04 NOV 2013

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Chairperson
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Tēnā koe

Final Crown offer for the settlement of Ahuriri Hapū’s historical Treaty of Waitangi claims

This letter sets out the Crown’s final offer for the settlement of Ahuriri Hapū’s historical Treaty of Waitangi claims. It is a privilege to be able to make this settlement offer to Mana Ahuriri Incorporated (Mana Ahuriri) as the mandated body. The offer outlined in this letter provides certainty of redress for Te Whanganui ā Orotu and meets the other concerns communicated to me in your letter dated 20 September 2011 regarding my previous offer made in 2011 which was not accepted. This final Crown offer is the result of further negotiation between the Crown and Ahuriri Hapū since the recommencement of negotiations in early 2013.

I propose that this offer, if accepted by Ahuriri Hapū, form the basis of an Agreement in Principle (AIP) to be signed by the representatives of Ahuriri Hapū and the Crown in December 2013. The AIP will contain the full terms and conditions of the offer including the process for the resolution of overlapping claims to the satisfaction of the Crown.

Elements of the Crown’s offer

The Crown’s settlement offer encompasses four key elements:

1. Historical Account, Crown Acknowledgements and Crown Apology;
2. Te Whanga Redress;
3. Cultural Redress; and
Historical Account, Crown Acknowledgements and Apology
The Historical Account, Crown Acknowledgements and Apology will be negotiated following the AIP for inclusion in the Ahuriri Hapū Deed of Settlement. I understand that the Crown and Mana Ahuriri have already agreed the headings for the structure of the historical account.

Te Whanga Redress
In your communications with me and my officials you have stressed the importance to Ahuriri Hapū of Te Whanganui ā Orotu and, in particular, the Ahuriri Estuary.

In relation to the Ahuriri Estuary the Crown offers to establish through your settlement legislation a stand-alone, multiparty, statutory committee (the Estuary Committee) to oversee management of the Ahuriri Estuary. The arrangements will be subject to agreement with the relevant councils. The Committee will have an advisory and advocacy role and have the ability to produce an estuary management plan to be provided to Councils and the Department of Conservation (DOC). I propose that the Ahuriri Hapū appoint half of the Estuary Committee members with the remaining members appointed by the councils and DOC.

In addition, the Crown offers:
- a Right of First Refusal (RFR) over Ahuriri Station with the option of Mana Ahuriri converting this into a deferred settlement period property prior to initialising a deed of settlement;
- to place covenants over the culturally significant sites of Tapu Te Ranga and Roro-o-Kuri;
- a Kaitiaki Fund for Ahuriri Estuary of $500,000 to assist Ahuriri Hapū to engage with the Estuary Committee; and
- a RFR over Crown shares in Hawke’s Bay Airport Limited.

Cultural Redress Vestings
I am aware that you have sought an enhanced package of cultural redress vestings to make the settlement package acceptable to the Hapū. For this reason the Crown offers Mana Ahuriri the vesting of cultural redress sites with a total value of up to $3 million. I propose that the Agreement in Principle list the cultural redress vestings that account for this value, with the ability for Mana Ahuriri to substitute sites which may also be listed in the AIP within this total value during the deed of settlement phase.

It is unusual for the Crown to disclose a value in relation to cultural redress vestings. However, although the $3 million figure will not appear in the AIP, I have taken this approach in the letter to enhance the cultural redress package while providing Mana Ahuriri with flexibility in terms of the sites that are included as cultural redress vestings in the final Deed of Settlement.

Other Cultural Redress
To recognise the traditional, historical, cultural and spiritual associations of Ahuriri Hapū with important places and sites, the Crown offers the following cultural redress:
- Overlay classifications in relation to:
- Statutory acknowledgements and deeds of recognition over:
  - Kaweka State Forest Park (part of);
  - Kaweka Forest Conservation Area;
  - Ruahine Forest Park (part of);
  - Kaimanawa Forest Park (part of);
  - Hutchinson Scenic Reserve;
  - Sentry Box Scenic Reserve;
  - Fern Bush Nature Reserve;
  - Ruahine Forest Conservation Area (part of);
  - Mangatutu Hot Springs;
  - Puketitiri (Kaweka Field Centre);
  - The DOC Field Base on the Napier Taihape Road (Kuripapango);
  - Awarua Conservation Area;
  - Mangaone River and tributaries;
  - Mohaka River and tributaries;
  - Ngaruroro River and tributaries;
  - Tutaekuri River and tributaries; and
  - Waiohinganga River and tributaries.

The Crown also offers to pay $15,000 to the Ahuriri Hapū post settlement governance entity, for the purpose of erecting pouwhenua or interpretation panels.

**Financial Redress**

The Crown offers $19.5 million in financial redress, and interest (based on the official cash rate) from the signing of an Agreement in Principle to the day before the settlement date. The financial redress offer takes into account the historical claims of Ahuriri Hapū, including the widespread loss of land and the Crown’s acquisition of Te Whanganui a Orotu.

**Commercial Redress**

In relation to commercial redress, the Crown offers (subject to the resolution of overlapping claims to the satisfaction of the Crown):

- **Kaweka Crown Forest**
  - the opportunity to explore, in discussion with He Toa Takatini (HTT), an arrangement that would jointly hold the Kaweka and Gwavas forests for inclusion in the MAI and/or HTT Agreements in Principle and subsequent Deeds of Settlement, subject to Cabinet agreement; or
  - the opportunity to purchase part of or all of Kaweka Forest should the arrangement not proceed.
· the opportunity to purchase Crown properties (to be agreed during the Deed of Settlement phase);
· a Right of First Refusal over Westshore School site;
· a Right of First Refusal for a period of 173 years over core Crown properties (to be agreed during the Deed of settlement phase); and
· Deferred Selection redress (for a period of three years over core Crown properties and one year over properties held in the Office of Treaty Settlements (OTS) landbank) over Crown properties to be agreed during the Deed of Settlement phase.

I ask that you provide OTS, by 8 November 2013, with a list of Crown properties to be included in the Agreement in Principle as commercial redress either for purchase or deferred selection, on a "may include but not limited to" basis as well as any substitute cultural properties.

Next Steps

I would appreciate it if you could advise my Chief Crown Negotiator, Paul Swain, by 6 November 2013 whether you intend to recommend the Crown’s final offer to the Board of Mana Ahuriri Incorporated ahead of hapū consultation. I would be pleased to receive your formal response to the settlement offer by 25 November 2013. This will allow time for you to take the package to Ngā Hapū Tokowhitu, the seven hapū of Ahuriri, and for the Agreement in Principle to be finalised ahead of signing in December 2013.

I look forward to meeting with you again shortly to sign an Agreement in Principle.

Nāku noa, nā

[Signature]

Hon Christopher Finlayson
Minister for Treaty of Waitangi Negotiations

CC: Barry Wilson
    Joinella Maihi-Carroll
    Piri Prentice
    Hon Dr Michael Cullen