhata Primary, Mokoia Intermediate and Rotokawa Primary; and
- a CYF residential property in Owhata.

All of these assets are the basis for the residual negotiations that TPT are still to negotiate.

Legislative Process Work Stream

The DoS must now be put into legislation. This requires the Government to draft the legislative Bill (the **Bill**). TPT's main role will be to review the draft Bill to ensure it is consistent with the DoS. It is expected that the review of the draft Bill will be completed by mid-May. If this is on track, there is every likelihood that the Bill will be introduced into the House of Parliament (the **House**) by the end of June.

This will see the beginning of the Select

Committee (**SC**) process whereby the committee will call for submissions in support of, or, opposing the Bill. The Bill will undergo three readings before the House. After each reading the SC process kicks in. This process culminates with the passing of the Bill into legislation. TPT will work hard to lobby all parties to support the passage of legislation. The DoS remains conditional until legislated.

Cross Claims and Mandate Issues Work Stream

The Waitangi Tribunal (the **Tribunal**) Urgent Inquiry into the Te Arawa Settlement was held in Rotorua over five days from 26th February to 2nd March. A sixth day of inquiry was held in Wellington on 9th March.

The Inquiry looked into Crown policy and processes with regard to the mandate held by the KEC, and now by TPT, and overlapping claimants' interests with respect to the DoS.

TPT advised its preparedness to assist the Tribunal where relevant and appropriate but did not actively participate in the inquiry. We now await the Tribunal's report on this inquiry. As a matter of record, the KEC and now TPT has faced several litigation actions:

- first Tribunal 5 day Urgent Inquiry held in June 2004;
- a series of mandate reconfirmation hui back in September / October 2004, as directed by the Tribunal;
- a 1 day High Court Hearing in Auckland in November 2004;
- a second Tribunal 1 day Inquiry in Wellington in January 2005;
- a 5 day High Court Hearing in Rotorua in December 2005;
- a series of cross claim hui throughout the CNI;
- facilitation process hui; and
- this most recent 6 day Urgent Inquiry.

To date KEC / TPT has been able to defend their position and the Crown continues to defend the Kaihautu mandate process as well as the

process for dealing with overlapping interests. The Crown does not believe it has breached the principles of the Treaty of Waitangi by agreeing to the DoS.

All the challenges and litigation to date would have cost tax payers and claimant funding combined, between \$2 million and \$3 million.

Transitional Development Work Stream

TPT is undertaking a number of specific activities requiring completion during the EP:

- a Long Range Strategic Plan designed to determine where TPT needs to be by the end of the EP in 2009. The quarter century long range planning should then be commissioned by a well-established and consolidated TPT;
- a draft Commercial Geothermal Feasibility Plan to provide some direction and to consider options around the four geothermal wells offered under the DSM;
- the most efficient tax strategy for the organisation going forward;
- a regional climate change strategy plan

going forward;

- the establishment of Te Arawa Group Holdings (**TAGH**) as the corporate arm of TPT. In the interim and for the EP only, interim directors selected from TPT trustees will comprise the members of TAGH as the Interim Corporate Board (**ICB**); and
- the establishment of the Trust Executive Administration (**TEA**) as the administration and non-commercial development arm of TPT.

If settlement legislation is passed in **December 2007**, Settlement Date will be 20 Business Days after, which will be in **January 2008**. Within 12 months of settlement date, full TPT elections are to be held. Because this is likely to catch the 2008/2009 Christmas/New Year holiday period, the elections will probably be planned for around **February 2009**. If settlement legislation is not passed by the date suggested here, this will effectively push the elections out to some later date, but no later than **October 2009**.

Affiliates establish legal entities

Affiliates continue to engage in discussions regarding the establishment of legal entities capable of receiving the benefits of this settlement, and other Te Arawa settlements. In the immediate future, this will see Affiliate entities eligible to receive a \$100,000 one-off distribution subject to the entity meeting the following criteria.

1. Evidence that the entity is mandated to receive distributions and settlement assets on behalf of the Affiliate Iwi/Hapu;
2. A certified true and correct copy of its formally executed and attested Constitution;
4. The names, addresses and contact details of the persons currently holding the office of Chairperson, Secretary, and Treasurer;

and

5. Evidence of a current bank account in the name of the Affiliate with details of the authorised signatures.

Of the eleven Affiliates, only three have so far taken significant steps to meeting the requirements. The remaining affiliates are strongly urged to do likewise.

The TPT will formally present the distribution to qualifying Affiliates at the Annual General Meeting in June 2007. The AGM will report on the business and finances of the KEC up to 30th November 2006.

Affiliates may apply at any time before the AGM.

\$50,000 paid out in Marae Grants

In the final issue of Kaihautu Korero (November-December 2006), we announced the payment of the first marae grant to Kearoa Marae. Since then a further \$45,000 has been paid to nine other marae. They are:

- Rongomaipapa Marae;
- Taharangi Marae
- Hinekura Marae
- Tapuaeharuru Marae
- Te Roro o Te Rangi Turipuku
- Owhata Marae
- Pikirangi Marae
- Te Pakira Marae
- Hinemihi Marae

Affiliate marae are invited to apply for payment of this grant. The criteria for eligibility are not particularly onerous. However marae must provide the following documentation:

1. Evidence that the Marae is an existing and acknowledged traditional Marae of that Affiliate Iwi/Hapu;
2. A current Maori Land Court generated "MLIS Management Structure Details Report" detailing the Trustees in whose names the Maori Reservation is vested;
3. The names, addresses and contact details of the persons currently holding the office of Chairperson, Secretary and



Koeke of Rongomaipapa Marae , John Edwards and Charlene Kershaw receive the Marae grant from Chairman, Eru George

4. Treasurer of the Marae trustees; and
4. Evidence of a current bank account in the name of the Marae with details of the authorised signatures.

Application for the Marae grant may be made by affiliates, by formal letter to the secretary of the TPT with the relevant documents enclosed. Applications must also carry the authorised signature of the appropriate TPT trustee.

Te Pumautanga makes interim structural changes

The two-day strategic planning work shop has set the direction for TPT over the next 2-3 years. In particular, specific activities under the **Transitional Development Work Stream** were identified and approved.

Hinerangi Raumati of Tainui and Tahu Potiki from Ngai Tahu respectively, presented to the work shop the lessons learnt by Tainui and Ngai

Tahu in the years following their settlements. Their comments proved insightful. Trustees have realised that the planned recruitment of the Corporate Body would be best deferred until mid-2008 and an Interim Corporate Board (ICB) established in its place. This key structural change saw TPT trustees appointed to the ICB, for the establishment period only,

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A second key structural change saw the Trust Executive Administration (**TEA**) arm established.

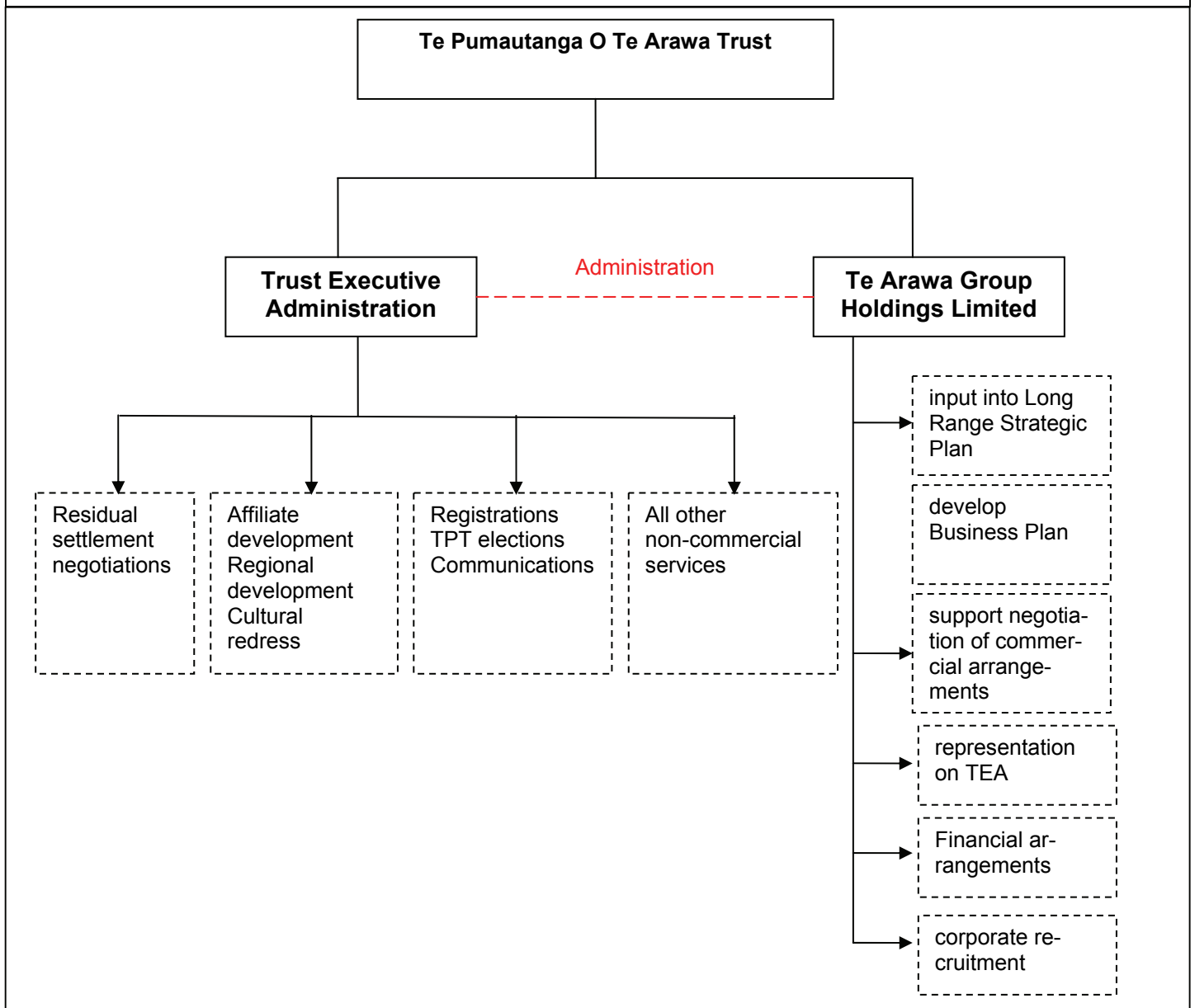
These two key changes clearly show the willingness of trustees to make innovative decisions where doing so is for the benefit of the organisation and the Affiliates.

Figure 1 shows the revised structure of Te Pumautanga O Te Arawa Trust.

Te Pumautanga O Te Arawa Trust (TPT)

TPT is the governance body established under a common law trust. TPT is comprised of fifteen trustees representing the iwi and hapu affiliated to TPT. This is the body that will receive the settlement assets and proceeds to be returned under the DoS. The ownership of these assets will be vested in this body however, it is expected that cultural redress assets where

Figure 1 - Te Pumautanga O Te Arawa Trust Revised Structure



appropriate, will be transferred on to the relevant Affiliate.

Te Arawa Group Holdings (TAGH)

TAGH is the commercial arm of TPT. Its focus is solely commercial. Its subsidiaries have not yet been determined, but they will emerge over time. The diagram shows the areas of responsibility that TAGH will focus on in the interim. Building a strong commercial operation will be its major objective going forward.

Trust Executive Administration (TEA)

TEA is the executive administration arm of TPT. For the transition phase at least. TEA will provide all the general administrative support for TPT and TAGH. This body will manage through the establishment period, the residual negotiations, and social (non-commercial) development and services.

Financial matters

Financial report from Fred Cookson (**Cookson & Forbes CHARTERED ACCOUNTANTS**)
Ngati Uenukukopako representative

Audited financial statements

We are please to report that with the winding up of the KEC, the Trust has completed its obligations in a solvent position. As at 30th November 2006, the Trust has recorded positive equity. The financial statements will now be audited with the full audited financial statements available for the annual general meeting scheduled to be held some time in June.

Financial reporting for the TPT

Fred Cookson, Trust Financial representative, presented the financial update and budget forecast for the Trust at the trustees' recent strategic planning workshop held in Taupo. Fred was pleased to advise trustees that KEC had finalised its obligations in a solvent position. The transfer of net assets to TPT will assist with the funding of activities in the next fiscal year to 30th November 2007.

The transparency around financial reporting functions for the Trust will be maintained to include continued monthly budget *versus* actual financial reports to monitor the financial progress of the Trust throughout the fiscal year.



Funding of Affiliate and marae development

The funding of Affiliate and Marae distributions will cost approximately \$1,250,000. TPT has made arrangements with BNZ to assist with financing the distributions to enable the distributions to be available as soon as each Affiliate has complied with the TPT criteria. Financing costs will be serviced by the Trust's operating cash flow.

Taxation status of distributions

With regard to our Affiliates, the \$100,000 distribution is capital in nature and is effectively the distribution of a settlement asset being that of the \$36 million agreed quantum from the Crown. This amount is not taxable to the Affiliates. Any income generated from the employment of these funds is a different matter. The income after expenses will be subject to the tax status of the recipient Affiliate entity.

The distribution is GST exempt so no GST applies as the amount is not generated from a taxable activity.

Generally our Marae do not conduct a

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business taxable activity. Their Marae grants will also be treated as exempt from income tax and GST. Again, the grants are proceeds from a historic settlement which is not a taxable activity. Further as our Marae carry out charitable purposes for whanau, Hapu, Iwi and the community, I am of the opinion that all funds received by the Marae should be exempt from income tax subject to those funds being applied to those charitable and community purposes.

Charities Act 206 Registration of Marae

Marae have charitable purposes and in order to protect their charitable status should register with the Charities Commission. The following conditions must be met:

1. The physical nature of the Marae is situated on land that is a Maori reservation referred to in *Te Ture Whenua Maori Act 1993 - Maori Land Act*.
2. The funds of the Marae are used only for the administration and maintenance of the land and, of the physical structure of the Marae or some other charitable purpose.

It is important that all Marae register with the Commission. Registration forms and further information can be obtained from

Call free: 0508-242-748

Email info@charities.govt.nz

PANUI

“Panui” is provided for Affiliate iwi and hapu wishing to engage in direct communication with beneficiaries.

The views expressed may not necessarily reflect those views of Te Pumautanga O Te Arawa Trust.

Contributions may be forwarded in a hard copy to the office (refer below) or in an electronic format to tpota@xtra.co.nz

The editor reserves the right to decline to publish readers’ contributions.

If your marae, hapu or iwi would like to advertise upcoming hui or important dates, please email your details to tpota@xtra.co.nz so we can include your notice in any upcoming newsletters.

E-News

We now have the capacity to send your copy of the Pumautanga Korero to your email address. If you would like receive your copy by e-mail, please email the office at tpota@xtra.co.nz and advise your name and current postal address.

**Pumautanga Korero
PO Box 6084
ROTORUA**



PANUI

TUHOURLANGI TRIBAL AUTHORITY Inaugural Trustee Election

INTRODUCTION

In 2006, a number of significant events occurred in Te Arawa:

- Te Kotahitanga O Te Arawa Waka fisheries allocation to Iwi/Hapu finalised;
- Te Arawa Lakes settlement Act passed;
- Nga Kaihautu O Te Arawa signs a Deed of Settlement with the Crown.

These events triggered off discussion amongst Tuhourangi to seriously consider representation options and an appropriate entity able to receive the settlement benefits and provide a collective organisational structure for Tuhourangi.

Following Hui-a-Iwi in December 2006 and January 2007, Tuhourangi met on 18th February and approved the establishment of the Tuhourangi Tribal Authority as that entity.

NOMINATIONS

Public notices calling for nominations for trustees to sit on the Tuhourangi Tribal Authority have been placed in local, regional and national papers. In addition, more than 3,000 individual notices were mailed out to Tuhourangi beneficiaries. The notices encouraged the nominations of people to best represent the interests of Tuhourangi.

Nominations closed at **5 pm on 20th March 2007**.

ELECTION MEETING

An election meeting to elect the candidates will be held at **Te Pakira Marae, Whakarewarewa** on **Saturday, 28th April 2007 starting at 1 pm. *You must be present at the meeting to vote.*** No postal or proxy votes are permitted.

ELIGIBILITY TO VOTE

Each Adult member registered as Tuhourangi on the Beneficiary Register of either Te Pumautanga o Te Arawa Trust **OR** Te Arawa Lakes Trust **OR** Te Kotahitanga o Te Arawa Waka Fisheries and the Tuhourangi Tribal Authority is eligible to vote. Each Adult member may cast up to seven (7) votes at the Election Meeting.

Each Adult member intending to vote must be recorded as a member of Tuhourangi, by **13th April 2007**. Please make sure you register early!

Any further queries or matters for clarification regarding the election of Trustees may be directed to:

**Deputy Returning Officer
Tuhourangi Tribal Authority
PO Box 6084
ROTORUA 3043**

**Ph 07 347 4615
OR 0800 524 428 (NZ)
OR 1800 237 527 (AUST)**

Contact Details

Te Pumautanga O Te Arawa Trust

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Ruka Hughes	Ngati Rongomai	07 362 7785, 027 4065784
Te Rangipuawhe Maika	Tuhourangi Ngati Wahiao	07 347 1624 rangi.maika@xtra.co.nz
Anaru Rangiheuea	Tuhourangi Ngati Wahiao	07 362 8858
John Waaka	Tuhourangi Ngati Wahiao	07348 1714, 0274 991046 jetwaaka@xtra.co.nz
Eru George	Ngati Tuara/Ngati Kearoa	0274 733582 erug@xtra.co.nz
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Edwin McKinnon	Ngati Pikiao	07 362 0782
Jim Schuster	Ngati Pikiao	07 362 7757, 021 421551 jim.cathy@slingshot.co.nz
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