



Office of Hon Christopher Finlayson

30 MAR 2017

Puna Wano-Bryant
Chairperson
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Tēnā koe

Thank you again for your letter of 28 February 2017 and for the opportunity to meet with the Parihaka Papakāinga Trustees on 7 March in Wellington. I am pleased the community supports the overall Crown package and I'm excited by the opportunities for Parihaka's long-term development that we discussed.

I acknowledge the hard work that has been undertaken by the Parihaka Papakāinga Trust (PPT), including the comprehensive engagement process you carried out, to ensure the views of the community were fully considered on all aspects of the reconciliation process. I recognise this has not always been an easy process and I thank you for the steps you have already taken towards reconciliation with the Crown.

I have carefully considered the community's feedback on the Crown's \$9 million contribution under the Crown support package. While I can understand their response I regret to advise you that the Crown is not in a position to provide any further funding. I realise the community will be disappointed by this decision, however, I believe the \$9 million approved by Cabinet will enable Parihaka to undertake essential infrastructure improvements and make a start on some of the other projects you have planned. I see this as the first step towards revitalising Parihaka and I am confident that over time more funding will become available through government programmes and from private, legacy, donors.

Reconsideration of funding arrangements

I am aware that PPT has recently advised officials that it would prefer to hold and manage the \$9 million included in the support package rather than it being paid out in tranches by Te Puni Kōkiri as was agreed by Cabinet in November 2016. I understand the PPT is developing its governance capabilities and that the Parihaka community support the proposal for the fund to be held and managed by the PPT.

In light of your new position I am prepared to consider a change to the arrangements approved by Cabinet to allow the Crown's contribution to be transferred to the Parihaka Papakāinga Trust. The funding would still need to be used for the infrastructure and other development projects we have agreed are necessary but the Trust would be able to manage and invest the money directly. When you have completed the governance review and strengthening you are planning I will discuss this new approach, including any accountability requirements that would be needed, with the Minister for Māori Development and the Minister of Finance.

Interest proposal

I understand you have asked that interest on the \$9 million be paid to Parihaka. Officials have investigated this and considered a range of ways to meet your request however they have advised me that this is not possible under the arrangements agreed by Cabinet and the Public Finance Act 1989. I consider a pathway remains open to enable Parihaka to invest and earn interest from the fund, if the fund does transfer directly to the PPT, as noted above.

Tax implications

The Office of Treaty Settlements (OTS) advises me that you have raised concerns about the tax implications arising from the Crown's financial contribution. OTS has discussed this matter with the Inland Revenue Department who advise that the main tax obligation is the payment of goods and services tax (GST). In order to address the Parihaka Papakāinga Trust's GST obligations the Crown proposes to add 15% to the \$9 million and the Trust will in turn need to pay GST to the Inland Revenue Department. Officials are available to discuss this matter further with you and the Trust should seek independent advice on its tax obligations arising from the Crown's financial contribution. If following tax advice you agree to this proposal officials will brief me and other relevant Ministers on the tax arrangements.

Treatment of women in Parihaka legacy statement

Further to discussions between the PPT and OTS on the development of a Parihaka legacy statement, I wish to confirm that the Crown proposes to describe the rape of women by Crown troops after the invasion of Parihaka in November 1881 as historical fact in both the legacy statement and in its apology to Parihaka. I acknowledge the contribution of the PPT to the Crown's understanding of this important issue.

Next steps

As I said at our recent meeting I am willing to do whatever I can to assist you. Over the longer term your relationship agreement with Crown agencies and local authorities, and the high-level leaders' forum, will ensure ongoing support from the Crown for Parihaka.

I hope the Parihaka community will accept the Crown support package. The time is right to reconcile our relationship and focus on building a future where Parihaka is a self-sustaining community and all New Zealanders are aware of the relevance of Parihaka's legacy. I look forward to the reconciliation event scheduled for May, which will be a day of national significance.

Nāku noa, nā



Hon Christopher Finlayson
Attorney-General