

**Maori sustainable resource development:  
The challenge posed by the New Zealand media  
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**Abstract**

We report here on a small-scale research project in which a number of articles and editorials dealing with governance and resource management problems were analysed.<sup>1</sup> All of these articles and editorials appeared in the same national New Zealand newspaper. Half of them were concerned with a Maori organisation, the other half were not. Our conclusion is that there are fundamental differences between the two groups of articles/editorials, differences that are attributable to attempts to reinforce a normative/paternalistic agenda that stigmatises cultural difference.

**Introduction: background to the research**

The news media can be regarded as effecting the ideological work of transmitting the voices of power in a disguised and covert form.

Fairclough, *Discourse and Social Change*, p. 110.

A media image of Māori bent only on separate development and anti-Pākehā sentiment is as misleading as the picture of a racially harmonious nation.

Durie, *Te Mana, Te Kāwanatanga*, p. 238.

In this project, ten pieces of writing (seven articles and three editorials) which appeared in the *New Zealand Herald* were analysed. Five of these pieces related to issues of governance and resource management affecting Waikato-Tainui; the other five related to issues of governance and resource management affecting Air New Zealand. These ten texts were selected, on the basis of typicality ratings,<sup>2</sup> from all of the articles and editorials concerning Waikato-Tainui and Air New Zealand published in the *New Zealand Herald* between February 2000 and April 2002. They were then analysed in order to determine whether there were detectable differences between the ways in which the issues were reported in the two cases.<sup>3</sup>

### **Project aims**

The *primary aims* of this project were *to determine whether*:

- there are grounds for believing that the *New Zealand Herald* typically represents issues and problems relating to governance and resource management in different ways depending on whether the groups involved are perceived to be Māori or non-Māori;
- any differences in representation that are detected can be associated with what is referred to here as a 'normative/ paternalistic agenda';
- media representation of resource management issues and problems can and/or does impact negatively on the capacity of Māori communities to manage resources effectively, particularly in the early stages of development projects.<sup>4</sup>

### **Approach**

Our overall approach can be described in general terms as deriving from critical theory in that it takes account of political and ideological contexts, is designed in such a way as to uncover vested interests, and has an emancipatory agenda (Cohen, Manion and Morrison 2000, pp. 27 - 31). Thus, we believe that to understand more about how discourse represents and constructs the social world is also to be emancipated to the extent that it increases the possibility of active involvement in resisting and seeking to redirect discourse processes. In line with our overall critical theoretical approach, we located our research within the context of what is known as 'critical discourse analysis', that is, an approach to the analysis of discourse that focuses on how vested interests are maintained and social inequalities sanctioned (see, for example, van Dijk, 1993).

### **Introducing the findings**

A recent *New Zealand Herald* editorial (22 May, 2002) headed *Māori TV heads should roll*, makes the following comment about an interview involving the chairperson of the Māori Television Service, an interview that had taken place just over two weeks earlier:

He . . . regarded the *Herald's* investigation as racially motivated and claimed the same attention was not applied to the mistakes of the board of Air New Zealand (now replaced) that led to last year's bailout.

Presumably he was not reading newspapers during the latter half of last year.

The exercise of unequal power in relation to the positioning of different voices is immediately evident here in terms of media reinforcement of its preferred readings.<sup>5</sup> In the articles and editorials discussed below, the writers use this unequal power to establish and reinforce the message that Māori resource management should be subject to external controls and external scrutiny. Because, however, the resources in question are tribally owned, this represents a clear attempt to undermine the concept of Māori self-determination, an attempt which is justified on the grounds that it is in the interests of Māori.

The discussion that follows includes extracts from some of the texts that were analysed. Sections to which we wish to draw particular attention are highlighted. Those texts from which extracts are discussed below are included in an *Appendix*.

### The findings

In an editorial published on 11 January 2001 and headed *Openness vital to Tainui's recovery*, the writer represents two ideologies in a way that sets up a false dichotomy (implying that the two are different in all respects) and appears to be calculated to give credibility to one and to discredit the other. The values of *Kingitanga*<sup>6</sup> are described in negative terms, associated with 'pride' and 'aggrandisement' and aligned with 'tradition' (which is presented as having no contemporary relevance):

Essentially, Sir Robert draws his power from his adopted sister, the Māori Queen, in a **feudalistic arrangement** . . .

. . . the Māori Queen's **unwise appeal to tribal members' traditional loyalties**.

Investments . . . suggested that **personal pride** was a . . . powerful motivator . . . [and] . . . spoke volumes of **a culture of aggrandisement**.

Set against this is an image of 'openness, effective governance, and accountability' that is associated by implication with those 'democratic impulses' which are presented as being the contemporary norm:

. . . a feudalistic arrangement which sits oddly with **the democratic impulses of the 21st century**.

The final message of this editorial is that only by rejecting one set of values in favour of the other (associated with 'outside advisers') will Waikato-Tainui (and, by implication, other Māori groups) succeed economically:

But at least it [Tainui] has been prepared to bring in **outside advisers to fashion a recovery strategy**. . . It has been a costly **learning exercise** but all may not be lost if the **lessons** have been taken on board.

From a political perspective, it would be unwise for a New Zealand national newspaper, whatever the views of some of its readers, to deny the significance of the *Treaty of Waitangi* by objecting openly to self-determination and self-governance and/or the concept of compensation for tribal losses.<sup>7,8</sup> Nevertheless, this can be, and is, done more indirectly. It can *even* be done in the context of an apparent endorsement of these concepts. In the following extract from the same editorial, an apparent acceptance of tribal rights to self-determination (expressed in 'Quite so' and 'Certainly') is undercut in a number of ways:

**Some** of those tribes make the point that Māori do not have to defend their handling of settlements; it is their own private business.

**Quite so. Certainly**, they should not be answerable to the Government or to the taxpayer. They and they alone have the right **and responsibility** to decide what happens to these **full and final** settlements for **past** wrongs.

**Yet** in their reticence, the tribes **betray** the kind of mindset that was at the nub of Tainui's downfall. **There is danger** that a conviction that outsiders have no business prying into a tribe's financial affairs **may** too easily **metamorphose into** a similar policy towards a tribe's **beneficiaries**.

First, the inclusion of the initial ‘some’ appears to be intended to suggest that there are tribes whose members *do* believe that Māori should be required to defend to outsiders their handling of settlements. The implication is that self-determination in relation to settlements is not necessarily a universally applicable principle. This effectively undercuts the force of the apparent endorsement contained in both ‘quite so’ and ‘certainly’, an apparent endorsement that is further undercut by the insertion of ‘and responsibility’ after ‘right’ and the inclusion of ‘full and final’ before ‘settlement’. In combination, these insertions introduce a sense of combined self-righteousness and threat that effectively act as a paternalistic counter to the reference to ‘wrongs’, a reference that is, in any case, firmly located as ‘past’. The reservation that follows (introduced by ‘yet’), is carefully crafted. Self-determination is not directly challenged. Nor are tribal leaders directly accused of failing to be open in their dealings with their own people. Instead, self-determination is indirectly challenged on the grounds of a possibility (‘*may . . . metamorphose into*’) that readers are encouraged, in the context of the use of the words ‘betray’ and ‘danger’, to interpret as an immanent probability. Thus, by virtue of a few simple rhetorical moves, the writer represents Māori self-determination as a threat, not to non-Māori, but to Māori.

The extract above involves the rhetorical use of a simple combination of the following textual relationships: *statement-affirmation*, *statement-reason* and *concession-contrarexpectation/reservation* (see Crombie 1986 for an outline and discussion of textual relationships):

**Text**

Some of those tribes make the point that Māori do not have to defend their handling of settlements; it is their own private business.

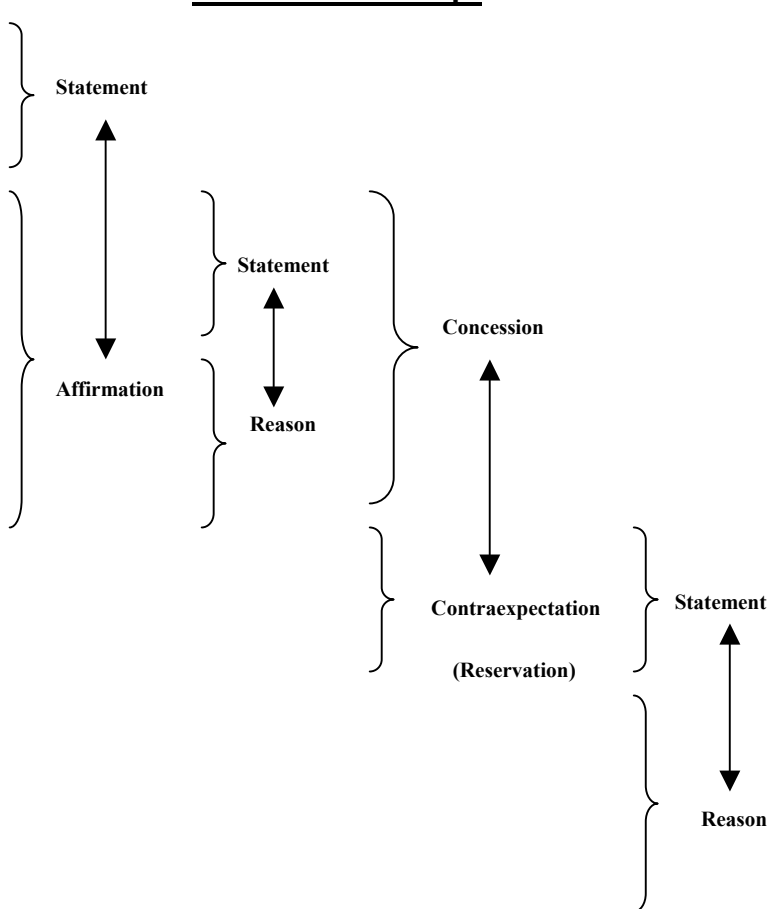
**Quite so. Certainly,** they should not be answerable to the Government or to the taxpayer.

They and they alone have the right and responsibility to decide what happens to these full and final settlements for past wrongs.

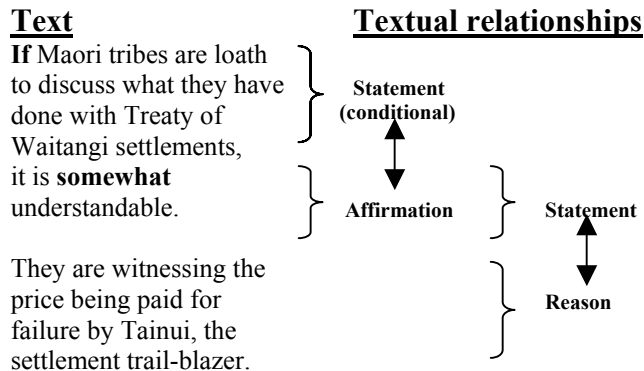
**Yet** in their reticence, the tribes betray the kind of mindset that was at the nub of Tainui's downfall.

There is danger that a conviction that outsiders have no business prying into a tribe's financial affairs may too easily metamorphose into a similar policy towards a tribe's beneficiaries.

**Textual relationships**



The extract above begins with relationships of *statement-affirmation* (partial affirmation) and *statement-reason*. So, too, does the introductory section of the editorial:



The initial statement is in the form of a rhetorical conditional: ‘If Maori tribes are loath to discuss what they have done with Treaty of Waitangi settlements’. Here, the conditional structure serves a function similar to that of the indefinite pronoun ‘some’ in the previous extract: it suggests that unwillingness to discuss Treaty settlements with outsiders is neither universal nor absolute.

In this extract, the inclusion of ‘somewhat’ immediately undercuts the effect of the affirmation/ endorsement (‘it is *somewhat* understandable’). What is particularly interesting, however, is not so much that the partial endorsement is itself expressed in such limited terms, but that the *reason* for that partial endorsement is not the expected one. Tribes are represented as being reluctant to discuss tribal resource issues in non-tribal contexts *not because* they are asserting a right, *but because* they fear exposure to public scrutiny – a fear that is presented as being understandable on the grounds of what is described as ‘Tainui’s failure’. Thus, readers are invited to interpret any assertion of the right not to discuss tribal affairs in non-tribal contexts as something that is to be viewed with suspicion. In connection with this, it is relevant to note that, whatever Tainui’s previous difficulties, the situation when this editorial was written is, in the words of the editor, that “its wealth has not grown . . . since its . . . settlement in 1995”. Unfortunate though that may be, it is not a situation that would normally be described in terms of corporate ‘failure’, ‘crisis’ or ‘public humiliation’. Indeed, these labels, particularly the last one, should alert readers to the real reason why tribes may wish, in line with their right to self-determination, to confine discussion of issues relating to tribal governance and tribal resource management to tribal contexts.

The writer is, no doubt, aware of the nature of the \$170 million settlement,<sup>4</sup> a settlement that involved land as a primary component, one that could not in the short term, however well managed, make any real difference to the lives of most of the approximately 150,000 ‘tribal beneficiaries’, many of whom are described as living in ‘straightened circumstances’. Nevertheless, readers are encouraged to identify with what is presented as their ‘sense of grievance’ and invited to share the writer’s concern that ‘the next generation’ might feel inclined to ‘turn to the Crown’. In this way, the writer seeks to align Treaty settlements with expectations of responsibility in relation to the economic problems that are faced by so many Māori.<sup>9</sup>

In the context of the ideological assumptions that underlie this editorial, readers, whether Māori or non-Māori, are invited to engage in a process of factionalization. They are invited to question the integrity of Māori managers in general, to reject tradition as irrelevant, and, above all, to support the notion that any assertion of self-determination should be viewed with suspicion.

The same message appears, in different ways, in each of the texts relating to Waikato-Tainui. In an article headed *Tainui bosses brushed off advice: lawyer* (23<sup>rd</sup> November 2000), the emphasis is on failure to accept advice (advice that was, on this occasion, apparently provided by a former employee accused of unacceptable business practices). Once again, the issue of pride is raised. This time, however, it is implied in an otherwise unmotivated reference to building height:

. . . Sir Robert and others were keen to buy so Tainui could have its headquarters in the 15-storey Tower building - **Hamilton's tallest**.

In an editorial entitled *Tainui – when pride comes before a fall* (9<sup>th</sup> February 2000), the ‘treaty process’ is described not in relation to the recognition of violations of the *Treaty*, but as being “designed to generate widespread wealth for tribal beneficiaries” and it is stated that “[other] tribes . . . have been somewhat less dogmatic than Tainui in resisting a social welfare role”. Reference is made to a “failure in self-reliance”, a “need for guidance” and to external “scrutiny”.

As the full texts of these pieces indicate, the writers do not hesitate to launch direct and personal attacks on individuals and groups. This is, in itself, of serious concern. However, attempts to present Treaty settlements as wealth-creating government handouts and to undermine tribal rights to self-determination are, perhaps, of even greater concern in that they are less direct and, therefore, more difficult to counter.

In all of the articles and editorials that we analysed, the writer’s voice is presented as the voice of the majority, the voice of logic and common-sense, the voice of the ‘norm’ (the WE as opposed to the THEY/ the OTHER). This is the voice that claims the moral and corporate high ground. Unless they are directly supportive of the writer’s perspective, *all* other voices are subject to distortion and misrepresentation. However, whereas the voices of non-Māori managers are often present, those of Māori managers are generally absent altogether except where their inclusion can be used to indicate either the dangers of otherness or the value of accepting a majority perspective. Although Pākehā managers may also be silenced or misrepresented, they are more likely to be given an opportunity to speak. Furthermore, whereas Māori managers are characteristically chastised for any perceived problems relating to resource management, mitigating circumstances may be highlighted in the case of other managers as is indicated in the following two extracts. The first is from an article entitled *Toomey quits Air New Zealand* (7<sup>th</sup> October, 2001); the second is from an editorial entitled *Airline Flies From Mess to Disaster* (17<sup>th</sup> September, 2001):

Air New Zealand chief executive Gary Toomey has resigned.

Air NZ's chairman Jim Farmer said it was a **sad loss** to the airline but the company found itself in quite a different position to when Mr Toomey came on board at the beginning of the year. . . .

"We have **no criticism to make of him - or the management team he led** - for what has happened. . . ."

Dr Farmer said the airline had come to a **confidential settlement** with Mr Toomey, which was "consistent with his contractual entitlements and benefits".

**Mr Toomey said** he believed the board's decision to place Ansett in voluntary administration meant the future Air NZ must set its sights on different goals from the ones that drew him to the company.

"I think it is appropriate for me to move aside, take a break with my family and consider some of the options open to me."

**Mr Toomey said in the statement** that he deeply appreciated "the literally hundreds of cards and messages I have received from staff and supporters during the difficult times that the group has gone through over the year".

**Air New Zealand executives** quoted in the Weekend Herald **complained that** the state of Ansett's operations were opaque when it was taken over. Unfortunately, they seemed no more transparent at the end. It is a state of affairs for which the Air New Zealand Board and senior executives must take responsibility . . . . Despite protestations, **the Governments on both sides of the Tasman are partly responsible for what has happened** but the Board and senior executives of Air New Zealand have to carry the burden of blame. **Vacillation, procrastination and politics combined to create a nightmare.** . . . It is a nightmare that **Australians are now fuelling** with reactions and comments that are, at least, stupid and, at worst, bordering on xenophobia. **It is being fanned by Australian media** who suggest that we have a national culpability for the Ansett collapse and a congenital failing that makes us financial cowboys and bad risks. That is rubbish and they know it.

It is interesting to note that in the extract above the editor of the *New Zealand Herald* accuses Australians and the Australian media of precisely those things that the *New Zealand Herald* is itself guilty of in relation to New Zealand Māori.

A final issue that we believed needed to be addressed was the issue of whether media representation of the kind to which we have drawn attention here can, or should, be described as racist in nature. We began by seeking a definition of 'racist discourse' that was already in use in the literature on critical discourse analysis. One problem that we encountered here is that racism is "contradictory and constantly undergoing transformation" (Miles 1989, p. 64). For example, both Barker (1981) and Reeves (1983) have detected changing patterns of racism in British political discourse. For this reason, we paid particular attention to definitions that arose directly out of the context of Aotearoa/New Zealand and that focused on the two main, identifiable groups: Māori and Pakeha.<sup>10</sup> The definition we selected is included in Wetherell and Potter (1992, p. 70):

Racist discourse . . . should be seen as discourse (of whatever content) which has the effect of establishing, sustaining and reinforcing oppressive power relations between those defined, in the New Zealand case, as Māori and Pakeha.

We were aware that use of a definition of this type might leave us open to the charge of perpetuating racism in the sense that it might be interpreted as defining identity in terms of race (Gilroy 1987). However, we are using the terms 'Māori' and 'Pakeha' here to refer to the ways in which discourse positions people (as did Wetherell and Potter).

The effect that representation of the type illustrated here has on Māori communities and, by extension, on the capacity of managers to secure support, is a matter of considerable significance. We asked a number of people with direct links to Tainui whether they felt that media coverage had had a detrimental effect on their attitudes towards issues of tribal governance and resource management. In all cases, they replied that it had. Furthermore, all agreed that their understanding of the situation increased when the media lost interest and when it became possible for them to discuss the issues involved without external interference.<sup>11</sup> One of those we spoke to observed that members of her marae committee had been reluctant to contact Tainui leaders directly because of the negative image of them that had been conveyed in the press. When they eventually did so, they were welcomed and given the assistance they needed to complete a marae project.

Managing resources effectively by, on behalf of, or with others involves securing agreement and dealing effectively with disputes. This is never a straightforward matter, particularly where cultural considerations are of fundamental importance in determining the value of, and proper relationship between, outputs and outcomes in the case of tribally owned resources. In establishing governance structures and processes, and in setting and evaluating goals for resource management and development, Māori communities are likely to place cultural considerations at the centre (see, for example, Roberts, Norman, Minhinnich, Wihongi and Kirkwood (1995)). In doing this, they may adopt an approach that is different from that adopted by other communities. Unless Māori resource managers are given an opportunity to explain and discuss issues of this kind in an atmosphere of cultural safety and cultural understanding, they are unlikely to be able to secure the support they need, particularly where there are problems that need to be dealt with before progress can be made. It is important, therefore, that Māori leaders should become skilled in the art of deconstructing and managing the media. In addition, all means of securing a strong Māori presence in the media are worthy of exploration.

### Endnotes

1. This small-scale project is the precursor to a more comprehensive research project in which New Zealand media reporting of tribal resource issues over a twelve month period will be tracked.
2. Each of the four people involved in the project (three Maori and one non-Maori) independently assessed all of the relevant articles and editorials on a five point scale from 'typical of NZ Herald reporting of this issue' to 'not typical of NZ Herald reporting of this issue'. The ten pieces selected had the highest overall typicality rating. In the more comprehensive project to follow, typicality ratings will be established by informants who are not central to the conduct of the project itself.
3. For a discussion of Marxist and Marxist-related approaches to ideological analysis and analyses based on the social construction of 'reality', both of which have influenced the approach adopted here, see Miles and Phizacklea (1984) and Edwards (1991).
4. All of the editorials and articles which we analysed were written at a time when Waikato-Tainui was attempting to deal with the governance and resource issues involved in dealing with its 1995 *Waikato Raupatu Claims Settlement*. That settlement included an official apology from the Crown together with the return of 15,000 hectares of Crown-owned land (including the Onewhere Forest and some tenanted rent-yielding land) as well as monetary compensation. The package was valued at approximately \$170 million. In addition, there was an agreement that, should the overall settlement ceiling be raised over

the next 50 years, Tainui would receive 17% of the additional amount (Ward 1999, pp. 54 - 55). In view of the extent of actual resource losses over the preceding one and a half centuries, the amount secured was very small, particularly when it is remembered that there were at the time of settlement approximately 150,000 Tainui beneficiaries. The immediate problem was how to manage this resource base in ways that would secure a future for Waikato-Tainui at the same time as gaining the assent and active involvement of the large number of iwi and hapu whose interests had to be represented. Land was a primary component in the settlement. The fact, however, that the settlement also involved a cash component meant that diversification was a realistic possibility, one that Tainui was anxious to exploit. However, balancing all of this, and attempting to do so whilst also attempting to accommodate the views of a very large number of beneficiaries as well as those values and aspirations that are culturally-rooted is not a simple task.

5. This editorial is not part of the corpus analysed here and is therefore not discussed in detail. Nevertheless, it illustrates the way in which the editor uses a range of techniques to reinterpret criticism of the press in a way that reasserts control by the press.

6. Tainui is a confederation of those iwi and hapu, which were involved in the establishment of the *Kingitanga* movement in 1858. This movement was part of a concerted effort to stem the tide of European land confiscations, one of its major achievements being the negotiation of a settlement on behalf of 33 Waikato *iwi* and *hapu* (McCan 2001).

7. A way around this is, of course, the editing, selection, highlighting and timing that are fundamental to using 'letters to the editor' as a way of including material that might otherwise be dangerous.

8. Even so, there has been, particularly in local newspapers, a considerable amount of direct criticism of these concepts.

9. This point is also made in an earlier editorial *Tainui – when pride comes before a fall* (9<sup>th</sup>. February 2000) – where, at the same time as seeking to avoid any possible accusation of misrepresentation of the true reason for settlements, the editor makes the same type of link: "Certainly, usurping the Government responsibility would be unwise, but, equally, Tainui can hardly disregard the financial hardship being suffered by many of its beneficiaries".

10. In making reference here to two groups within Aotearoa - Maori and Pakeha - we do not mean to suggest that such a perception is unproblematic. The generic use of the terms 'Maori' and 'Maoridom' is often considered to be inappropriate by those who point out that 'maori' originally meant 'usual' or 'normal', that the sense of a generic, Pan-tribal identity was originally imposed/adopted for strategic (largely political) reasons and that the resurgence of Maori identity that has taken place since the latter part of the 20<sup>th</sup> Century has been largely tribal in character (Durie 1998, pp. 54 – 55). Similar objections could be raised in relation to the term 'Pakeha'.

11. These issues were discussed informally with approximately twenty *whanau* members. In conducting any further, more detailed study, we would approach this matter in a more systematic way.

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### **Appendix: Articles and Editorials**

#### **Editorial: *Tainui - when pride comes before a fall (9/2/2000)***

Careful business management needed to be balanced with the welfare of tribal members if Tainui was to derive maximum benefit from its \$170 million settlement with the Crown. The extent of its failure on both scores is now clear. A total of \$40 million has been slashed off its balance sheet in the wake of a series of misguided and extravagant investments. The upshot is a radical restructuring that will see many of the tribe's 100-plus staff lose their jobs. There could hardly be a more dismal outcome for a treaty process designed to generate widespread wealth for tribal beneficiaries.

The failure has been abject at two levels. Some Tainui investments - the shareholding in the Warriors franchise and the planned sponsorship of Hamilton's new stadium - were driven more by pride than circumspection. Others, such as the purchases of Raukura Waikato Fisheries, displayed a lack of business acumen. More fundamentally, however, there was a failure of governance. The tribe says its own checks and balances let it down. In reality, there was not so much a let-down as a total void. Executives, some of whom have now departed, were left virtually to their own devices. It is hardly surprising that there are now calls for Tainui's key leader, Sir Robert Mahuta, to accept the ultimate accountability.

Finally, it seems, tribal members are stirring. Many will feel their trust has been ill-judged. Yet they ignored an array of danger signs. The gloss and glib phrases which permeate Tainui's latest annual report hardly disguise the lack of financial detail. Sparse references to assets and liabilities highlight the lack of transparency. Then again, there were the warnings from the former Minister of Maori Affairs, Tau Henare, and, more persistently, from Huntly doctor David Gilgen. These gained little traction, possibly because Tainui, more than most tribes, has been fragmented by the drift to urban areas.

Certainly, the tribal culture appears at odds with that of the likes of Ngai Tahu. This is perhaps reflected in the South Island tribe's more restrained, and hard-headed, approach to investment. Taking major shareholdings in a string of tourism ventures, such as whale-watching and jet-boating, is not without risk but at least has a more secure element of logic. Other tribes, while making some sound business decisions, have been somewhat less dogmatic than Tainui in resisting a social welfare role. Certainly, usurping the Government responsibility would be unwise, but, equally, Tainui can hardly disregard the financial hardship being suffered by many of its beneficiaries.

The price for Tainui's failure in self-reliance has been the involvement of a corporate doctor and the recruitment of a strategy committee manned by the likes of businessman Hugh Fletcher. These will apply the scrutiny and governance which the tribe eschewed after the settlement with the Crown. In all likelihood, it would, at that time, have described such oversight of its affairs as demeaning.

Tainui's need for guidance just five years after its treaty settlement is ammunition for the doubters of that process. But its plight does not signify that all tribes will muff the challenge of managing and developing their settlement funds to the long-term prosperity of their members and New Zealand. Tainui's failure, however, sends out a strong message. Pride and personality cannot again be allowed to ride roughshod over prudence.

#### **Article: *Tainui bosses brushed off advice: lawyer (23/11/2000)***

Tainui leaders who say a former employee tried to trick them into paying \$24 million for five Hamilton buildings worth only half that amount ignored his advice and all commonsense business practices, says the man's defence lawyer.

Paul Davison, QC, is representing Craig John Beecroft, the former chief executive officer of Tainui Corporation.

Yesterday, Mr Davison told the Auckland District Court that tribal leaders had paid no attention to detail, thrown away important faxes and did not know what their responsibilities were.

Beecroft, aged 29, and his close friend Blair Ainsworth Kirk, 30, are accused of trying to defraud the tribe in 1998 by arranging to buy five buildings for \$11.8 million and then attempting to on-sell them to Tainui for \$24 million.

They face two fraud charges each relating to a signed sale and purchase agreement to buy the buildings and a \$500,000 cheque drawn from Tainui's account to fund a deposit.

The Crown has alleged that Kirk bought the buildings and used Beecroft's position within the Waikato tribe to on-sell them at twice the price.

While the transaction never went ahead, the Crown claims Beecroft knew what the buildings were really worth and deceived the tribe by encouraging it to pay that amount and sign the sale and purchase agreement.

But Mr Davison said Beecroft adamantly denies knowing that his friend was behind the company offering the buildings for sale.

Cross-examination of key Tainui leaders and executives over the past nine weeks has shown that Beecroft did tell them the buildings were worth only between \$10 million and \$12 million.

Mr Davison said Beecroft had learned not to try to tell Tainui what was in their best interests or how they should run their affairs.

"A non-Tainui member such as Mr Beecroft had been told very clearly what the limits of his responsibility were, in that others knew better, thank you very much," Mr Davison said.

While Beecroft tried to warn Tainui about the price, power struggles and private agendas operated within the tribe and people "fell into line with the wishes of the all-powerful boss - Sir Robert Mahuta," Mr Davison said.

The court has been told Sir Robert and others were keen to buy so Tainui could have its headquarters in the 15-storey Tower building - Hamilton's tallest.

Mr Davison said that in investigating the proposal for Tainui, Beecroft was working in a minefield as those who "despised" him ignored his faxes and threw important information about the purchase price away.

"This was a climate or situation where there were changing instructions, inconsistent instructions, where people who held positions of responsibility in Tainui didn't quite know for themselves what they were required to do."

Mr Davison said Tainui witnesses called during the Crown's case had not given a full account of what really went on, and that in putting the deal together Beecroft had simply been following the tribe's instructions.

Kirk's lawyer, Garry Gotlieb, is expected to open his case next week.

The trial will run for a fortnight more.

### **Editorial: *Openness vital to Tainui's recovery* (11/01/2001)**

If Maori tribes are loath to discuss what they have done with Treaty of Waitangi settlements, it is somewhat understandable. They are witnessing the price being paid for failure by Tainui, the settlement trail-blazer. The tribe's financial performance could hardly be more abject; its wealth has not grown by one dollar since its \$170 million settlement in 1995. As its beneficiaries grapple with the dismal outcome of misguided and extravagant investments, Tainui's public humiliation is complete. Is it any wonder, then, that other tribes should duck for cover, even if without exception they have made a better fist of settlements?

Some of those tribes make the point that Maori do not have to defend their handling of settlements; it is their private business. Quite so. Certainly, they should not be answerable to the Government or to the taxpayer. They and they alone have the right and responsibility to decide what happens to these full and final settlements for past wrongs.

Yet in their reticence, the tribes betray the kind of mindset that was at the nub of Tainui's downfall. There is danger that a conviction that outsiders have no business prying into a tribe's financial affairs may too easily metamorphose into a similar policy towards a tribe's beneficiaries.

A Herald investigation has found that Tainui's financial affairs were reported incompletely and highly selectively. Polish took the place of pith in annual reports, which lacked key information such as cashflow statements, explanatory notes to the accounts and statements of accounting policy. If tribal beneficiaries got to see the full accounts, it was under the most restrictive of circumstances. Only the accounts for 2000, completed under a new regime condemned by Tainui chief negotiator Sir Robert Mahuta, provide a clearer picture and reveal the extent of the financial crisis.

Full disclosure of accounts is essential if there is to be accountability for investment decisions. Sir Robert not only disregarded this basic corporate tenet but seems to have believed that he could, if necessary, act autocratically. In so doing, he highlighted a particular problem afflicting Tainui.

Essentially, Sir Robert draws his power from his adopted sister, the Maori Queen, in a feudalistic arrangement which sits oddly with the democratic impulses of the 21st century. When Tainui's democratically elected ruling executive, Te Kaumaarua, dumped Sir Robert from his corporate directorships, it found itself facing a resolution for its own dismissal from Dame Te Atairangikaahu. The Maori Queen claimed that only she could remove Sir Robert. The case went to the High Court and Te Kaumaarua won.

That outcome was, however, less significant than the Maori Queen's unwise appeal to tribal members' traditional loyalties. She has failed to recognise the shifting of generational sands, and that this is a clash she cannot win. Loyalty to the Maori King movement will wither until she withdraws from decision-making and, like other monarchs before her, accepts a figurehead status.

Dame Te Ata has already done Kingitanga great harm by supporting a system of governance that has failed the Tainui people. Those who guided the tribe's fortunes lost sight of the fact that every member of Tainui - and succeeding generations - should benefit from the settlement. Investments such as that in the Warriors rugby league team suggested that personal pride was a more powerful motivator than tribal welfare. And out-of-control overheads and exorbitant remuneration spoke volumes of a culture of aggrandisement.

Tainui's lamentable situation has inevitably promoted a sense of grievance, not least among tribal members living in straitened circumstances. For them, the settlement might never have occurred. If Tainui fails to remedy its financial woes, that grievance could be felt even more strongly by the next generation, some of whom might well feel inclined to turn to the Crown. Such notions will not wash, however. This was a full and final settlement.

As of now, Tainui is back where it virtually started. But at least it has been prepared to bring in outside advisers to fashion a recovery strategy. The new generation of leaders seem also to recognise the need for openness, effective governance and accountability. It has been a costly learning exercise but all may not be lost if the lessons have been taken on board.

**Editorial: *Airline Flies From Mess to Disaster (17/09/2001)***

A week ago in this column we described the Air New Zealand-Ansett situation as "a mess". In the past seven days it has moved on from there to become an unmitigated disaster. A week ago the future of Ansett looked uncertain but Air New Zealand had every prospect of flying through the turbulence. Now the future of our national flag carrier looks bone-jarringly shaky.

In cutting Ansett loose from any prospect of rescue, Air New Zealand triggered an emotion-charged chain of events. However, the seeds of this disaster had already been sown. That much is clear from the decisive actions of the administrators brought in when Air New Zealand turned its back on the Australian carrier. The almost immediate shutdown of Ansett is conclusive proof that it had already reached the end of the runway.

Air New Zealand executives quoted in the Weekend Herald complained that the state of Ansett's operations were opaque when it was taken over. Unfortunately, they seemed no more transparent at the end. It is a state of affairs for which the Air New Zealand board and senior executives must accept responsibility. Even before the takeover their airline had a sufficient shareholding and rights to demand of Ansett's management the necessary operational and financial information. That lack of clarity must have played a significant part in the drawn-out attempts to rescue the Australian airline and, by implication, that of Air New Zealand itself. And the question marks continue to hover over everything.

Chief among the unanswered questions is Air New Zealand's liability for almost \$NZ500 million in staff entitlements. That is an issue in which the Australian Government is taking a keen interest and one it would certainly wish to be placed firmly at the New Zealand airline's feet. Air New Zealand, for its part, will try to distance itself from that liability which would tip its balance sheet beyond the scope of the current rescue package promised by Brierley Investments, Singapore Airlines and the New Zealand Government.

Prime Minister Helen Clark has made it clear that her Government will not accept liability for the Australian workers' losses. Nor should it, although a court decision against Air New Zealand could well see a further state bail-out of the New Zealand carrier that, in reality, would have just that effect. Should Air New Zealand not be found liable, the Australian Government will be forced to compensate workers, probably by new levies. That, in turn, will ensure a continuation of the baying for Kiwi blood that began when Ansett shut its doors.

With the benefit of hindsight, the best solution for both Ansett and Air New Zealand would have been for the Kiwi airline to allow Singapore Airlines to take over the Australian operation in its entirety and to take up a larger holding here. SIA has the ability to manage large airlines efficiently and its no-nonsense approach to business would probably have identified Ansett's operational deficiencies early

on. However, that was not to be. Despite protestations, the Governments on both sides of the Tasman are partly responsible for what has happened but the board and senior executives of Air New Zealand have to carry the burden of blame. Vacillation, procrastination and politics combined to create a nightmare.

It is a nightmare that Australians are now fuelling with reactions and comments that are, at least, stupid and, at worst, bordering on a form of xenophobia. It is being fanned by Australian media who suggest that we have a national culpability for the Ansett collapse and a congenital failing that makes us financial cowboys and bad risks. That is rubbish and they know it. New Zealanders could just as easily point the finger across the Tasman at the HIH Insurance collapse that may reach \$A4 billion or the \$A600 million losses of One.tel when it closed. The people of New Zealand are no more responsible for Ansett's state of affairs than are Air New Zealand cabin and ground crew who have been vilified by their Australian counterparts.

Looking ahead, disaster recovery will take some time and there may be more pain before it is over. New Zealand taxpayers, for example, had better steel themselves for the loan facility in the present rescue package being fully taken up and extended. Brierley Investments and SIA will also have to dig deeper into their pockets.

### **Article: *Toomey quits Air NZ (9/10/2001)***

Air New Zealand chief executive Gary Toomey has resigned.

Air NZ's chairman Jim Farmer said it was a sad loss to the airline but the company found itself in quite a different position to when Mr Toomey came on board at the beginning of the year.

"He has encountered a set of problems that were not of his making and has worked relentlessly to find answers to them," Dr Farmer said in a statement to the Stock Exchange.

"We have no criticism to make of him - or the management team he led - for what has happened and wish him well, wherever he goes now."

Roger France, a newly appointed Air NZ director, will act as executive director until a new chief executive is appointed.

Dr Farmer said the airline had come to a confidential settlement with Mr Toomey, which was "consistent with his contractual entitlements and benefits".

Mr Toomey said he believed the board's decision to place Ansett in voluntary administration meant the future Air NZ must set its sights on different goals from the ones that drew him to the company.

"I think it is appropriate for me to move aside, take a break with my family and consider some of the options open to me."

Mr Toomey said in the statement that he deeply appreciated "the literally hundreds of cards and messages I have received from staff and supporters during the difficult times that the group has gone through over the year".

Forsyth Barr Frater Williams executive director Don Turkington said Mr Toomey's resignation would put further downward pressure on Air NZ shares tomorrow.

The A shares closed down 10 per cent, 3c, at 30c, to meet the B shares which closed steady on 30c.

"It's just another uncertainty. It's not so much that Toomey is leaving but that there is no real replacement for him at this stage," said Mr Turkington.

"They haven't showed a lot of airline management depth through this crisis and at least Toomey was an experienced airline person," he said.

Mr France is a chartered accountant who recently retired as a senior partner in PriceWaterhouseCoopers.

"It's surprising that they couldn't keep Toomey until they could find a replacement."

Mr Turkington said that with the shooting having started in Afghanistan, the already ugly environment for aviation stocks had deteriorated further.

Speculative buying largely dried up on the sharemarket today with only 1.9 million Air NZ A shares traded and just over 2 million Bs.