

### **2008 Chairman's Report**

*Tena koutou katoa, nga whanau whanui o nga iwi e wha ki runga i Tau Ihu o te waka a Maui.  
Nga mihi mahana, mihi aroha ki a koutou.*

*He mihi ki te Runga Rawa, te Matua nui i te Rangi. Mihi whakawhetai ki a koe mo tou  
manakitanga ki a matou.*

*Nga mihi ki nga tini aitua e ngaro nei ki runga i tau e muri. Haere, haere, haere atu ra. Moe mai.  
Moe mai nga taonga. Ko koe e Chris te rangatira tuatahi o tenei roopu o tenei whakaaro. Haere  
e hoa. Haere ki te ringaringa o o tatou tupuna o o tatou Matua, Io. Haere atu ana ki tou whaea e  
Olive. Moe mai, moe mai korua.*

*He mihi ki te Kahui Arikinui me te kingi Maori, Tu Heitia.*

*No reira, nga koroua, kuia, pakeke, tamariki, mokopuna o Ngati Koata, Ngati Rarua, Ngati Tama  
me Te Atiawa hoki, tena koutou, tena koutou, tena koutou katoa.*

What a year this has been for our roopu and the take that we have been entrusted with. So much has happened, so much has been achieved, and so much we could also have done.

### **Key Milestones**

There have been some key milestones that deserve noting during the past financial year and up until this point in time. They include:

- Signing of the Terms of Negotiation with the Crown at Whakatu Marae on Tuesday 27 November 2007.
- The decision in February to push for a District-wide settlement in the expectation that this would lead to best settlement offer for all of the iwi in Te Tau Ihu (an expectation that was subsequently borne out).
- The commercial and financial negotiations being led by Chris Atutahi, Waari Ward-Holmes and Tim Castle and supported by the rest of the Core Negotiating Team which led to the Tainui Taranaki board accepting a significant initial offer from the Dr Cullen.
- The sad and untimely passing of Chris shortly afterwards and the huge impact his loss has had on our negotiations.
- The extensive and difficult cultural negotiations with the Crown, Kurahaupō and Ngāti Toa that began in May and could not be completed in time for an Agreement in Principle to be signed before the General election..
- A Letter of Offer from Dr Cullen and Parekura Horomia (signed as Crown representatives rather than Labour MP's) outlining a reduced commercial and financial offer and clarifying their cultural offer to Tainui Taranaki.
- The ongoing and helpful support of Crown Forestry Rental Trust, which is providing significant funding to assist Tainui Taranaki achieve its settlement milestones.

### **Mandate**

Before discussing some of the milestones listed above, I would like to thank again those harakeke (the Iwi members of the four Iwi that make up the Tainui Taranaki Large Natural Group) who have given their mandate to Tainui Taranaki to negotiate a settlement on their behalf. The mandate given via the mandating process was one of the strongest that the Office of Treaty Settlements had received up until that time.

We thank you for your trust and support. We know it is not an easy thing to give some of the responsibility you have been entrusted with by your tupuna to us and I believe we have honoured that trust.

It is also timely to remember what this mandate is for. The Tainui Taranaki board is mandated by our Iwi members to:

- Agree on the Terms of the Negotiations with the Crown.
- Agree an Agreement in Principle (AiP) with the Crown and bring that AiP to the people for ratification, remembering that an AiP is not the final settlement but a further significant milestone on the path to settlement.
- Agree, subject to ratification, a Deed of Settlement (DoS). Note, we cannot accept the DoS, only the iwi members can. We can only conclude the terms of the DoS and must then bring that DoS to the iwi members for ratification. – this is a safety mechanism for you in this whole process.
- Advise our iwi members on appropriate post-settlement entities to receive and manage the settlement assets and assist them to set them up. Note, Tainui Taranaki is only the mandated vehicle to negotiate a settlement. It is not the receiving entity of that settlement. Settlement assets will go to iwi mandated organisations as determined by iwi. The fact that this discussion hasn't taken place yet is a reflection of the significant other issues that have arisen over the last year and it remains an issue that the Board is committed to addressing.
- Facilitate the conduct of the ratification process and passing of the legislation necessary to effect the settlement.

The board members on Tainui Taranaki are appointed by their respective shareholding boards (the four Iwi and Wakatū Incorporation), and only the shareholding boards can appoint or withdraw their mandated representatives.

### **Chris Atutahi**

The passing of Chris left a profound impression on many of us and we will remember him and his work on our behalf with absolute respect. Our hearts went out to Natalie and their girls, Mariah, Renee and Nicole, at that time; and then a few months later to their wider whānau as Chris' mother Olive also died.

Chris was a tireless manager with vision, courage and a healthy disrespect for 'the way things are done'. He brought new ideas and ways of doing things that allowed Tainui Taranaki to pull a large amount of valuable information together as we prepared for our negotiations. He was liked and respected by all the board and he had also built up a strong working relationship with Jo. They were awesome together.

The Tainui Taranaki board suffered a great loss when Chris died and from which we never fully recovered. This inability to transition following this loss was another reason why we didn't progress as fast as we should have and this too will need to be dealt with post-AiP. When Chris passed away the Board agreed to replace him as soon as we reached AiP so as not to lose focus. At that time we expected an AiP to be a matter of weeks (and not months) away. Not having a manager has been identified as a pressing matter to address.

### **Crown Forest Rental Trust**

We were fortunate to receive substantial funding from the Crown Forest Rental trust to undertake considerable research on all the potential economic opportunities in Te Tau Ihu. Chris's engineering background was invaluable in drawing together a team of professionals whose work gave the Board the confidence to fast track negotiations with the Crown when that opportunity came up.

### **Negotiations**

The negotiations, after starting with great promise with the enhanced commercial and financial offer, stalled over the cultural redress. Invariably it came down to differences over relative customary interests, what the Crown Treaty Settlement Process is about and the interpretation of the Waitangi Tribunal's recommendations.

The settlement process is a purely political and pragmatic process conducted by the Crown to provide the commercial/financial and cultural redress necessary in order for an iwi (claimant) to settle their claim. It is similar to 'out of court settlements'.

The difficulty Tainui Taranaki was placed in was the Crown's requirement that all cross claims with Kurahaupo and Ngati Toa were to be settled before AiP and the reluctance by the Crown to communicate full cultural redress offers across all groups.

Our team negotiated with the Crown (and other LNG's) from a principled base and that also added to the difficulties. Perhaps we should have negotiated the best we thought we could get, regardless of what other iwi were offered, so as to get a signed AiP before the election. Or, maybe we should have signed an AiP and moved on thus enhancing the positives (and minimising the less positive part). Unfortunately this was not to be and there is no guarantee that, even if we had been prepared to sign, the other LNGs would have gone along with it and done the same.

With the economic situation turning negative the absence of a concluded AiP means that we now face the risk of a reduction in the value of our commercial and financial offer when we resume negotiations with the new government, with perhaps only a small opportunity for gain in the cultural redress and possibly no resolution in cross claims.

We hope to be able to restart negotiations again before Christmas. We are encouraged that the new government will be formed quickly, but we are unsure of how a National-led government will treat the offers made so far.

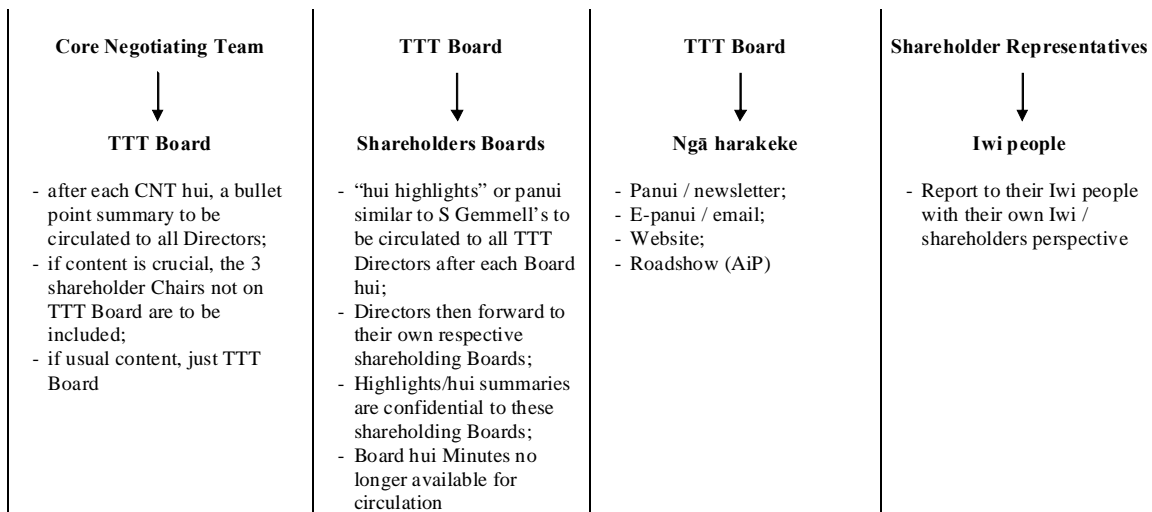
While discussing the negotiations it's important to also note the communications strategy that the board discussed and approved in May of this year (see diagram below). The basis for the communications strategy, given the other Te Tau Ihu negotiations going on, was to keep as much as possible confidential to the negotiating team, then the Tainui Taranaki board, then shareholding boards and finally iwi members.

Problems arose due to the elongated timeframe that we have just undergone and this understandably increased the pressure for information about the progress of the negotiations. However, we remain committed to reporting back as often and as much as we can. We have committed that no final settlement will be signed that hasn't been the subject of full disclosure and intense korero among our iwi members and that THEY HAVE FINAL SIGN-OFF ON IT, not us. Negotiations of this magnitude must be kept confidential so as not to prejudice any part of them prior to the time of a managed release of information.

It is important to remember too that part of the terms for negotiations was that the negotiations remain confidential and that is in line with Crown and OTS expectations.



**Communication Strategy 7/05/08**



**Financial Statements**

Apart from some initial capital provided by our shareholders we have received funding from the Office of Treaty Settlements and the Crown Forest Rental Trust to undertake the negotiations process. Payments are made in arrears of expenditure based on milestones being achieved and it is pleasing to report that we have operated within budget despite the intensity of negotiations. The financial statements show a deficit of \$86,660 at the end of this financial year but has since been reimbursed post balance date.

Since balance date we have been able to negotiate a new funding contract with the Crown Forest Rental Trust that will cover our operations over the forthcoming period through AiP to Deed of Settlement.

### **Conclusion**

On behalf of the board of directors, I would like again to thank the various organisations and people who have assisted us as we move forward on this difficult journey.

We continue to be humbled and mindful of the trust placed in us by our iwi members. We are conscious of the hard and accurate work that Jo Westrupp does on our behalf and thank her.

This coming year (starting in a few weeks time) will be a further challenge and yet exciting as we try to bring closure to these AiP negotiations and focus on the next and final step of reaching Deed of Settlement by the end of 2009.

It is important that the Tainui Taranaki ki te Tonga Board and Core Negotiating Team are able to remain focussed and that we continue to have your support.



Roma Hippolite

Chair

Tainui Taranaki ki te Tonga Ltd

11 November 2008