The Treaty of Waitangi - a forestry overview

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Introduction
The Treaty of Waitangi was for many years considered a nullity. However, since the creation of the Waitangi Tribunal in 1975 awareness of the Treaty has significantly increased. Moreover, from 1985 the statutory recognition of the principles of the Treaty had a significant impact on the forestry sector and, in my view, will continue to be of great relevance to the sector both in terms of changing forest ownership patterns, but also on a day-to-day operational basis through for example, the Resource Management Act 1991. The purpose of this article is to provide an overview of the Treaty and its general relevance, and also look at the role and influence that the Treaty, the Waitangi Tribunal, and the Treaty claims settlement process have had on the forestry sector since 1985. This article will cover the following:

1. historical background of the Treaty
2. the Treaty status in New Zealand law;
3. the Principles of the Treaty, who establishes these principles and what they are;
4. the Waitangi Tribunal, its composition, jurisdiction, and its role in the creation of the Crown Forests Assets Act; and
5. a summary of developments (or lack of them) in the Treaty settlement process.

1. Historical Background of the Treaty
I stress that what follows is very much a truncated version of events. If you would like further background, numerous texts are available. In the early 1840s, Britain was a fairly reluctant participant in terms of the development of the Treaty but its hand was forced for a variety of reasons. There was pressure from the missionaries, a desire by Maori for British involvement, the unacceptable position of British subjects living in a lawless state, trade pressure, the threat of settlement from other colonising countries such as France, that pragmatically a Treaty was less expensive than war, and last but not least, that it would provide the basis for peaceful settlement of New Zealand.

The Treaty
The Treaty itself consists of three Articles preceded by a preamble, all of which can be easily incorporated into a single page. However, complexity is immediately introduced due to the fact that it was drafted in two versions, one in English, the other Maori. Neither it seems is a direct translation of the other. It is also clear that whilst the English text has been treated as the primary reference point, it was in fact the Maori text which was signed by the majority of the Chiefs who ceded to its terms.

In terms of the English version in Article 1 the Maori signatories ceded "... absolutely and without reservation all the rights and powers of sovereignty (which they respectively exercised or possessed)...". Under the Maori version what was ceded was a concept called "kawanatanga" or governance.

In Article 2 in return for what was ceded in Article 1, Maori would be protected in "... the full exclusive and undisturbed possession of their lands and estates, forests, fisheries, other properties which they may collectively or individually possess...". In the Maori version "tino rangatiratanga." Under Article 3 Maori were given all the rights and privileges of British subjects.

There is room for debate as to what was actually ceded and the interplay between "kawanatanga" and "rangatiratanga" continues today. My suggestion is that rangatiratanga is self-determination subject to kawanatanga or governance for the public good.

However, be that as it may, back in the mid 19th century, Maori became reluctant to sell land and in due course a period of warfare, confiscation and legislative fiat (together with legitimate sale) created the land transfer process and the basis of what is generally referred to as the historic land claims.

Given the events of our history and the clear words of the English version, it is little wonder Maori have, over the decades, mounted various legal actions to seek redress in terms of the document they had signed. An early case was Wi Parata. This was a case brought by a Ngati Toa Chief against the Bishop of Wellington. He argued that the Bishop and/or the Crown had acted to defeat his rights under the Treaty of Waitangi. The Court’s view was that so far as it purported to cede sovereignty, "..." rangatiratanga.

In a later action the position of the Treaty in New Zealand law was stated in a more moderate tone. Here Te Heu Heu Tukino argued before the Privy Council that an Act of the New Zealand Parliament, which placed a statutory charge over tribal lands, was ultra vires the Treaty. In essence Tukino contended that the New

Claudia Orange’s book “The Treaty of Waitangi” is in my view a well-written and accessible account of events in this country between the period 1835 to the early 1870s. For an account of the activities of one of the main players, Captain William Hobson, I suggest Paul Moon’s book “Hobson Governor of New Zealand 1840-1842”. It is worth a read for a more detailed look at that formative period in the history of our country.

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1 Cf what are known as contemporary claims such as the Radio Spectrum Management and Development Claim Wai 776
2 Wi Parata v Bishop of Wellington (1877) 3 NZ Jur. 72
3 Te Heu Heu Tukino v Aotea District Maori Land Board (1941) AC 308
Zealand legislature was not empowered to contravene the property guarantees of Article 2 of the Treaty. In dismissing this appeal the Privy Council was of the view that the enforceability of these rights depended upon the same being expressly incorporated by legislation into New Zealand’s municipal law.

This basic legal principle “no applicability without incorporation in legislation” has been acknowledged by our Courts in more recent times. From a legal perspective, it is well settled law.

2. Incorporation in New Zealand Legislation

Some examples of legislation where the Treaty of Waitangi (or more specifically the Principles of the Treaty) have been expressly incorporated include:

(1) State Owned Enterprises Act 1986, section 9 states: “Nothing in this Act shall permit the Crown to act in a manner that is inconsistent with the principles of the Treaty of Waitangi.”

(2) Resource Management Act 1991, section 8 states: “... all persons exercising functions and powers under it ... shall take into account the principles of the Treaty of Waitangi.”

(3) Crown Minerals Act 1991, Section 4 states: “All persons exercising functions and powers under this Act shall have regard to the principles of the Treaty of Waitangi.”

As to what are the principles these Acts refer to, authoritative statements in relation to the meaning of the term “Principles of the Treaty” are to be found in the decisions of Courts of New Zealand, the reports of the Waitangi Tribunal and to a lesser extent, pronouncements of Government. From a legalistic viewpoint and the concept of judicial precedent the decisions of the Court of Appeal and Privy Council are of fundamental importance.

Principles of the Treaty of Waitangi

Our courts have, since 1987, defined the Principles in the following ways:

(1) The “overarching principle” means the acquisition of sovereignty in exchange for the protection of rangatiratanga.

(2) The principle of “spirit of partnership” means partners act towards each other with utmost good faith and reasonably (in other words, not irrationally, capriciously or misdirected).

(3) The principle of “positive obligation” means the Crown must protect the position of Maori under the Treaty (defined in the broadcasting case to mean “to the extent reasonable by reference to the current circumstances”).

(4) The principle of “active protection” means the protection of Maori in the use of their lands and waters to the fullest extent practicable (for example, protection of the taonga of the Maori language).

(5) The principle of “consultation” means the Crown must consult with Maori on matters of major importance to the Maori people. Consultation is vital to the making of informed decisions.

(6) The principles of “reasonableness, mutual co-operation and trust” are also crucial to the development of the joint relationship with Maori, and are underlying principles that must be adhered to at all times.

The following are additional statements derived from reports issued by the Waitangi Tribunal in relation to the Principles of the Treaty:

(1) that the language of the Treaty can be modified to suit a change in circumstances and give rise to rights of development;

(2) that of protection of Maori interests to the extent consistent with the cessation of sovereignty (kawanatanga and tino rangatiratanga);

(3) that the Crown has an obligation to actively protect Maori Treaty rights;

(4) that there must be compromise made both by Maori and the wider community;

(5) of consultation in matters of importance to Maori and in particular issues as to control of resources such as access to traditional food resources;

(6) that the Crown can not divest itself of its obligations; and

(7) that the Crown has an obligation to legally recognise tribal rangatiratanga.

In 1989 the Labour Government made various statements defining the Principles of the Treaty in 1989 including:

(1) The principle of “Governance (kawanatanga)” means the right to govern and make good laws.

(2) The principle of “Self Management (rangatiratanga)” is to be achieved through preservation of resource space, restoration of iwi self management, active protection of taonga (both material and cultural), and the Crown’s requirement to grant iwi the right to organise as an iwi organisation in order to control its resources.

(3) The principle of “Equality” (for all before the law) both domestic and international. (Attainment of equality may require special measures.)

(4) The principle of reasonable co-operation. (This requires both parties to consult on major issues of common concern in the spirit of good faith, balance and
common-sense. The principle properly exercised gives rise to partnership.)

In summary it seems clear that the Principles are not a closed set of principles, and are constantly being developed by the Courts, the Crown and the Waitangi Tribunal. They reflect the intent of the Treaty as a whole and are not confined to the express terms. Nevertheless, the application of Treaty Principles may or may not result in the creation of Treaty obligations and the application of Treaty Principles to a specific fact situation may or may not give rise to a breach of a Treaty obligation.

3. The Waitangi Tribunal
The Treaty of Waitangi Act 1975 ("Act") established the Waitangi Tribunal. The purpose of the Act is to provide for the observance and confirmation of the principles of the Treaty of Waitangi. It establishes a Tribunal to hear and make recommendations on claims brought by Maori, that relate to the practical application of the Treaty, and to determine whether related matters are inconsistent with the principles of the Treaty.

The Tribunal is not a Court. The Tribunal is deemed to be a Commission of Inquiry under the Commissions of Inquiry Act 1908 and therefore subject to the specific provisions in the Act, and all the provisions of the Commissions of Inquiry Act. As a Commission of Inquiry, it may summon witnesses, its members have legislative protection so long as they act bona fide, it can refer disputed points of law to the High Court, it has the power to commission research and receive reports, can refer claims to mediation and so on.

The Text of the Treaty is set out in English and Maori as a schedule to the Act. For the purposes of the Act, the Tribunal has the exclusive authority to determine the meaning and effect of the Treaty as per the two texts, and can decide on issues raised by any differences. The Tribunal holds the view where the texts cannot be reconciled, the Maori version should be treated as the primary reference in view of its predominant role in securing signatures.

The Tribunal can consist of up to 16 members. Each member is appointed for a three year term and the Chair for 5 years. There is to be both Maori and non-Maori members. The resignation of long-serving Chair (Justice E. Durie) has recently been announced and the Deputy Chair, J. Williams is acting Chair.

The opinions of the Tribunal as set out in their reports are not binding on the Courts. However, their opinions are of persuasive effect and their general value has been noted by the Court of Appeal.

Jurisdiction of the Tribunal
The general jurisdiction (authority) of the Tribunal is to make inquiries into claims made by Maori who believe they have been prejudicially affected by legislation or acts or omissions by or on behalf of the Crown, and believe such acts or omissions are inconsistent with the Principles of the Treaty. However, the Tribunal can only investigate grievances that arose on or after 6 February 1940.

Where the Tribunal holds that a claim is well founded, it can recommend to the Crown that action be taken to compensate or remove the prejudice. Such a recommendation can be in general or specific terms. An important point to note is that the Tribunal’s recommendations are not binding on the Crown except in certain specified situations; e.g. in relation to land transferred by State Owned Enterprises and land subject to Crown Forest Licences.

There are certain limits to the Tribunal’s jurisdiction. For example it is unable to recommend the return of private land (with certain exceptions, e.g. land that was previously State Owned Enterprise land) and has no ability to enquire into settled claims. Furthermore, the Tribunal can only formally comment on Bills before Parliament if requested to do so.

In the 27 years since the Tribunal was established, 957 claims have been lodged. To date 214 of these claims have been dealt with through an inquiry hearing, report or deferral. There are 594 claims in progress. Currently the Tribunal has a budget of about $5 million a year.

4. The Crown Forest Assets Act – The Tribunal’s Role
The birth of the Crown Forest Assets Act 1989 ("CFA") is an example of the Waitangi Tribunal in action and one that has had an immediate and ongoing impact on the forestry sector.

In the mid 1980s the Government of the time, decided to proceed on a programme of corporatisation and privatisation of government departments. The New Zealand Forest Service with its extensive exotic forest resource, was a logical candidate. The principal piece of legislation to give effect to the government’s policy of corporatisation, was introduced into the house in the form of the State Owned Enterprises Bill in September 1986 ("SOE Bill"). At that time, the Waitangi Tribunal was in the process of conducting an inquiry into a series of claims by the five most northerly tribes seeking amongst other things, the return of large areas of Crown Land. This claim is generally referred to as the "Muriwhenua Land Claim".

Following the introduction of the SOE Bill, the Waitangi Tribunal issued an interim report. The report...
was essentially in response to submissions from counsel for claimants in the Muriwhenua claim that the SOE Bill would be prejudicial to the relief sought by the claimants. In its interim report the Tribunal noted that, without prejudging in any way its findings as to whether or not all or part of the land in question should be returned, it considered the claimants likely to be prejudicially affected by the SOE Bill. The Tribunal expressed the view that the transfer of Crown Land to State Owned Enterprises, such as the Forestry Corporation, would result in the land ceasing to be Crown Land and therefore no longer available as potential redress.

The Tribunal expressed concern regarding the impact of the SOE Bill on existing claims and future claims. It queried whether the SOE bill itself was contrary to the Principles of the Treaty and, in a round-about manner, recommended amendment to the same in order to address its concerns. As a result the SOE Bill was amended by the addition of new provisions including what are now sections 9 and 27. Section 9 requires the Crown to act in a manner consistent with the principles of the Treaty and s27 put in place certain protective mechanisms. The SOE Act obtained the Royal Assent on 18 December 1986. However, Maori were still unhappy with the SOE Act, and in 1987 this led to what is universally regarded as the landmark case “New Zealand Maori Council Case” in terms of the development of Treaty jurisprudence.

The New Zealand Maori Council sought a ruling that s27 of the SOE Act was an insufficient protection mechanism for any rights guaranteed under section 9 of that Act, for claims lodged after the cut off date in that Act, and for future claims yet to be lodged.

In a unanimous judgment, the Court of Appeal ruled in the Maori Council’s favour. Transfer of assets to State Owned Enterprises without establishing any system in relation to Treaty claims for the protection of particular assets or categories of assets, would be inconsistent with the principles of the Treaty and therefore a breach of section 9. The Court directed the Crown to prepare a scheme with safeguards to protect existing or foreseeable claims against land intended to be transferred to SOEs.

Following discussions and negotiations between the Crown and Maori, the Government introduced the Treaty of Waitangi (State Enterprises) Bill in December 1987. The Bill proposed amendments to a number of pieces of legislation. Its principal effect was to provide a system that protects existing and future claims before the Waitangi Tribunal, in relation to Crown Land. In other words for the first time recommendations from the Tribunal were not only potentially of a highly persuasive effect but now they had real teeth, they could in fact be enforced. This Bill received the Royal assent in June 1988.

In July of 1988, the Minister of Finance announced Government’s intention to sell the State’s commercial forestry assets. The Forestry Working Group (FWG) had to report to the Crown on the most appropriate form by which the forestry assets could be sold at maximum value, but also ensuring that policy applications of the Treaty are considered.

In essence, the FWG proposed that ownership of the freehold estate and land be separated by the grant of cutting rights over the forest for a given period. This meant that if the Waitangi Tribunal issued a suitable recommendation, the ownership of the freehold estate could be returned to the claimants. In addition the Waitangi Tribunal would be free to recommend compensation from the Crown to a successful claimant for the inability to use the returned land pending expiration of the cutting rights.

The Crown proposed a national hui with Maori in early 1989 to discuss the proposed asset sale. At the hui, the Government made it clear that the actual decision to sell the forestry assets was not negotiable. In February 1989 the New Zealand Maori Council again applied to the Court of Appeal for a declaration that the Government’s proposal to dispose of the forestry assets was inconsistent with the court’s 1987 judgment. In a run up legal skirmish, the Court of Appeal found in the Maori Council’s favour and expressed the wish that the current dispute be resolved in the spirit of partnership and in accordance with the Principles of the Treaty.

Subsequent to this decision, the Treasury suggested that the Federation of Maori Authorities (FOMA) could usefully assist in reaching an agreement. In a remarkably short time the Maori Council, FOMA and the Crown composed a short but comprehensive agreement which contemplated and set out the framework for legislation, to enable the Crown to sell the exotic forest resource in a manner that met Maori concerns. That legislation became in due course, the Crown Forest Assets Act 1989 (CFA).

Scheme of the Crown Forest Assets Act

In essence the CFA put in place a system whereby Crown forestry assets, but not the underlying land, may be transferred but still form part of a future Treaty settlement package. Key points to note include:

1. the legal nature of the interest that has been transferred, is defined as the Crown Forestry Licence;

2. the rights and obligations of licence holders are defined;

3. claims by Maori under the Treaty of Waitangi concerning licensed land, are protected and funded by the creation of the Crown Forestry Rental Trust (which holds all rental proceeds from licences);

4. in the case of successful claims, land subject to a Crown Forestry Licence may be returned to Maori at the direction of the Tribunal but subject to the Crown Forestry Licence; and

5. additional compensation based on the value of the Crown Forestry Assets transferred may also...

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18 NZMC v AG 1987 1 NZLR 641
be payable by the Crown to successful claimants as set out in the first schedule to the Act.

In my view, this is one of those “win/win” situations which we hear so much about. The Crown was able to sell its forests and in the various sales that took place between 1990 and 1996, the Crown collected something in the region of $4.4 billion. In return Maori claimants were free to progress their claims in relation to the loss of land within their respective rohe, and a pool of Crown land was retained if the Maori claims were held to be well-founded.

The Tribunal had its jurisdiction extended to enable it to make binding recommendations on the return of land to Maori. Incoming forest owners could get on with managing their forests in a framework of certainty. Maori, for the first time, had access to an adequate pool of funding to advance their Treaty claims over which their representatives have a significant say in the distribution (Maori appoint trustees to the Crown Forestry Rental Trust).


In many ways the Waitangi Tribunal’s processes and procedures, although excellent for drawing together the historical basis for and research necessary to establish claims, have for a variety of reasons, proved to be a slow and time consuming process. The Waitangi Tribunal is acutely aware of this and is currently experimenting with fast track processes.

However, in 1995 the Crown announced the formation of a specialised Treaty office, namely the “Office of Treaty Settlements”. By and large, as claimant groups have established their claims and the prejudice they have suffered as a result of the Crown’s acts or omissions via the Waitangi Tribunal process, the claimants have subsequently turned to direct negotiations with the Crown, through the Office of Treaty Settlements in order to finalise negotiated settlements. The process has been one of mandating a representative group to directly negotiate with the Crown to establish a deed of settlement that in due course will lead to the preparation and enactment of settlement legislation. I now briefly touch on some of the developments in terms of the Treaty settlement process, subsequent to the enactment of the Crown Forest Assets Act.

Aupouri Forest

This is a medium sized forest located in the flat rolling sand dunes of 90 Mile Beach on the west coast of the northern tip of the North Island. At the time of the creation of its Crown Forest Licence, it had a stocked area of around 20,000 hectares virtually all radiata pine. Juken Nissho acquired the forestry licence (together with that for 2,500 ha Otangaroa Forest) and paid a little over $41 million.

In 1997 the Waitangi Tribunal issued the Muriwhenua Land Report. The Tribunal was of the view that the Muriwhenua land claims were well founded, and the acts and omissions of the Crown had, in terms of their social and economic consequences for the Muriwhenua hapu, been profound. Accordingly, in all the surrounding circumstances, the Tribunal considered that recommendations would be appropriate (and binding recommendations if need be) for the transfer of substantial benefits to compensate for or remove the prejudice. The Tribunal noted that these binding recommendations may include Crown Forests and State Owned Enterprise assets.

However, prior to these recommendations including any binding recommendations, the Tribunal considered certain issues needed to be resolved. These issues included points of law, the structures by which the Maori claimants would receive any assets which were the subject of the recommendations, and whether the outcomes of the recommendations should flow through a central group or independently to the various groups comprising the claimant group.

It is fair to say that, to date, these issues (compounded by the death of Matiu Rata) have proved somewhat intractable. However, recent indications in the press are that the individual claimant groups have now sorted out their representative recipient agencies. I expect some negotiated settlements with the Crown to emerge over the next couple of years.

Tainui

Essentially, the Tainui claim was so well proven that the parties went straight to direct negotiation. In terms of the Tainui Settlement, there were two Crown Forest Licences (Maramarua and Onewhero covering some 7,000ha) in that settlement. The Crown Forest Licence-holder was Carter Holt Harvey. Pursuant to the settlement legislation, the Waitangi Tribunal was deemed to have made a binding recommendation as to the return of the forest land subject of this claim, and Tainui stepped into the shoes of the Crown as licensor in the case of Onewhero. Maramarua is still under dispute with the Hauraki cross-claim.

20 Waitangi Tribunal – Muriwhenua Land Report 1997 Page 404
Te Uri o Hau

Under their settlement, Te Uri o Hau acquired Pouto forest and part of Mangawhai forest. CHH, the Crown Forest Licence-holder for Mangawhai, now lease part of it from Te Uri o Hau.

Ngai Tahu

This claim arose from a report of the Waitangi Tribunal that had been in the negotiation phase for many years. Direct negotiation with the Crown then followed, resulting in a signed deed of settlement whereby the Crown agreed to put in place the Ngai Tahu Claims Settlement Act 1998. This settlement package was significantly more sophisticated and more complex than previous settlements. It moved away from the “land for land” approach of the Tainui claim. In addition to a cash payment of $160 million and other commercial arrangements involving the transfer of land, there were also detailed arrangements granting control and management to Maori of identifiable cultural and spiritual areas that were considered important.

In terms of Crown forest land within the Ngai Tahu settlement area, the process was essentially one which Ngai Tahu were given a time frame to select Crown forest land and then acquire the same as part of its settlement package. Again, the Waitangi Tribunal was then deemed to have made a binding recommendation. According to the 2001 annual report of Ngai Tahu Runanga, this process is now complete and in 2001 the Ngai Tahu forest estate covered approximately 119,000 hectares of land in Westland, Southland, Otago and Canterbury.22 (Ngai Tahu acquired approximately 160,000 ha of Crown Forestry Licence Land but is actively selling down to licensees. They also subsequently acquired land and trees in Aoraki forests that were on-sold).

It is also clear that where Ngai Tahu retained former Crown forest land both licence holders and Ngai Tahu were keen to shed the Crown Forestry Licences and replace the same with alternative arrangements. A focus of those alternative arrangements is revised rent reviews provisions.

Central North Island

This is the jewel of the former Crown forest estate. The central North Island forests of Kaingaroa and surrounding areas are, in terms of Treaty Settlements, still an unknown quantity.

Well known lawyer Donna Hall took the bold and ambitious step of trying to create a centralised claimant body (cluster of claims) under the banner of the Volcanic Interior Plateau or VIP claim. It is still not clear as to whether this initiative has achieved critical mass. Nevertheless the latest report of the Crown Forestry Rental Trust shows that since 1998 the Trust has been active in funding various VIP projects. However, as to how advanced these claims are in terms of historical research and the like, it is difficult to say.

Currently, the Waitangi Tribunal is hearing an application for urgency from the VIP cluster of claims. The situation is also further complicated by the progress made by the likes of Ngati Awa, whose claim area also bounds on part of the VIP cluster of claims. Ngati Awa is acquiring all of Rotoehu East, part of Rotoehu West and part of Northern Boundary. Tuwharetoa ki Kawerau are entitled under their Deed of Settlement to acquire part of Rotoehu forest.

Further, the potential “putea” represented by the central North Island forests in terms of compensation under the Crown Forest Assets (their sale price, accumulation of rental proceeds and so on) will ensure I suggest, that negotiations between claimant groups and as between claimants and the Crown, will not be swift.

6. Conclusion

The status of the Treaty in New Zealand law and society has since 1975, come a long way. Great progress has been made in terms of the settlement of the historic land claims. The role and influence of the Waitangi Tribunal has and will continue to be significant. Since 1985 the New Zealand forestry sector has undergone dramatic change. Flowing out of the Crown Forest Assets Act regime has come the opportunity for Maori to become a significant owner of forest land. The eventual outcome of the Volcanic Interior Plateau Treaty claim(s) will be of great interest and (potential) impact on the sector.

Disclaimer

The matters covered in this paper represent the personal views of the author and do not necessarily represent the views of Simpson Grierson.