

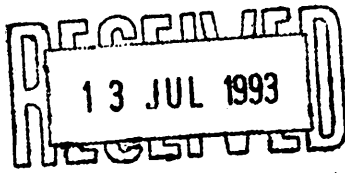
BELL GULLY BUDDLE WEIR

ENERGY & NATURAL RESOURCES LAW ASSOCIATION OF N.Z. INC.

SEMINAR 19 FEBRUARY 1993

MAORI CLAIMS & RIGHTS TO NATURAL RESOURCES

THE NGAI TAHU CLAIM



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THE NGAI TAHU CLAIM

1. GOVERNMENT POLICY

In its Maori policy for the 1990 General Election the National Party confirmed that it would:

- Regard the Treaty of Waitangi as the founding document of New Zealand.
- Give priority to resolving outstanding Maori grievances where they are genuine and proven.
- Leave the Waitangi Tribunal to have the responsibility for establishing the factual evidence of any particular claim and making recommendations to resolve the claim.

2. STATE-OWNED ENTERPRISES ACT 1986

In 1986 the Labour Government proposed and put before Parliament the State-Owned Enterprises Bill. That was the measure by which it was going to hand over Government assets, including Crown land, to new commercial organisations.

A provision was inserted into the Bill which would have restricted the transfer of assets to State-Owned Enterprises provided that Treaty claims were submitted to the Waitangi Tribunal before 18 December 1986.

3. THE CLAIM TO THE WAITANGI TRIBUNAL

Thus it was that the Ngai Tahu Maori Trust Board filed a claim with the Tribunal in respect of a large part of the South Island. The claim related to eight land transactions that had taken place between 1844 and 1864. Those eight "purchases" have, together with the ninth element of the claim which relates to fishing and other food rights, become known as "The Nine Tall Trees".

It is important to understand that under its Waitangi Tribunal claim Ngai Tahu did not lay claim to all land within its traditional rohe (region).

The claim was not, as so many people believe, to the whole of the South Island. Neither did it relate to private land.

The initial purpose of submitting the claim was to freeze the position and avoid any prospect of the Crown disposing of its assets before the Tribunal could reach a conclusion.

As it turned out, the scale and complexity of the claim was such that, although it was lodged with the Tribunal in December 1986, the Report of the Tribunal was not published until February 1991. The Tribunal sat for 25 weeks over a period from August 1987 to October 1989.

The Report, when delivered, was contained in three volumes and ran to some 1,254 pages. It constitutes an almost total vindication of the Ngai Tahu grievances, grievances which the tribe had sought to remedy for more than 140 years.

4. BASIS OF GRIEVANCE

[Annex 1 - Crown acquisitions of Ngai Tahu lands.]

The scope of the grievances of Ngai Tahu is enormous. It does not derive from a single action by the Crown but from a series of events which took place over 20 years from 1844 to 1864.

Ngai Tahu's fisheries claim has been dealt with separately by the Waitangi Tribunal and, as everyone must be aware, has been the subject of a recent further report from the Tribunal.

Again, that Report entirely vindicated the Ngai Tahu claim.

Whilst there is no empirical evidence to prove the point, the Crown's recent moves to resolve all Maori sea fisheries claims may not be entirely unrelated to the findings of the Tribunal.

I will not be covering the Ngai Tahu fisheries claim in this talk. The land claim is quite large enough to fill my allotted time.

5. ESSENTIAL ELEMENTS OF THE GRIEVANCE

The main components of Ngai Tahu's grievance and loss stem from:

- The failure by the Crown to comply with its obligations to reserve adequate land from the eight purchases for Ngai Tahu.
- The failure by the Crown to pay an adequate price for the land purchased.
- The failure by the Crown to provide adequate mahinga kai resources for Ngai Tahu. Mahinga kai are essentially food gathering places which were used on a seasonal basis to gather food for subsistence and also for trade.

There were also subsidiary elements to the grievance arising from:

- The Crown's inadequate provision of schools and hospitals.
- The "undergrowth claims" which related to approximately 100 small land based claims.

6. RESERVES NOT AWARDED

A careful analysis of the Tribunal Report shows that at the very least the Crown should have reserved and returned to Ngai Tahu in accordance with its contractual obligations, at least a tenth of the land purchased. That tenth should also have been of fair average value, and included urban and rural land.

Had the Crown returned adequate reserves to Ngai Tahu the tribe would have been able to enhance its resources alongside those of the colonists and would, even in the context of the free market that then largely prevailed, have become a significant economic power in the land.

7. INADEQUATE PRICE

[Annex 2 - Reserves/Price.]

As you will see from these brief tables, not only did the Crown deliver a mere fraction of the tenths that it was obligated to provide, it also paid a derisory price for virtually all of its purchases.

The reason for Ngai Tahu accepting such pittance for its land was largely related to the failure on the part of the Crown to appoint independent protectors whose task it would have been to ensure that Ngai Tahu were fairly dealt with in the negotiations leading to the sales.

8. SUMMARY OF THE LOSS

It is apparent from the stark figures in these tables that the Crown acquired more than half the land mass of New Zealand, some 34.5 million acres, for the princely sum of £14,750.

If we ignore the last purchase of Rakiura (Stewart Island) for £6,000, the remainder, 34 million acres, was acquired for £8,750. Its real value at that time was, conservatively, in excess of £2 million.

Of the 34.5 million acres, out of which, at least 3.4 million acres should have been reserved, only 37,492 acres were provided to Ngai Tahu. That was just over a tenth of one per cent. - a far cry from 10 per cent.

In an economic sense, Ngai Tahu was not so much marginalised as put right out of the game.

Although the New Zealand school curriculum is only just beginning to recognise the importance of New Zealand's colonial history and the treatment of Maori, some people will have a vague awareness of the legislative and military rape and pillage carried out in Taranaki and the Waikato - raupatu or confiscations rank amongst the darkest chapters of New Zealand history. It is easy to see those Crown actions and the use of the militia as "red collar" crime.

However, a major distinguishing feature of the Ngai Tahu grievances is that the offences perpetrated on Ngai Tahu were very much "white collar crimes". They arose from breaches of contract, sometimes fraudulent in nature.

In fact, had there been a Serious Fraud Office in the 19th century, there is no doubt that its Christchurch branch would have been seriously overworked.

Perhaps the only saving feature is the absence of direct physical violence.

9. NGAI TAHU'S STANCE IN THE NEGOTIATIONS

For those of you who hoped for some insight into the secrets of the negotiating chamber - well I am afraid that I am going to disappoint you.

I can tell you, Ngai Tahu has adopted two quite clear positions for its negotiating stance which need to be understood by the world at large.

- Ngai Tahu recognises that the value in present day terms of its loss is so enormous that it is beyond the capacity of the State to compensate that loss in its entirety.
- The Waitangi Tribunal Report has stated very clearly that "the Crown acted unconscionably and in repeated breach of the Treaty of Waitangi... The Tribe is clearly entitled to a very substantial redress from the Crown."

Whilst full compensation is neither claimed nor possible, the reality is that for a settlement to be just and durable, its value must be substantial.

Finally, it is worth repeating that Ngai Tahu are restricting their claim to Crown assets. There is no suggestion of a claim against private property.

10. THE TASK OF THE NEGOTIATORS

The sheer size and complexity of the Tribunal Report is a fair measure of the scale of the task which confronts the Negotiators for Ngai Tahu and the Crown.

Assessing the measure of the loss, the ability of the Crown to compensate and achieving a fair balance is something which, with the best will in the world, is going to take time. 140 years of grievances cannot be resolved overnight.

Ngai Tahu were registering their complaints with the Government of the day even before the last of the purchases had taken place. During the latter part of the 19th century and the early part of the 20th, there were a series of enquiries which were either stifled by Government or largely ignored.

There is a marked contrast today. There is an undoubted and genuine desire on the part of Government and Doug Graham, the Minister in charge of negotiations, to resolve not only the Ngai Tahu claim but other claims.

This Government has recognised the need not to "impose" a settlement, but to work through every feature with the Chairman. The days of "take it or leave it" when dealing with Maori are over.

11. THE TEAMS

The Waitangi Tribunal restricted itself almost entirely to findings on the facts of the claim. It took the view that settlement of the grievances could only be concluded by negotiation. It has therefore been necessary for the Negotiating Teams to construct a framework within which to work.

The negotiations are now over a year old and they have settled into a fairly steady routine which may, by Christmas, result in some positive developments.

The Ngai Tahu Negotiating Team has a frontline which consists of four people, Tipene O'Regan, the chairman of the Ngai Tahu Maori Trust Board, his deputy Te Rakihiia Tau, Paul Baines, the chief executive of CS First Boston and myself.

Behind the resources of the Trust Board, CS First Boston and Bell Gully Buddle Weir is a variety of experts from within the tribe who are both paid and unpaid willing helpers and other advisers such as valuers.

As Minister in charge of negotiations, Doug Graham has working directly with him what is known as the "A" Team. This comprises four heads of Government departments, Justice, Conservation and Te Puni Kokiri (the Ministry of Maori Development), together with a Treasury official. Behind that team lies a vast array of officials.

Consultative meetings take place on a regular basis. However, once a month there is a full negotiating session between the Crown's "A" Team and the Ngai Tahu "A" Team.

12. PROCESS

An early development with the negotiation was the signing of a Framework Agreement. Whilst not legally binding, this constituted a commitment on both sides to aim towards an identified timetable and to conduct proceedings within certain agreed guidelines.

For instance, it was recognised by both sides that we would make no progress if there was a "re-litigation" of the Tribunal hearings and findings. So, it was agreed that the general thrust of the Report would be accepted by both sides.

Neither team had any difficulty with the proposal that negotiations should be conducted on a confidential basis. The impossibility of managing such a complex process in public was immediately apparent. There is a need to examine many novel concepts, most of which could, if only partially understood or prematurely revealed, cause unwarranted public disquiet.

Overall the policy of maintaining confidentiality has been understood and accepted by the public, although some extreme conservationist fringes have performed hakas with monotonous regularity, either because they claim they are going to be denied the chance to climb mountains and fall off then or because they believe that Ngai Tahu, given half a chance, will put the last survivors of threatened species in the cooking pot.

Shortly before Christmas the Minister of Conservation in reassuring some excited conservationists was constrained to remark that:

"There is a deep-seated feeling that if Maori get their hands on the conservation estate they will tear down the forests, poach all the pigeons, set up Kentucky-Fried Kakapo stalls and put up "keep Out" signs over the main roads into the park. It is an emotion [said the Minister] that I have to say borders on irrationality."

For those of us sitting at the negotiating table, particularly on the Ngai Tahu side, there is a curious mixture of mirth and frustration at the antics of the fringe. However, it does not deflect us from the task.

13. THE PEG

Ngai Tahu have held the position from the outset that, as the State cannot possibly afford to compensate their loss in full. They will have to accept a substantially lesser value. But the tribe must have a clear idea of how much it lost.

The necessary concession that will lead to a settlement must be made on an informed basis. The value and composition of the settlement must be able to stand the test of rational analysis.

Ultimately, both teams of Negotiators will need to report to their principals. In the Crown's case Mr Graham will report to Cabinet and in Ngai Tahu's case we will report to Te Runanganui o Tahu, the parliament of Ngai Tahu. If we are to make recommendations to settle at a particular level, then the tribe must be able to put that settlement in the perspective of the overall loss.

Thus, Ngai Tahu embarked at an early stage from a valuation in present date dollars of the reserves which were not awarded. At the same time, a present date valuation was made of the shortfall on the consideration paid for Ngai Tahu's lands.

You will not be surprised to learn that the figures are substantial, so substantial in fact that Doug Graham, to ease the Negotiators' burden on both sides has coined a new unit of currency known as "the grozillion".

It is, of course, impossible to fix a precise present day value of the loss. In any event, the figures are so large, that fixing a range of values will suffice for this exercise which is essentially one of placing a settlement in perspective.

14. COMPOSITION OF A SETTLEMENT

At the ceremony in the Beehive last year which marked the opening of negotiations, Tipene O'Regan said that Ngai Tahu was keen to get out of "grievance mode", to be recapitalised in their own "landscape" and to go forward in "production mode".

He said that a settlement was sought which comprised:

- Resources and land ownership.
- Areas of shared management and authority with the Crown Treaty partner. The appropriate relationship and solution lie in the area of partnership and at the end of the day views must be based on the quality and health of the natural resources and the environment.
- Some cash as an important lubricant for the business of development and to get some of the assets back to Maori people and into production and viable form. To have land and resources lumped back without capitalisation would be to impose a further liability and thus the nature and shape of cashflow would be critical.

He summed up by saying that land, shared management and cash were the three core elements sought. Ngai Tahu are looking for a balance and a relationship of these three and both sides would have to be creative in their approach to find the necessary solutions to match the scale of the loss Ngai Tahu had endured.

Once the Negotiators have reached a view of the appropriate value for a settlement, the teams will conclude the fascinating task of identifying those Crown assets within Ngai Tahu's territory which have the necessary quality and will constitute the right mix to restore Ngai Tahu's economic base.

15. LEGAL PERSONALITY

Finally, when all of that is done there is still one important ingredient. It is an ingredient which will be common to the resolution of all Maori claims.

The Waitangi Tribunal in its Report identified the clear need for an appropriate tribal structure to control and administer the tribal assets. That structure requires legal status. The legal personality, when created, will be able to act on behalf of the tribe and, most importantly for the Crown, to constitute the party with whom the Crown can contract a binding and enduring settlement.

Appropriate legislation will be required to give the tribe its legal personality. The tribe will then adopt its own charter and will through that govern all of its affairs.

The model will see the eighteen papatipu runanga, that is the marae-based traditional runanga of Ngai Tahu, formed together much as they are today into a governing body of the tribe. It will act as a policy making body and have overall responsibility as kaitiaki or guardian of the assets on behalf of all Ngai Tahu beneficiaries.

Beneath this body, Te Runanga o Ngai Tahu, will be a corporate structure comprising two separate components.

One will be the commercial or business arm of the tribe comprising such businesses as fishing, tourism, farming and any other appropriate commercial enterprise.

The other will be directed towards the social and cultural development of the tribe.

In simple terms, profits will be made by one arm of the organisation and, to the extent that they are not needed to enhance the business side, will be transferred to the other side for the general welfare of the tribe.

16. CONCLUSION

The task is enormous and, not a little daunting. In concluding, I can do no better than quote the words of Paul Temm Q.C., now Mr Justice Temm, who was leading counsel for Ngai Tahu throughout the hearing before the Tribunal.

He invited the Tribunal at the conclusion of his summing up to pause for a moment and reflect on the wisdom in the words of Sir Apirana Ngata in a speech he made on 28 September 1928 in the House of Representatives. He was speaking on the Report of the Royal Commission into the Confiscations of Native Land and he said:

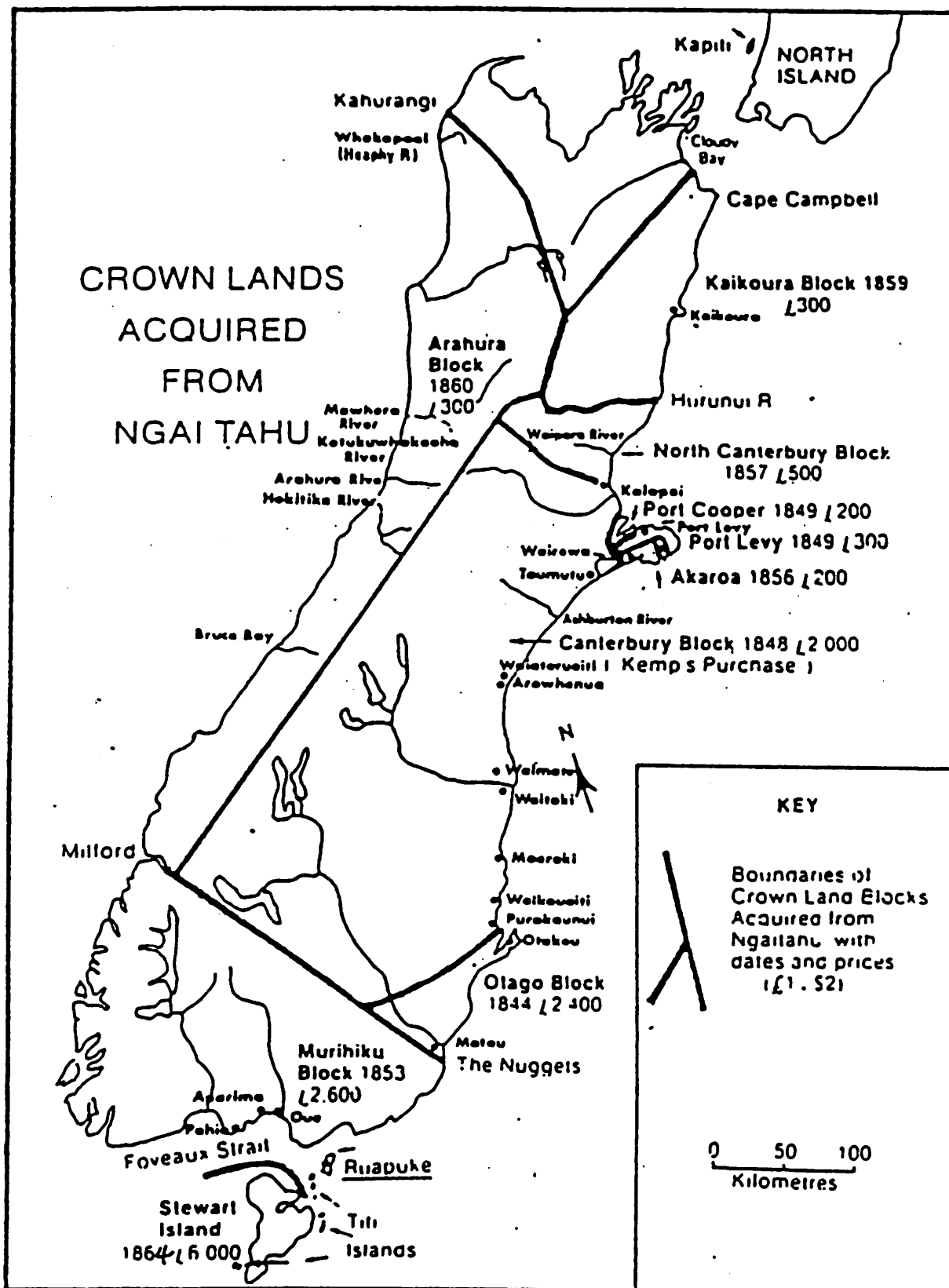
"Naturally, when a body of people comes to tackle a question over 60 years old, it requires a good deal of courage, and they must be imbued greatly with a sense of justice, to overcome the hesitation of reversing, to some extent, the verdict of history..".

The 64 years that have passed since that speech have only served to affirm its relevance.

His thoughts certainly apply to those involved in the Ngai Tahu negotiations. They will be equally relevant for each one of you when the results of the negotiations are ultimately revealed to the public gaze.

N D Davidson
8 February 1992.

APPENDIX 1



Crown Acquisitions of Ngai Tahu Lands

Note on Monetary Values: In the land transactions of this period the pound sterling (£1), nominally equivalent to \$2, was of course worth much more than it is in the late '20th Century. In 1851 in Canterbury, £1 represented forty hours' wages for an unskilled labourer or navy.

APPENDIX 2

Table of Purchase and Reserve Areas

| Purchase | Area in acres ¹ | Reserves in acres |
|-------------------|----------------------------|-------------------|
| Otakou | 533,700 | 9615 |
| Kemp (net) | 13,551,400 ² | 6359 |
| Banks Peninsula | 251,500 | 3426 |
| Murihiku | 7,257,500 | 4875 |
| North Canterbury | 2,137,500 | — |
| Kaikoura | 2,817,000 | 5558 |
| Arahura | 6,946,000 | 6724 |
| Rakiura | 420,000 | 935 |
| Total area | 33,915,100 | 37,492 |

1.1%

| Purchase | Price (£) | Area in acres |
|------------------|-----------|---------------|
| Otakou | 2400 | 533,700 |
| Kemp (net) | 2000 | 13,551,400 |
| Banks Peninsula | 550 | 251,500 |
| Murihiku | 2600 | 7,257,500 |
| North Canterbury | 500 | 2,137,500 |
| Kaikoura | 300 | 2,817,000 |
| Arahura | 300 | 6,946,000 |
| Rakiura | 6000 | 420,000 |

If we ignore the last purchase of Rakiura (Stewart Island) for £6000, the remainder, that is all Ngai Tahu land in the South Island, amounting to some 34 million acres, was acquired for £8750.

BELL GULLY BUDDLE WEIR

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SEMINARS 15/16 OCTOBER 1992

MAORI CLAIMS & RIGHTS TO NATURAL RESOURCES

THE NGAI TAHU CLAIM

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This Agreement is made on

1989 between Her Majesty the Queen
in right of New Zealand,
and New Zealand Maori Council and others

1. The Crown will sell
- the existing tree crop, other improvements required to manage and protect the forest and other related assets such as wood supply contracts and forest records.

The Crown will grant a right to the purchaser:

- to use the land for a defined period comprising a term which is evergreen in the sense that it is automatically extended annually by one year until notice of termination is given. In special cases, to be advised by Crown and agreed by Maori representatives, there will also be an initial fixed term of up to ten years prior to the start of the evergreen period. The evergreen term and the termination period will be of sufficient length to permit any tree crop purchased by or established by the purchaser to reach maturity and be harvested, in accordance with accepted forestry business practice.
2. The consideration will comprise:
- a) an initial capital payment for the tree crop and other assets paid to the Crown; and
 - b) an annual market based rental for use of the land paid in advance.
3. The right to use the land will prescribe fully all material terms including the covenants and requirements associated with recreation and public access, protection of historic places and Wahi Tapu, soil and water conservation, reservation of rights to minerals, protection of reserve areas and forest management requirements, and will include a termination provision which, at no cost to the successful claimant, will automatically be triggered on resumption. The continued right to use the land during the termination period will entitle the purchaser to protect and manage the tree crop established at the time of resumption, and harvest the tree crop in accordance with accepted forestry business practice.

The contract entered into at the outset between the Crown and the purchaser will specify the rights of each and the incidence of costs of access, protection and other relevant matters, over the termination period.

The provisions of the pro forma legal agreement to be entered into between the Crown and the successful purchaser relating to land use rights will be approved by representatives of Maori interests before they are finalised. Maori will not participate in a negotiation with individual purchasers. The Crown will give an assurance that the final agreements will conform with the provisions of the pro forma document.

5. The Crown reserves the power, in the granting of rights to use the land for a defined period, to confer on the purchaser a right to freehold the land subject to the Waitangi Tribunal recommending that the land is no longer liable to resumption, in accordance with the Treaty of Waitangi (State Enterprises) Act or other legislation having the same effect.
6. The Crown and Maori agree that they will jointly use their best endeavours to enable the Waitangi Tribunal to identify and process all claims relating to forestry lands and to make recommendations within the shortest reasonable period.
7. If the Waitangi Tribunal recommends that land is no longer subject to resumption, the Crown's ownership and related rights are confirmed.

8. If the Waitangi Tribunal recommends the return of land to Maori ownership the Crown will transfer the land to the successful claimant together with the Crown's rights and obligations in respect of the land and in addition:
- a) compensate the successful claimant for the fact that the land being returned is subject to encumbrances, by payment of 5% of the sum calculated by one of the methods (at the option of the successful claimant) referred to in paragraph 9 and,
 - b) further compensate the successful claimant by paying the balance of the total sum calculated in paragraph 8(a) above or such lesser proportion as the Tribunal may recommend.

In none of the above will the purchaser be involved in compensation or payment to the successful claimant (i.e. the purchaser's rights and obligations would be those specified in the original contract).

All payments made pursuant to paragraph 8 may be taken into account by the Waitangi Tribunal in making any recommendation under sections 6 (3) and 6 (4) of the Treaty of Waitangi Act 1975.

Payments made to successful claimants under paragraph 8 (other than stumpage) will be tax free in the hands of the recipients.

9. The methods of calculating the total sum on which compensation payable under paragraph 8 is based, are

EITHER

- a) (i) the market value of the tree crop and associated assets assessed at the time resumption is recommended. The value is to be determined on the basis of a willing buyer / willing seller based on the projected harvesting pattern that a prudent forest owner would be expected to follow or;
- (ii) the market stumpage of wood harvested each year over the termination period. Market stumpage to be determined in accordance with normal forestry business practice;

OR

- b) the sales proceeds received by the Crown, plus a return on those proceeds for the period between sale and resumption. The return shall be limited to maintaining the real value of the sale proceeds during a period of grace of four years from the time of sale where a claim has been filed prior to the sale occurring, or from the time a claim is filed if after the sale. The period of grace may be extended beyond four years where the Tribunal is satisfied that an adequately resourced claimant is wilfully delaying proceedings or that for reasons beyond its control, the Crown is prevented from carrying out a relevant obligation under this agreement. Where the period of grace has expired then the subsequent return shall be based on one year government stock rate measured on a rolling annual basis plus an additional margin of 4% to reflect the return on forestry.

The payment per hectare of land resumed shall not be less than an amount equal to the average price per hectare of the exotic forest lot as specified in the selling process as one forest lot for bidding purposes. However,

- (i) where a bid is accepted for a number of lots as one parcel the average price reflects the total parcel; and
- (ii) where the lot concerned has an average age distribution of less than five years, the average price applied is that of the same NZ Forestry Corporation Administrative District existing at the time of sale.

A claim shall be deemed to be filed when the ^{Registrar} Chairman of the Waitangi Tribunal ^{notifies the} ~~directs that it be~~ transferred from the provisional claims register to the Y register.
claimant that the claim in appropriate form is filed.

10. The following provisions will operate upon a recommendation for return of land by the Waitangi Tribunal under paragraph 8:
- (i) rental payments for the use of the land following resumption will be paid by the purchaser to the successful claimant;
 - (ii) the successful claimant will have the right during the termination period to progressively resume occupancy of the land as clearfelling of the tree crop takes place;
 - (iii) the successful claimant will be entitled to payment from the Rental Trust (see paragraph 11 below) of an amount equal to all the rental payments for the land resumed covering the period from the time of the sale to the time of resumption.
11. i) The annual rental payments from the land are to be set aside in a fund administered by a trust (to be known as the Rental Trust). The final beneficiaries of the Rental Trust will be the successful claimants and the Crown. Both Maori and Crown interests will appoint trustees to the trust.
- ii) The interest earned by the fund will be made available to assist Maori in the preparation, presentation and negotiation of claims before the Waitangi Tribunal which are involved with, or could involve, forests lands covered by this agreement. The trustees will be responsible for setting appropriate criteria for, and allocating funds to, claimants in a timely fashion and for ensuring confidentiality of all information supplied by claimants.
 - iii) the expenses associated with the administration of the Rental Trust will be a charge against the interest earned by the fund. The trustees will be responsible for the production of a set of audited annual accounts.
 - iv) When any land covered by this agreement is recommended for resumption by the Waitangi Tribunal, the accumulated capital in the Rental Trust relevant to that piece of land will be paid to the successful claimant. Whenever the Tribunal recommends that land is no longer subject to resumption, the accumulated capital in the Rental Trust relevant to that piece of land will be paid to the Crown.
 - v) Upon completion of this agreement and arrangements for the trust the Crown will pay into the Trust for the purposes specified in 11 (i) above the sum of \$3million by way of an advance against interest to be derived from rent received by the Trust. The Crown will advance a further sum of up to \$2million to the Trustees on their review in July 1990 or such later date as the Trustees recommend in the light of the utilisation of the initial payment and the continuing needs of Maori claimants. Such advances will be repayable only out of interest derived from actual rental receipts, subject to receipt of which, interest repayments will commence one year after the first \$5million in rental interest payments has accrued, such repayments to be in amounts to be agreed between the Crown and the Trustees.
- Any monies remaining over from this account after all claims over forest lands have been settled will be refunded to the Crown.
12. In recognition of the costs already incurred, or to be incurred by Maori in reaching and fulfilling this agreement the Crown will pay to the New Zealand Maori Council a sum of \$1 million to be paid to people representing Maori interests generally, including the Council, for the following purposes:
- a) the costs of the Court action concerning the Crown's intention to sell its commercial forestry assets taken by the Council in early 1989;
 - b) the obtaining of legal, financial and technical advice required to facilitate discussions, negotiations and the drawing up of contracts, legislation and consent orders concerned with and arising from this agreement;

- c) the obtaining of advice required to facilitate discussion and negotiations and drawing up of appropriate agreements associated with the Rental Trust;
- d) associated travel and ancillary costs concerned with the above and associated consultations with iwi representatives;
- e) any other purpose agreed with the Crown.

The funds may not be used for future Court actions which the Council or other Maori interests might wish to pursue against the Crown, or any other party, in connection with this agreement.

The sum will be paid as follows:

\$500,000 within 10 business days following execution of this agreement, and \$250,000 per quarter thereafter.

The New Zealand Maori Council will annually supply to the Government an audited set of accounts detailing the manner in which the funds have been used.

- 13. The Crown may advertise the sale and continue with the sales process but will not call for bids for the forest (being the point at which the pro forma legal agreement will be delivered to interested parties) prior to agreement being reached between the parties on the format of the draft legislation, the consent order to be sought from the Court of Appeal and the pro forma legal agreement for sale (described in paragraph 4 above) as may be required to fulfil this agreement.
- 14. This document covers the State commercial exotic plantation forests. No discussions have taken place on the indigenous production forests or the two State sawmills.
- 15. The attached annex lists the main principles of the two parties within under which this Agreement has been negotiated.
- 16. The provisions of this agreement are to be reflected and embodied where appropriate in draft legislation and in any event in a trust deed and consent order, the terms of each of which are to be agreed by the parties, in accordance with this agreement.

Executed as an agreement

Signed by:

Minister of

In the presence of

Signed by the following Maori Representatives including the New Zealand Maori Council

Duly authorised on behalf
of the New Zealand Maori Council
in the presence of:

Signed By

as

in the presence of

Signed By

as

in the presence of

Signed By

as

in the presence of

Signed By

as

in the presence of

Signed By

as

in the presence of

ANNEX

Maori Principles

- (i) uphold the articles of the Treaty of Waitangi and the protections in current legislation;
- (ii) minimise the alienation of property which rightly belongs to Maori;
- (iii) optimise the economic position of Maori.

Crown Principles

- (i) to safeguard the integrity of the sale by guaranteeing security of tenure to purchasers to avoid discounting and to encourage investment in the forestry industry
 - security of tenure must involve purchasers having guaranteed access to wood and sufficient control over forest management to assure that wood supply;
- (ii) honour the principles of the Treaty of Waitangi by adequately securing the position of claimants relying on the Treaty
 - adequately securing the claimant's position must involve the ability to compensate for loss once the claim is successful.