



# Deed of Settlement

OF THE HISTORICAL CLAIMS OF THE CENTRAL NORTH ISLAND FORESTS IWI COLLECTIVE  
TO CENTRAL NORTH ISLAND FOREST LAND

## Financial and Commercial Redress Package

### Summary of Financial and Commercial Redress Package

The Deed of Settlement sets out a commercial and financial redress package to settle the historical claims relating to the licensed Crown forest land in the region by the iwi that make up the Central North Island Forests Iwi Collective (the Collective). This redress aims to provide these iwi with the resources to assist their economic, social and cultural development.

This settlement will be on account with respect to the iwi groups who are yet to negotiate their individual comprehensive settlements. The Affiliate Te Arawa Iwi and Hapu have completed this process.

In providing financial redress the Crown accepts a certain level of breach for each iwi that makes up the Collective. The precise nature of those breaches will be determined in the negotiations between each iwi in the Collective and the Crown. That is why the settlement is on account.

The Crown will make settlement negotiations for individual iwi members a priority, so that iwi can conclude comprehensive settlements to settle all their remaining historical Treaty of Waitangi claims. Those settlements will include historical accounts, acknowledgments of Crown breaches of the Treaty of Waitangi, a Crown Apology for those breaches, a cultural redress package and any additional financial and commercial compensation negotiated.

No private land is involved in the redress, only Crown assets.

The redress package includes Crown forest land, which will bring accumulated rentals and ongoing rental income, as well as other commercial redress.

All of 176,000 ha of the Central North Island licensed Crown forest land, and the associated accumulated rentals and ongoing rentals will be vested in a Trust Holding Company, CNI Iwi Holdings Ltd. The Collective's proportion of these assets will be 86.7 percent by value, and the Crown's proportion will be 13.3 percent by value.

The Crown's proportion will be available for meeting other historical claims to the Central North Island forest land.

The shareholders of CNI Iwi Holdings Ltd will be the member iwi of the Collective and the Crown, all with equal votes.

### ALLOCATION OF CENTRAL NORTH ISLAND CROWN FOREST LAND

The Collective's share of the Crown forest land is valued at \$196 million. The Collective iwi have agreed to allocate its share of the land amongst themselves on the basis of mana whenua, and in accordance with their agreed process and guided by the principles of tikanga Maori. The allocation process will be completed by 1 July 2011.

The Crown will have six years to settle historical claims of other Central North Island claimants, after which any residual Crown interest will transfer to the Collective at a value to be agreed.

### ACCUMULATED RENTALS

The Collective's share of the accumulated rentals will be \$223 million. These rentals have accumulated since the Crown Forest Licences were created in 1989. The licences were created by the Crown Forest Assets Act 1989 so the land under the forests could be protected for later use in Treaty settlements. Since 1989 the rentals have been paid to the Crown Forestry Rental Trust which has held them pending settlements. The accumulated rentals are paid to claimants when specific licensed Crown forest land is used in a settlement, as if they had received the land in 1989. They do not form part of the redress package.

The Collective will allocate its share of the accumulated rentals between member iwi in accordance with a resolution agreed amongst themselves, details of which are set out in the Bill and Deed of Settlement, and are available at [www.cniforest.co.nz](http://www.cniforest.co.nz).

The Crown's share of the accumulated rentals will accrue to land used to settle other Central North Island claimants, after which any residual will transfer to a Trust fund for promoting commercial development for the benefit of central North Island iwi.

### ONGOING RENTALS

Ongoing rental streams from the Crown forest licences will also be received for the remaining period of the licences, which is about 35 years. Total annual rentals from the Crown licences are currently about \$15 million a year.

### OTHER COMMERCIAL REDRESS

Subject to the prior rights of individual iwi, the settlement provides for the Collective to obtain Crown owned properties by way of deferred selection or rights of first refusal. The Deed of Settlement also records the Crown's willingness to discuss the potential availability of other Crown assets and interests, and its support for the Collective exploring joint ventures with State enterprises in the Central North Island region.

The Collective will also receive an allocation of New Zealand Units (carbon credits) as the Central North Island forest land is pre-1990 forest land. This will be subject to the Climate Change Emissions Trading Bill being passed into law.

### REMAINING IWI

The Crown will retain 13.3 percent by value of Central North Island Crown forest lands to settle claims by groups in the Central North Island who are not part of the Collective. Groups who may have claims include Ngati Hineuru, Whanganui iwi, Ngati Maniapoto, and Ngati Rangiwewehi. The Waitangi Tribunal's powers under the Crown Forest Assets Act 1989 will be retained over the Crown's proportion to give protection to these claimants. After six years any land remaining will be transferred to the Collective at an agreed valuation. The Crown's portion may also be used to provide cultural redress.

## Licensed Crown Forest Land and Crown Forest Licences

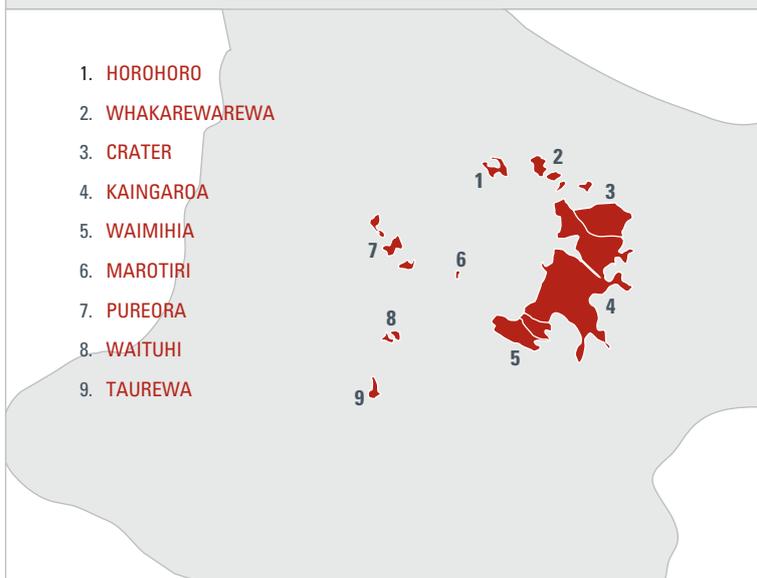
Licensed Crown forest land was created in 1989 with the passage of the Crown Forests Assets Act. The Act was a response to litigation about the then Government's wish to sell the Crown's forestry assets and the desire of Maori to protect Crown land for use in future settlements.

After discussions, the Crown, the New Zealand Maori Council and the Federation of Maori Authorities signed the 1989 Crown Forests Agreement. The agreement was implemented through the Crown Forests Assets Act 1989 which created Crown Forest Licences that allowed the Crown to sell the forests while retaining the underlying land.

The rentals from the licences were held by the Crown Forestry Rental Trust pending settlements. When settlements are completed that use licensed Crown forest land as redress, the accumulated rentals for that land are transferred to the settling group. The settling group also receive the ongoing rental for the land from the licence holders. The transfer of the land has no effect on the licence holders.

### CENTRAL NORTH ISLAND FOREST LAND SUBJECT TO THIS AGREEMENT

1. HOROHORO
2. WHAKAREWAREWA
3. CRATER
4. KAINGAROA
5. WAIMIHIA
6. MAROTIRI
7. PUREORA
8. WAITUHI
9. TAUREWA



### BACKGROUND TO DEED OF SETTLEMENT

The Central North Island Forests Iwi Collective (the Collective) is made up of Ngāi Tūhoe, Ngāti Tuwharetoa, Ngāti Whakaue, Ngāti Whare, Ngāti Manawa, Ngāti Rangitahi, Raukawa, and the Affiliate Te Arawa Iwi and Hapū. Together these groups have more than 100,000 members.

Led by Dr Tumu te Heuheu, Te Ariki of Ngāti Tuwharetoa, the Collective approached the Crown in September 2007 with a proposal to use the licensed Crown forest lands in their region to settle the historical claims of the iwi that make up the Collective. The Crown and Collective signed Terms of Agreement on 21 February 2008.

On 4 April 2008, the Collective presented a settlement proposal to the Crown. On 24 April 2008 the Collective and the Crown reached an Agreement in Principle, following which the Collective and the Crown undertook a process of endorsement and consultation to establish the level of support for the proposed settlement. Ngati Rangitahi, one of the iwi initially covered by the settlement negotiations, have not agreed to the settlement. The Collective and the Crown have agreed Ngati Rangitahi can join the settlement if it can show within six months that it has the broad support to do so.

Legislation was then introduced to implement the settlement on 18 June 2008, and a Deed of Settlement based on the Agreement in Principle was signed on 25 June 2008.

The Collective was formed following litigation and a Waitangi Tribunal report on the process that was followed to settle the claims of the Affiliate Te Arawa Iwi and Hapu, represented by Te Pūmāutanga o Te Arawa. The Affiliate Te Arawa Iwi and Hapu agreed to delay the progress of their settlement while the Collective process was established, and they later joined with the Collective.

The Central North Island Forests Iwi Collective is chaired by Napa Otimi (Tuwharetoa), and includes delegates from each iwi.

The Minister in Charge of Treaty of Waitangi Negotiations, Hon Dr Michael Cullen, represented the Crown in discussions with the Collective and was supported by the Crown Facilitator, Wira Gardiner and a Secretariat including officials from the Treasury and the Office of Treaty Settlements.

### QUESTIONS AND ANSWERS

#### 1 What is the total cost to the Crown?

The value of the Crown land to be transferred to the Collective is \$196 million. In addition, the Collective will receive the rentals that have accumulated on the land since 1989, which are worth approximately \$223 million, and its share of the annual income stream of about \$15 million.

#### 2 Are the public's rights affected?

No. Existing public access to the forests will continue following settlement date. Foot access to all the Central North Island licensed Crown forests will continue, as will access by foot, bicycle or horseback to the Whakarewarewa

Tokorangi and Whaka forest lands. The licensees will continue to be able to issue permits for access for fishing and hunting. When the licences terminate, this ability will pass to the land owner. In addition, vehicular access will be extended to four track ends in the Whirinaki forest, and further protections have been provided to a number of conservation sites.

The licensees will continue to have the right to manage public access in order to protect health and safety and to manage the forest.