



Office of Treaty Settlements
Te Tari Whakatau Take e pā ana ki te Tiriti o Waitangi

**Four Monthly Report
March – June 2008**

www.ots.govt.nz

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Overview

This report brings together information on the key outputs of the Office of Treaty Settlements (OTS) for the four months ending 30 June 2008.

OTS negotiates settlements of historical Treaty of Waitangi claims (claims relating to Crown acts and omissions prior to 21 September 1992) on behalf of the Crown. There are over 20 claimant groups from around the country involved in negotiations with the Crown, or in pre-negotiation discussions. The map and tables on the following pages provide an overview.

Seven significant milestones were reached with claimant groups in the four months to 30 June 2008:

- On 7 April 2008, Ngāti Ranginui had their mandate recognised by the Crown.
- On 16 April 2008, Ngāti Porou had their mandate recognised by the Crown.
- On 8 May 2008, Ngāti Pahauwera signed Terms of Negotiation in Wellington.
- On 17 June 2008, Te Arawa (Te Pumautanga o Te Arawa) signed a Deed of Settlement in Rotorua.
- On 16 June, Te Arawa (Te Pumautanga o Te Arawa) had their legislation to implement the Deed of Settlement had its first reading into Parliament.
- On 25 June 2008, the Central North Island Collective signed a Deed of Settlement in Wellington for the settlement of their forestry claims. On the same day, legislation to implement the Deed of Settlement introduced into Parliament.
- On 26 June 2008, Taranaki Whānui ki Te Upoko o Te Ika initialled a Deed of Settlement in Wellington.

Work towards Agreement in Principles continues with ten groups (Ngāti Manawa, Ngāti Kahu, Ngāti Whare, Ngāti Toa, Ngāti Porou, Kurahaupō, Tainui Taranaki ki te Tonga, Ngāti Makino/ Waitaha, Tūranganui-a-Kiwa and Ngāti Pahauwera) and eight groups (Ngāti Apa, Te Rarawa, Te Aupōuri, Taranaki Whānui ki Te Upoko o Te Ika, Waikato-Tainui, Ngātikahu ki Whangaroa, Rangitaane O Manawatu and Ngāti Whātua o Orakei) are working towards Deeds of Settlement.

The Central North Island Collective signed a Deed of Settlement on 25 June 2008 that will transfer 176,000 hectares of Crown forest land to a Trust holding company. The Collective, which represents Ngāi Tūhoe, Ngāti Tūwharetoa, Ngāti Whakaue, Ngāti Whare, Ngāti Manawa, Raukawa and the Affiliate Te Arawa Iwi and Hapu will receive about \$196 million worth of land, about \$223 worth of accumulated forest rentals attached to the land and a share of the annual income stream from that land. The settlement is on account with respect to the iwi groups who are yet to negotiate their individual comprehensive settlements. The Crown will hold a proportion of the land for settlement with Central North Island groups who are not part of the Collective.

To date \$1,001,285 million has been committed to final and comprehensive settlements and several part settlements. This includes \$17.535 million paid as claimant funding separate from the negotiated settlement redress.

The total value of settlements has exceeded \$1 billion in nominal dollars. However, the relativity mechanism in the Waikato-Tainui and Ngai Tahu Deeds of Settlement has not yet been triggered because the relativity mechanism totals all values in 1994 terms, taking account of interest and inflation since 1994. For the purposes of the relativity mechanism, a settlement of \$50 million in 2006/07 is equivalent to a settlement of \$26 million in 1994.

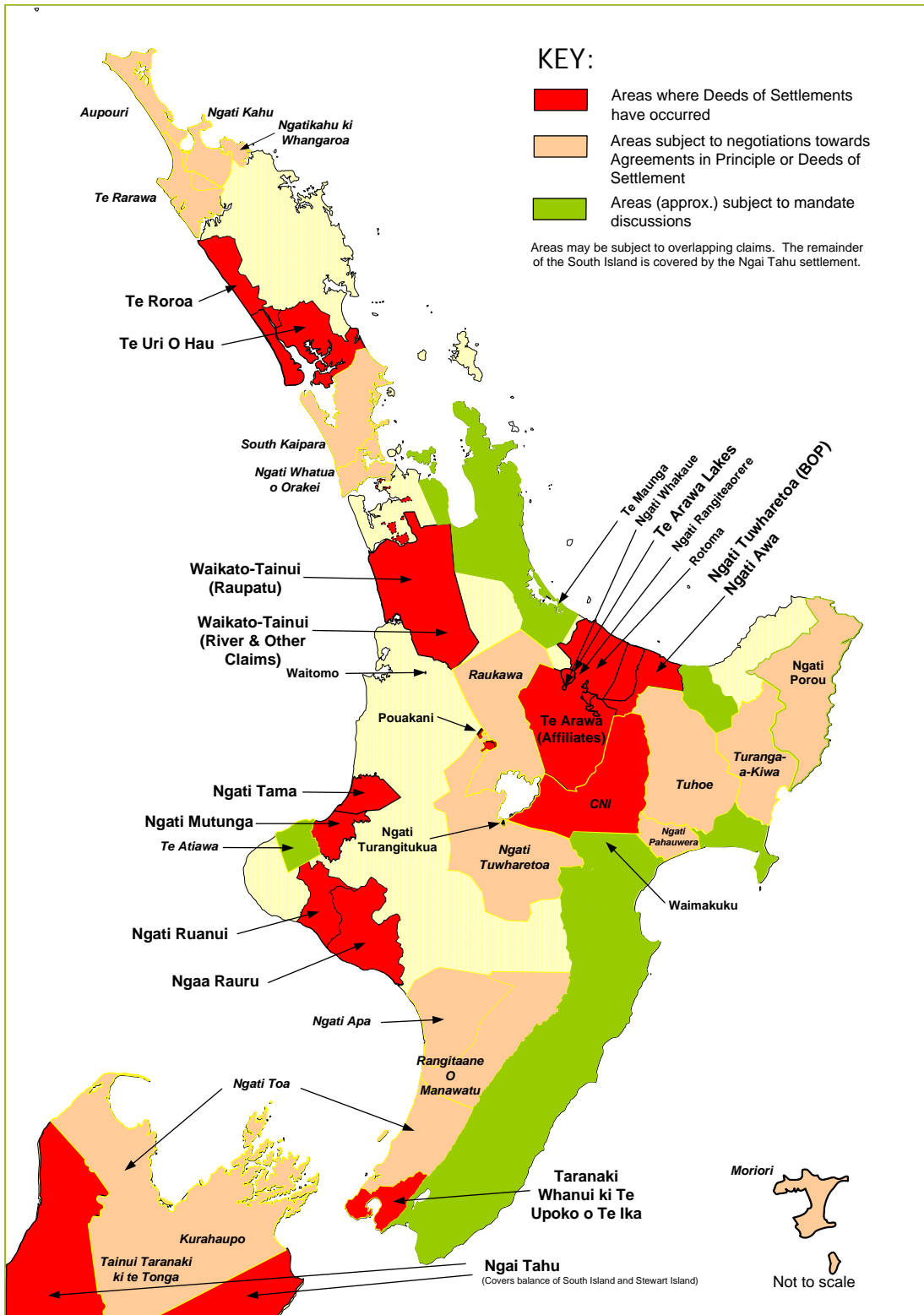
OTS, along with several other government departments, has an ongoing role in the implementation of the settlements agreed to date. This includes transferring settlement properties, farms and forest land, putting agreed settlement instruments into effect and monitoring the Crown's compliance with obligations under the Deeds of Settlement.

OTS also manages surplus Crown properties that are available for settlement redress. Properties that are not used for settlement purposes are sold on the open market once the relevant settlements have been agreed.

Progress of settlements

The map below provides an overview of the areas where Treaty settlements have been completed and areas currently subject to negotiations or preparing for negotiations.

FIGURE 1: Completed Treaty Settlements and Current Negotiations



Claimant Group Status Summary by Stages in the Negotiation Process

The following table indicates the progress, within the negotiations process, of claimant groups that have had a mandate recognised by the Crown and includes completed settlements.

GROUP	Mandate recognised by Crown	of Terms Negotiation	In negotiations	Agreement in Principle signed	Deed Settlement signed	Enacted through legislation
Waikato-Tainui (Raupatu Claim)	✓	✓	✓	✓	✓	✓
Ngāi Tahu	✓	✓	✓	✓	✓	✓
Ngāti Tūrāngitukua	✓	✓	✓	N/A	✓	✓
Pouakani	✓	✓	✓	N/A	✓	✓
Te Uri o Hau	✓	✓	✓	✓	✓	✓
Ngāti Ruanui	✓	✓	✓	✓	✓	✓
Ngāti Tama	✓	✓	✓	✓	✓	✓
Ngāti Awa	✓	✓	✓	✓	✓	✓
Ngāti Tūwharetoa (Bay of Plenty)	✓	✓	✓	✓	✓	✓
Ngaa Rauru Kīitahi	✓	✓	✓	✓	✓	✓
Ngāti Mutunga	✓	✓	✓	✓	✓	✓
Te Arawa Lakes	✓	✓	✓	✓	✓	✓
Te Roroa	✓	✓	✓	✓	✓	
Te Arawa Affiliates	✓	✓	✓	✓	✓	
Te Aupōuri	✓	✓	✓	✓		
Ngāti Whātua o Orakei	✓	✓	✓	✓		
Ngāti Manawa	✓	✓	✓			
Ngāti Whare	✓	✓	✓			
Ngāti Mākinō/Waitaha	✓	✓	✓			
Te Rarawa	✓	✓	✓	✓		
Ngāti Kahu	✓	✓	✓			
Ngātikahu ki Whangaroa	✓	✓	✓	✓		
Taranaki Whānui ki Te Upoko o Te Ika	✓	✓	✓	✓		
Moriori	✓	✓	✓			
Te Iwi o Whanganui (River Claim)	✓	✓				
Te Atiawa (Taranaki)	✓	✓		✓		
Rangitāane O Manawatu	✓	✓	✓	✓		
Ngāti Apa (North Island)	✓	✓	✓	✓		
Waikato-Tainui (River Claim)	✓	✓	✓	✓		
Kurahaupō	✓	✓	✓			
Ngāti Toa	✓	✓	✓			
Tainui Taranaki ki te Tonga	✓	✓	✓			
Ngāti Tūwharetoa	✓					
Tūranga-a-Kiwa	✓	✓	✓			
Ngāi Tūhoe	✓					
Ngāti Porou	✓					
Ngāti Ranginui	✓					
Ngāti Pahauwera	✓	✓	✓			

Status of Claimant Groups Pre-Legislation at 30 June 2008

The following table summarises the status of claimant groups who have entered negotiations with the Crown. It does not include settlements that are being implemented.

GROUP	NEGOTIATION STATUS
Te Roroa	The Te Roroa Deed of Settlement was signed in December 2005. Legislation to implement the Deed of Settlement was introduced into the House on 14 February 2007. The Māori Affairs Select Committee presented its report on the Bill on 30 May and the Bill received its second reading on 20 June 2007. The legislation is awaiting Committee of Whole House stage.
Te Aupōuri	The Crown and Aupouri negotiators signed an Agreement in Principle in September 2004, and are currently negotiating towards a Deed of Settlement.
Ngāti Makino/Waitaha	The Crown and Ngāti Makino/Waitaha signed joint Terms of Negotiation on 21 February 2008 and are currently negotiating towards Agreements in Principle.
Te Arawa (Te Pumautanga o Te Arawa)	The Crown and Nga Kaihau o Te Arawa Executive Council signed an Agreement in Principle in September 2005 and signed a Deed of Settlement on 30 September 2006. Te Pumautanga o Te Arawa (the governance entity representing the Affiliate Te Arawa Iwi/Hapu) signed a revised Deed of Settlement on 11 June 2008. Legislation to implement the Deed of Settlement was introduced on 16 June 2008. Te Pumautanga o Te Arawa is a member of the Central North Island Collective who signed a Deed of Settlement with the Crown on 11 June 2008..
Ngāti Manawa	The Crown and Te Rūnanga o Ngāti Manawa signed Terms of Negotiation in May 2004. Ngāti Manawa are a member of the Central North Island Collective who signed a Deed of Settlement with the Crown on 11 June 2008.
Ngāti Whare	The Crown and Te Rūnanga o Ngāti Whare signed Terms of Negotiation in May 2004. Ngāti Whare are a member of the Central North Island Collective who signed a Deed of Settlement with the Crown on 11 June 2008.
Ngāti Whātua o Orakei	The Crown and Ngāti Whātua o Orakei signed an Agreement in Principle in June 2006. Following an urgent Waitangi Tribunal inquiry, the Crown and other Tamaki Makaurau groups are in discussions to explore ways to remove prejudice identified by the Tribunal.
Taranaki Whānui ki Te Upoko o Te Ika	The Crown and Port Nicholson Block Claims Team initialled a Deed of Settlement on 26 June 2008. The Deed is subject to ratification by the people of Taranaki Whānui ki Te Upoko o Te Ika.
Moriori	The Crown and the Hokotehi Moriori Trust signed Terms of Negotiation in July 2004 and are currently negotiating towards an Agreement in Principle.
Te Rarawa	The Crown and Te Rūnanga o Te Rarawa signed Terms of Negotiation in December 2002, and an Agreement in Principle on 7 September 2007. The parties are negotiating towards a Deed of Settlement.
Ngāti Kahu	The Crown and Te Rūnanga-a-Iwi o Ngāti Kahu signed Terms of Negotiation in May 2003 and are currently negotiating towards an Agreement in Principle.
Ngāti Apa (North Island)	The Crown and Te Rūnanga o Ngāti Apa signed Terms of Negotiation in July 2005, and an Agreement in Principle on 12 July 2007. The parties are negotiating towards a Deed of Settlement.
Tūranganui-a-Kiwa	The Crown and Ngāi Tāmanuhiri Whānui Trust, Te Pou a Haokai and the Rongowhakaata Trust signed Terms of Negotiation in May 2007 and are negotiating towards an Agreement in Principle.
Ngātikahu ki Whangaroa	The Crown and Ngātikahu ki Whangaroa Trust Board signed Terms of Negotiation in October 2004, and an Agreement in Principle on 22 December 2007.
Ngāti Tūwharetoa	The Crown recognised the mandate of the Ngāti Tūwharetoa Hapū-a-Iwi Waitangi Claims Forum in March 2004. Ngāti Tūwharetoa are a member of the Central North Island Collective who signed a Deed of Settlement on 11 June 2008.
Ngāi Tūhoe	The Crown recognised the mandate of Ngāi Tūhoe on 27 September 2007. Parties are negotiating towards a Terms of Negotiation. Ngāi Tūhoe are a member of the Central North Island Collective who signed a Deed of Settlement on 11 June 2008.

GROUP	NEGOTIATION STATUS
Rangitaane O Manawatu	The Crown and Rangitaane O Manawatu signed a Heads of Agreement in 1999. Tānenuiarangi Manawatu Incorporated (TMI) have recently completed a mandate reconfirmation process. The parties are currently negotiating towards a Deed of Settlement.
Ngāti Toa (Northern South Island)	The Crown and Te Rūnanga o Ngāti Toa signed Terms of Negotiation in September 2007 and are currently negotiating towards an Agreement in Principle.
Kurahaupō (Northern South Island)	The Crown and the Kurahaupō Trust (Ngāti Apa Ki Te Ra To, Ngāti Kuia and Rangitāne o Wairau) signed Terms of Negotiation in June 2006 and are currently negotiating towards an Agreement in Principle.
Tainui Taranaki ki te Tonga (Northern South Island)	Four Te Tau Ihu iwi (Ngāti Koata, Ngāti Rarua, Te Atiawa and Ngāti Tama) formed a group called Tainui Taranaki ki te Tonga. The Crown and Tainui Taranaki ki te Tonga signed Terms of Negotiation in November 2007 and are currently negotiating towards an Agreement in Principle.
Waikato-Tainui (Waikato River)	The Crown and Waikato-Tainui representatives signed an Agreement in Principle in December 2007. Parties are negotiating towards a Deed of Settlement.
Ngāti Ranginui (Tauranga)	The Crown recognised the mandate of Ngāti Ranginui on 7 April 2008. Parties are negotiating towards a Terms of Negotiation.
Ngāti Pahauwera	The Crown and Ngāti Pahauwera signed Terms of Negotiation on 8 May 2008 and are currently negotiating towards an Agreement in Principle.
Ngāti Porou	The Crown recognised the mandate of Te Rūnanga o Ngāti Porou on 16 April 2008. The parties have commenced negotiations.

Status of Claimant Groups Post-Legislation at 30 June 2008

The following identifies outstanding actions to complete implementation of settlements and reports on key work completed during the quarter:

GROUP	NEGOTIATION STATUS
Ngāi Tahu	Implementation is largely complete. Hawea/Wanaka site: removal of illegally erected jumps and ramps on the site that is held pending identification of, and transfer to, the beneficial owners.
Ngāi Tahu Ancillary Claims Trust	Taiaroa Head sites: the parties that have ownership or interest rights in the sites met to discuss issues regarding the Headland.

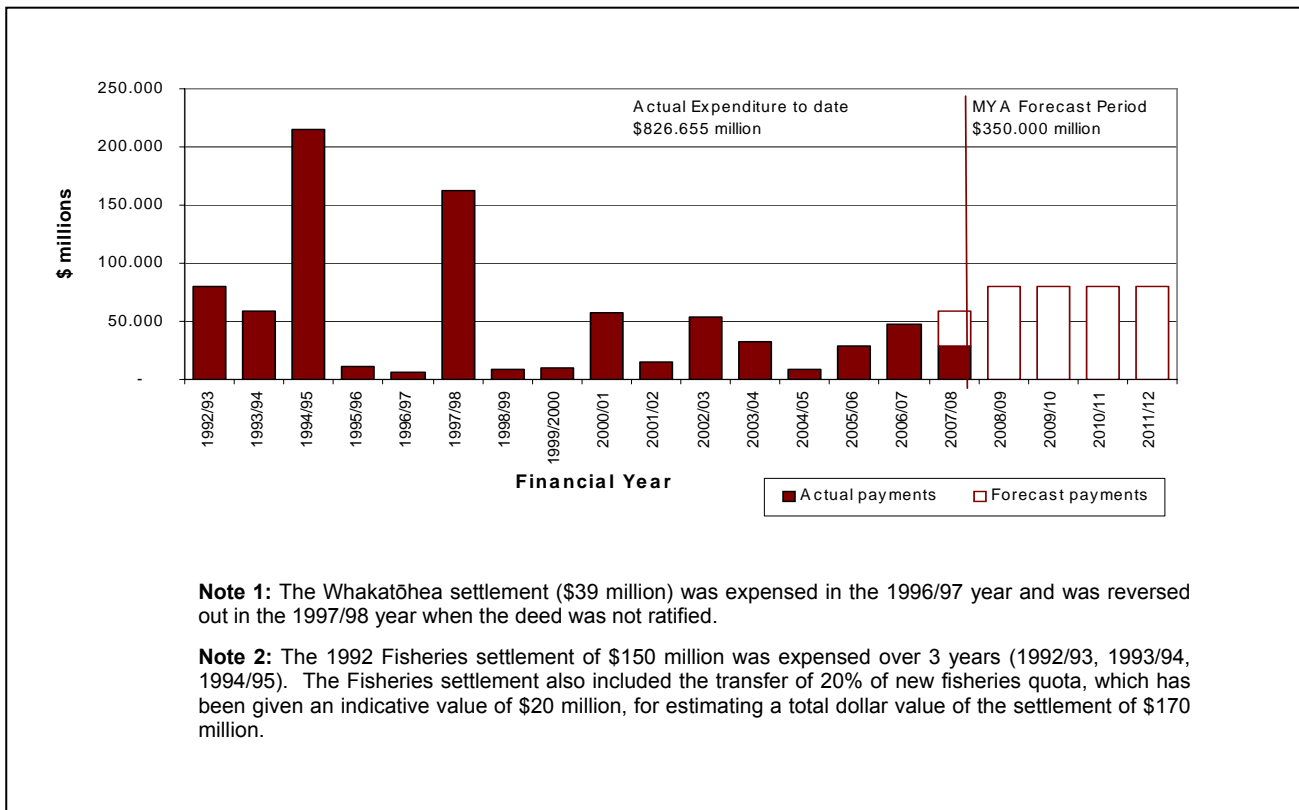
All key OTS implementation tasks have been completed for all other settlements.

Financial Information

Multi Year Appropriation

In 1994 the Crown established a five year Multi Year Appropriation (MYA) for the settlement of historical (pre 21 September 1992) grievances under the Treaty of Waitangi. All settlement redress and claimant funding payments are funded through the MYA. From the 2005/06 financial year interest paid on settlements is also included in the MYA. The MYA is updated every year to cover a new five-year period. The spread of the MYA between outyears in the chart below is notional only, and actual annual expenditure may be well above or below the notional spread.

FIGURE 2: Multi Year Appropriation by Year



Claimant Funding

In 1997 the government amended its claimant funding policy so that claimant funding was paid separately from negotiated settlement redress. For settlements prior to this decision, the claimant funding was deducted from the negotiated settlement redress. The amount of money paid as claimant funding differs for each claimant group because of the different stages they have reached in the negotiation process. The amount paid as claimant funding also reflects the size of the claimant group and the complexity of the issues discussed.

\$17.535 million was paid in various types of claimant funding from 1 January 1996 to 30 June 2008. This is shown in Figure 3. In the year to 30 June 2008, \$2.145m was paid as claimant funding.

Settlements since 21 September 1992

GROUP	YEAR DEED OF SETTLEMENT INITIALED	VALUE OF SETTLEMENT (\$)	
Fisheries	1992/93	170,000,000	
Ngāti Whakauae	1993/94	5,210,000	
Ngāti Rangiteaorere	1993/94	760,000	
Hauai	1993/94	715,682	
Waikato-Tainui Raupatu	1994/95	170,000,000	
Waimakuku	1995/96	375,000	
Rotomā	1996/97	43,931	
Te Maunga	1996/97	129,032	
Ngāi Tahu	1996/97	170,000,000	
Ngāti Tūrangitukua	1998/99	5,000,000	
Pouakani	1999/00	2,000,000	1
Te Uri o Hau	1999/00	15,600,000	
Ngāti Ruanui	2000/01	41,000,000	
Ngāti Tama	2001/02	14,500,000	
Ngāti Awa (and ancillaries)	2002/03	43,390,000	
Ngāti Tūwharetoa (Bay of Plenty)	2002/03	10,500,000	
Ngaa Rauru Kītahi	2003/04	31,000,000	
Te Arawa Lakes	2004/05	2,700,000	2
Ngāti Mutunga (Taranaki)	2005/06	14,900,000	
Te Roroa	2005/06	9,500,000	
Te Arawa (Affiliate)	2007/08	38,600,000	
CNI Forests on-account settlements	2007/08	161,000,000	3
Taranaki Whānui	2007/08	45,159,000	4
Total Settlement Redress		952,082,645	
Other expenses against the MYA		48,694,871	5
Other expenses Departmental & other votes		508,361	
TOTAL		1001,285,877	6

1. Includes \$650,000, which was paid in advance of settlement in 1990.

2. Excludes \$7.3 million paid in to capitalise the annuity Te Arawa received from the Crown and address any remaining annuity issues.

3. The Central North Island settlement provides on-account redress for a collective of groups, including the Affiliate Te Arawa Iwi and Hapu. As each of these groups concludes comprehensive settlements, their share of the CNI settlement will be listed separately, and the total value listed against the CNI settlement will be reduced accordingly.

4. The Taranaki Whānui ki Te Upoko o Te Ika settlement includes a quantum of 25.025 million. The remainder of the figure listed includes interest and the value of cultural redress sites included in the settlement.

5. Other expenses includes:

- i. the value of gifting for claims that have been settled or part settled, but for which the value of the gifting has not been included in the settlement value (\$21,400,763).
- ii. part settlements including those involving surplus railways properties (\$7,989,520).
- iii. claimant funding for claims which have not yet been settled, and claimant funding where this is separate from total settlement value (\$17,535,405).
- iv. costs associated with the administration of the Ngāi Tahu Ancillary Claims Trust (\$1,769,183).

6. The total value of settlements has exceeded \$1 billion in nominal dollars. However, the relativity mechanism in the Waikato-Tainui and Ngai Tahu Deeds of Settlement has not yet been triggered because the relativity mechanism totals all values in 1994 terms, taking account of interest and inflation since 1994. For the purposes of the relativity mechanism, a settlement of \$50 million in 2006/07 is equivalent to a settlement of \$26 million in 1994.

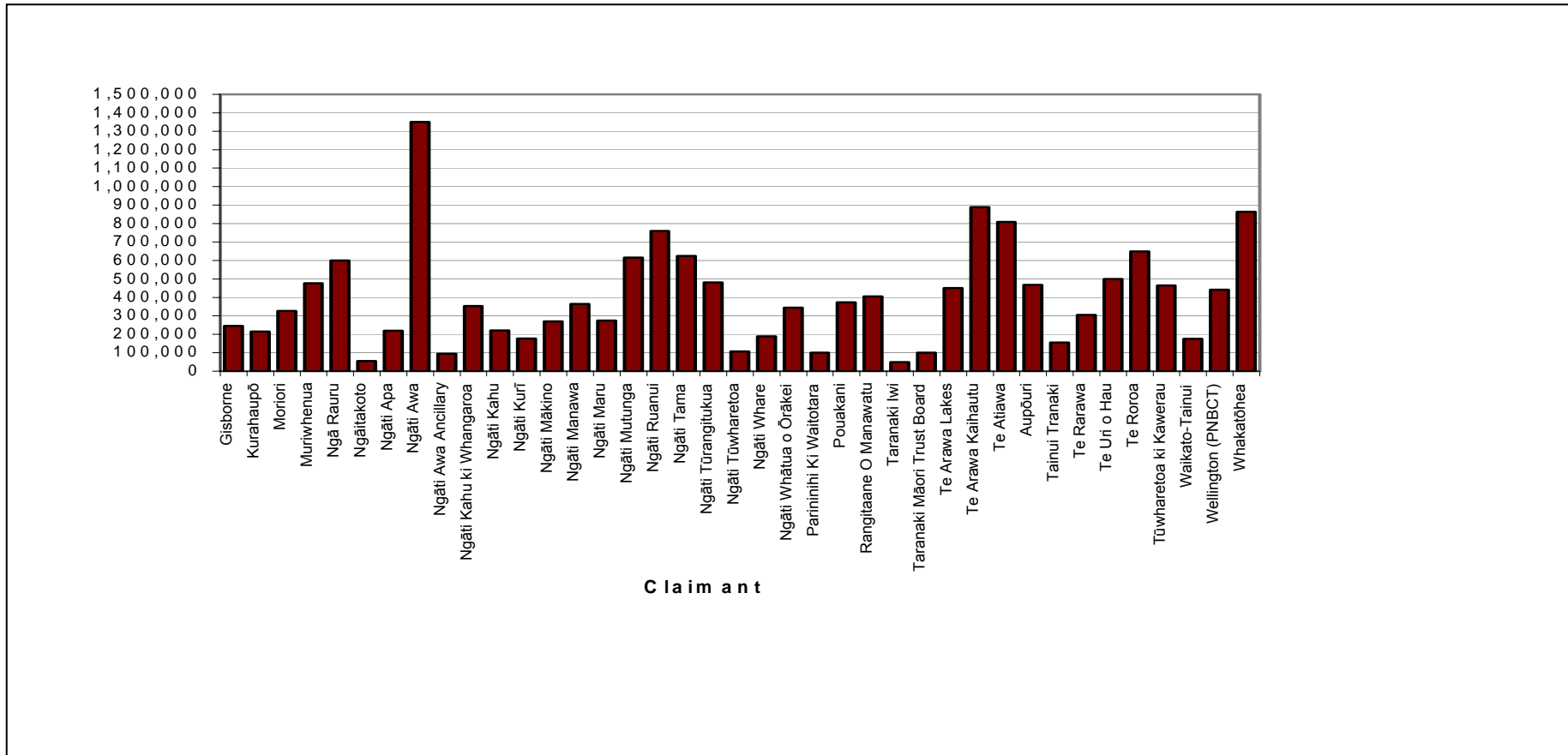
Heads of Agreement or Agreements in Principle reached, still to reach signed Deed of Settlement

GROUP	YEAR AGREED	AGREED QUANTUM (\$)	
Rangitaane O Manawatu	1999/2000	8,500,000	
Te Atiawa (Taranaki)	1999/2000	34,000,000	
Aupōuri	2004/2005	12,000,000	
Ngāti Whātua o Orakei	2005/2006	10,000,000	
Ngāti Apa (North Island)	2007/2008	14,000,000	
Te Rarawa	2007/2008	20,000,000	
Taranaki Whānui ki Te Upoko o Te Ika	2007/2008	25,000,000	
Waikato-Tainui (River Claim)	2007/2008	n/a	1
Ngātikahu ki Whangaroa	2007/2008	n/a	2

1. Financial redress yet to be determined.

2. Settlement includes the return of Stony Creek Station, a property with both cultural and commercial value. No valuation has therefore been ascribed to the Station.

FIGURE 3: Claimant Funding Spending from 1 January 1996 to 30 June 2008 (excluding Settlement Redress)



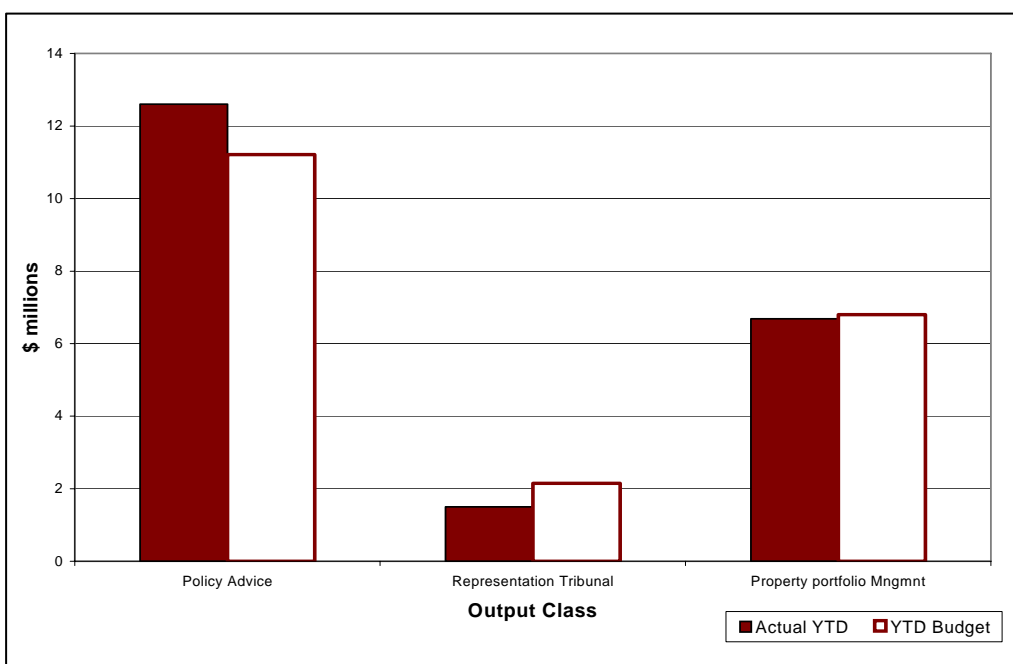
Note: Figure 3 does not show the payments made to Ngāti Rangitīhi, Te Arikī, Te Whanganui a Orotu, Tuhourangi, Waimakuku and Waiwhetu (totalling \$97,000).

Spending by Output Class

For the year to 30 June 2008, OTS spent \$20.788 million against a budget of \$20.160 million. The following table shows the split of actual spending by outputs:

OUTPUT CLASS	COMMENTS
Policy Advice: Treaty Negotiations (\$12.604m)	This class includes all spending on policy advice and Crown negotiation costs for historical Treaty settlements and all costs relating to the implementation of settlements, such as legislation and land transfer costs. Actual expenditure in this output class to 30 June was \$12.604m against budgeted expenditure of \$11.213m – an over-spend of \$1.391m.
Representation: Waitangi Tribunal (\$1.502m)	This class includes all costs relating to representation before the Waitangi Tribunal. Actual expenditure in this output class to 30 June was \$1.502m against budgeted expenditure of \$2.149m - an overall under-spend of \$0.647m.
Property Management Portfolio (\$6.682m)	This class includes all costs associated with the OTS Property Portfolio. Actual expenditure to 30 June was \$6.682m against budgeted expenditure of 6.798m.

FIGURE 4: OTS Spending by Output Class for the period 1 July 2007 to 30 June 2008 (GST Excl.)



Property Portfolio Information

The Office of Treaty Settlements operates a mechanism to protect surplus Crown, District Health Board and Crown Research Institute land for potential use in settling historical Treaty of Waitangi claims. When the land is declared surplus, Māori are invited to express an interest in the Crown setting aside the surplus land. If the Crown agrees that the property meets the protection mechanism criteria, the Office of Treaty Settlements will purchase the property and hold it in a regional landbank until a Treaty Settlement is signed.

Details of the protection mechanism process and a list of properties held in Regional landbanks is contained on the Office of Treaty Settlements website. The Office of Treaty Settlements contracts a property management company to assist with the day to day management of the landbanked properties.

In the four months to 30 June 2008, OTS purchased 6 properties for potential use in historical Treaty settlements and disposed of no properties leaving the total value of the property portfolio (by acquisition value) at \$137.710 million.

FIGURE 5: Total value of landbanked properties by region

