

Battle for power at Ngai Tahu

25 May 2006

By JANINE BENNETTS

A leaked confidential email shows a power struggle has erupted between Ngai Tahu's chairman and chief executive.

In the email leaked to The Press, chief executive Tahu Potiki has outlined concerns about key relationships within the tribe, including his relationship with chairman Mark Solomon, who faces a re-election battle this weekend.

The email expresses Potiki's concerns about:

The performance of Ngai Tahu's commercial arm, Ngai Tahu Holdings Corporation (NTHC).

Its chief executive, Robin Pratt, who resigned this week.

The process through which Pratt's resignation was dealt with by the NTHC board.

Potiki's belief that Solomon, Te Runanga o Ngai Tahu (Tront) kaiwhakahaere (elected chairman), was aware of Pratt's resignation and did not inform Potiki or the Tront board.

The leaked document also discusses a proposal to implement "major changes" to the way the iwi is governed – a move sanctioned by the tribe's board and likely to be controversial.

The revelations come just three days before Solomon stands for re-election against three other Tront board members.

Pratt, who announced his resignation to the public and Tront on Monday, has been chief executive at NTHC for four years and helped increase the company's assets, which include seafood, tourism and property, to about \$590 million.

According to the leaked email sent by Potiki to his lawyer on May 20, Pratt resigned because he "claimed to have been a victim of constructive dismissal as a result of the proposed change process".

In the email, Potiki said he was informed that Pratt had resigned on May 12 and was subsequently told a settlement had been effected. He said he believed Solomon knew of Pratt's resignation before Monday and did not inform him.

Potiki early yesterday agreed to an interview with The Press about the email, but later in the day declined to comment after The Press contacted Solomon about the issue.

Solomon said he would not comment on unsubstantiated information and would not allow an interview with Potiki. When asked whether he knew about Pratt's resignation before Monday, he declined to answer.

Yesterday, Pratt told The Press he had resigned because he did not think he was the right person to lead the company under its proposed new structure.

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25 May 06

"I've spent four and a half years running the corporation with great management and I've tried my best for the whanau," he said.

"I've tried to keep it separate from the politics. Keeping the business and the politics separate is a really important principle. Ultimately, the business is being dragged into the politics of Ngai Tahu, and I think that's a shame."

Pratt and the company were last night taking legal advice about Potiki's claims in the leaked email.

In the email, Potiki described the relationship between Tront and NTHC as "difficult and quite politically tense" and a "dysfunctional environment".

Potiki expressed concern that "there are trust issues between the NTHC board and Te Runanga staff and representatives".

As of May 20, when the email was sent, Potiki stated he had not been formally notified of the resignation by NTHC, despite having informally learnt on May 12 that Pratt had resigned.

Potiki commented that Pratt had received "a payout of some sort", which had been managed by NTHC board deputy chairwoman Sue Sheldon.

NTHC board chairman Maika Mason and Sheldon declined to comment yesterday.

The Press also contacted several leaders of local Ngai Tahu runanga (local councils). They all declined to comment about the power struggle.

Tront board split on leader

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The Press
26 May 06
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FRIDAY, 26 MAY 2006

By JANINE BENNETTS

A feud between Ngai Tahu's bosses has split the iwi's governing board in two, leaving tribe chairman Mark Solomon fighting to keep the top seat.

The kaiwhakahaere (elected chairman) of Te Runanga o Ngai Tahu (Tront), Solomon is facing a battle for re-election against three other board members tomorrow.

A source close to Tront told The Press that if Solomon were re-elected, chief executive Tahu Potiki would most likely resign.

In a confidential email from Potiki to a lawyer, which was leaked to The Press this week, Potiki expresses concerns about his relationship with Solomon, the lack of communication between Tront and its commercial arm Ngai Tahu Holdings Corporation (NTHC), and the sudden resignation of NTHC chief executive Robin Pratt on Monday.

The Tront board represents the tribe's 37,000 beneficiaries and through NTHC manages more than \$500 million worth of assets.

Solomon, who has been kaiwhakahaere for eight years, narrowly survived a motion of no confidence in May 2004, with his own vote tipping the balance in his favour.

It is understood that in tomorrow's elections the 18-member board will again be divided over Solomon, with nine members opposing his re-election.

If the vote is evenly split, Solomon will retain the position for another term.

The three other nominees for chairman are Wairewa representative James Daniels, Kaiapoi's Ngai Tuahuriri representative Te Maire Tau, and South Canterbury runanga Arowhenua representative Gary Waaka.

The Press understands those hoping to oust Solomon plan to throw their votes behind a single opposing candidate. One Tront board member, who did not wish to be named until after Saturday's election, said Potiki's concerns in the leaked email, and the fact that he had contacted a lawyer about them, highlighted the need for change within the iwi.

"You don't do that unless you're concerned about the health of the organisation first and foremost," the board member said.

The board member expressed concern that Solomon had remained as chairman for so long, despite the vote of no confidence where only his own vote kept him in power.

"Is that democracy – saving yourself?" the board member said.

"The (chairman's) position hasn't changed since the last election and there's probably been no development since that point."

Solomon did not wish to comment to The Press yesterday.

Another board member, Michael Skerrett, who represents Invercargill's Waihopai Runaka said he was happy with the current leadership of the board.

"I don't particularly want any change in the leadership. I'm quite happy," Skerrett said.

"There's other changes in the governing structures that need to be considered."

The Press contacted 14 of the other members of the Tront board, who all either declined to comment or did not return The Press's calls.

THE PRESS

Ngai Tahu vote draws flak

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The Press
30 May 06"

TUESDAY, 30 MAY 2006

By JANINE BENNETTS

The re-election of Ngai Tahu's chairman by a split vote at the weekend has raised concerns among tribal members about the democracy of the iwi organisation and the effectiveness of its leaders.

Mark Solomon was narrowly re-elected as Te Runanga o Ngai Tahu's (Tront) kaiwhakahaere (chairman) last Saturday after two secret ballots split Tront's 18-member board 9-9, giving Solomon the position by being the incumbent.

The board manages Ngai Tahu's more than \$500 million assets for its 37,000 tribal members, many of whom are concerned about the performance of the board and recent publicity of infighting among its bosses.

Tribal member Bill Karaitiana, who was part of the Te Runanganui o Tahu board that was instrumental in the Ngai Tahu settlement, said tribal members were not concerned about the politics of the board but about the management of their assets.

"They're there to manage a settlement on our behalf," Karaitiana said. "From a tribal members' point of view, we can't be bothered with hearing about in-fighting."

He said recent publicity about problems within the iwi organisation showed that restructuring was needed.

"The persons responsible are obliged to fix it, or else be fixed," Karaitiana said. "Mark (Solomon) has got to sharpen up and become relevant to his organisation."

Karaitiana said the system for electing Tront management should be given back to each runanga, who could vote by post.

Solomon and other Tront board members approached by The Press yesterday either declined to comment or did not return calls.

A concerned Oraka-Aparima runaka member emailed The Press at the weekend and questioned the democracy of Tront's elections.

"This election (business) is all a bit of a mystery as there is nothing on the iwi website, the magazine Panui has yet to reach my mail box. It's almost as if we are to know through osmosis," the tribal member said.

"The info I can get is second-hand stuff off a mate at one of my local pubs."

Another tribal member said there was concern about the iwi's governing body.

"The process by which most of them are elected is questionable and excludes the majority of tribal members," the member wrote.

"No-one on Te Runanga ... have a track record as successful businesspeople and therefore they individually and collectively lack the skills and experience to properly manage such a large company with a diverse range of investments and assets."

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Strong leadership and firm accountability needed at Ngai Tahu

Editorial 3 June 06

SATURDAY, 03 JUNE 2006

Following his re-election as Ngai Tahu's chairman, Mark Solomon expressed confidence that the iwi board was committed to a united future moving forward, writes The Press in an editorial.

If this did occur it would be a positive and necessary step. But the apparent depth of the murky divisions that have recently created such turmoil within Ngai Tahu suggest that neither the tribe's 37,000 members nor the wider community can be confident of either unity or progress.

Discovering precisely what has been occurring at Te Runanga o Ngai Tahu (Tront) has not been easy, given the veil of silence that has so often shrouded its affairs. Even members of the iwi have complained that they have not been kept adequately informed, which in itself has raised concerns about the level of democracy and accountability within Ngai Tahu. But from what information is known, there are clearly serious divisions at a leadership level over both personality and policy.

Solomon's re-election as kaiwhakahaere (chairman) was on a split vote and he retained his position only because of his incumbency. It is hard to imagine that the reasons or sentiments that prompted half of the Tront board to vote against him will suddenly disappear.

This is not, after all, the first time in which he has survived by the narrowest of margins, having used his own casting vote to defeat a no-confidence motion two years ago. Solomon has shown a talent for hanging on to his position, but at what cost to his moral authority?

Ngai Tahu's internal problems go further than the board table. In the past fortnight, Robin Pratt has resigned as chief executive of the iwi's commercial arm, Ngai Tahu Holdings Corporation (NTHC). And a leaked email has highlighted a personal power struggle between Solomon and Tront chief executive Tahu Potiki, whose own future has been the subject of speculation.

Ructions among senior figures will break out at any organisation from time to time, but what is especially concerning at Ngai Tahu are the reasons being given for the infighting.

Potiki has expressed concern about NTHC's performance, especially with respect to its major seafood and tourism assets, and described its relationship with Tront as a dysfunctional environment. He also criticised Solomon for not informing him or the Tront board of Pratt's resignation. For his part, Pratt attributed his decision to quit on a new company structure that threatens to drag the business into the politics of Ngai Tahu.

In any public company around which similar allegations were swirling, the shareholders would be demanding explanations. Although Ngai Tahu is not a public company, its members are

entitled to full accountability, as they are ultimately the beneficiaries of the iwi's considerable financial resources.

Ngai Tahu has rightly been regarded as having made a more profitable and prudent use of its Treaty settlement than any other iwi. It has tripled its assets and invested in a host of activities.

Already it is one of the most significant operators in the South Island economy, which is why its present problems should be of far wider community concern than to just Ngai Tahu members.

Important in the iwi's past success has been good governance, including having capable leaders such as Tipene O'Regan. Solomon has not impressed as having a similar vision or leadership talent to that of his predecessor, while the public divisions in the iwi and the suggestion of greater political involvement in commercial decisions raise serious questions about the commitment to good governance.

It was lax accountability and investments made on non-commercial grounds that contributed to the financial mess Tainui found itself in after receiving its Treaty settlement.

What is now urgently required at Ngai Tahu is that combination of strong leadership and firm accountability that has seemed elusive over recent weeks. The iwi's members must be told by the custodians of their assets what the issues are at the senior management level – not learn of them second hand – and what action is being taken to resolve them.

Otherwise, Ngai Tahu's reputation for business acumen and good governance will be further eroded. And then, iwi members will have no choice but to confront the question of how well served they are by their leaders.

THE PRESS

Solomon's breach renews disapproval

The Press 7 June 06

WEDNESDAY, 07 JUNE 2006

By JANINE BENNETTS

Opponents of Ngai Tahu chairman Mark Solomon may call for his resignation because they are angry he broke a truce between the divided board just minutes after being re-elected.

Te Runanga o Ngai Tahu's 18-member board, which represents the tribe's 37,000 members and manages more than \$500 million worth of assets, has been locked in a stalemate for months, with nine members supporting Solomon and nine wanting him out.

In elections two weeks ago Solomon retained the position of kaiwhakahaere (elected chairman) because of his incumbency, after two secret ballots produced two split votes.

The Press understands an agreement had been reached before last month's election between the two groups on the board to work together and support whoever was elected.

However, several sources have told The Press that on being reappointed kaiwhakahaere, Solomon immediately challenged board members who had leaked information to the media in recent weeks to resign.

One board member, who did not wish to be named, said Solomon's actions had angered his opponents because it violated the agreement to set aside differences and work together.

The board member said Solomon's opponents no longer trusted his word and would continue to oppose the chairman and his actions.

"I think this (unity) would've all been achievable if Mark hadn't challenged people to resign after he got in," the board member said.

"That was a foolish mistake from him. He tried to humiliate people and now that's retaliating on him."

The board member said Solomon's opponents would now be considering using the threat of their resignations to force him to resign. The kaiwhakahaere needed 12 members to hold a meeting and if nine were to resign the board would fall into dysfunction.

"I'm not really sure what the way forward is," the board member said.

Solomon refused to comment to The Press yesterday.

The board is scheduled to meet next weekend in an attempt to resolve conflicts.

Board member Michael Skerrett, who represents Waihopai runanga, said the truce between board members still stood. "I think we've got to move on. We've had a vote, that's it," Skerrett said.

"We're committed to ... planning and working our way through any issues and getting on with

the job and making sure we're working together."

Senior Ngai Tahu figure Sir Tipene O'Regan would not comment to The Press yesterday on what he would like to see happen with the chairman's position but said the board's division was of huge concern.

"It concerns me that they can get to a nine-nine situation because it creates a political stalemate ... and that is the problem," O'Regan said.

"It's a stalemate and it's not terribly functional, but it's a bit like the New Zealand Parliament, and that's functional."

He said the main focus on the board was not its leadership but the best way to manage the iwi's assets.

THE PRESS

16 June 2006

NT Media Statement

16 June 06

**Media Statement
Te Rūnanga o Ngāi Tahu announces new Group Board**

Te Rūnanga o Ngāi Tahu has taken action and is introducing a new group board as result of its recent governance review.

The Ngāi Tahu Group Board will report directly to Te Rūnanga o Ngāi Tahu – the tribal council – and will be responsible for providing strong corporate governance to the entire Group.

During the last year Te Runanga o Ngai Tahu has been carrying out a detailed review of its governance structures. The resulting changes are being implemented to ensure strong accountability and clearer delineation between the tribal representation and corporate governance roles.

The introduction of the Group Board is about ensuring Te Rūnanga o Ngāi Tahu has a strong internal structure with the right skills and expertise to ensure continued and strong commercial growth while also ensuring sustainable and enhanced distribution of benefits to the tribe.

Ngāi Tahu's commercial arm is evolving. It started as a \$170m operation and has grown to a value of more than \$446m. These changes are in preparation for the next phase of growth.

As a result of the governance review Te Rūnanga o Ngāi Tahu, will continue to comprise 18 rūnanga representatives, and will focus on big picture governance for the tribe.

Mark Solomon and Te Maire Tau (members of Te Rūnanga o Ngāi Tahu) along with business leaders Wally Stone and Andy Pearce will make up the new Group Board.

Mr Stone is Ngāi Tahu and is Chair of Whalewatch Kaikoura and Tourism New Zealand. Dr Pearce was the CEO of Landcare Research New Zealand Ltd from 1992 to 2005. He is Chairman of Canesis Network Ltd and Terranova Trust and is a Director of Wool Equities Ltd and Keratec Ltd.

Mr Stone will chair the new Group Board. "I am excited about the opportunity to work with a successful tribal business that is focused on growth. It is an honour to lead this high calibre board," he says.

"With the resignation of Dr Robin Pratt as Chief Executive of the Holdings Corporation in May we will be assessing our requirements for a replacement over the coming months," says Mr Stone. "In the meantime it will be business as usual. We have confidence in our strong management team to continue growing our autonomous businesses."

Te Runanga has had some differences with respect to leadership of the table that are being resolved openly, positively and in a managed fashion. Robust internal debate is welcomed and encouraged. Te Runanga is united in its commitment in ensuring strong governance is provided to the organisation and the Ngai Tahu Group Board will ensure it is business as usual for the Ngai Tahu Group.

THE PRESS

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Board members resign

17 June 06

SATURDAY, 17 JUNE 2006

By JANINE BENNETTS

More than half of the board managing Ngai Tahu's \$500 million worth of assets has resigned after a move by iwi management to get greater control over its commercial arm.

Te Runanga o Ngai Tahu (Tront) yesterday announced the establishment of a four-member Ngai Tahu Group Board, to which its commercial arm, Ngai Tahu Holdings Corporation (NTHC), will report.

One NTHC board member told The Press yesterday that the whole board, which manages the tribe's property, tourism and seafood assets, had subsequently resigned or announced an intention to resign.

The resignations follow the departure of NTHC chief executive Robin Pratt, who resigned last month because he did not agree with the holdings group being dragged into Tront politics.

Richard Parata, who resigned from the holdings board on Tuesday, said he had been concerned for some time about the operation of Tront and its plans for the holdings group.

"Tront is totally dysfunctional," he said. "It's not a democracy. I have very grave concerns about the commercial future of the tribe."

Parata, who had been on the board for six years, disputed claims that it had not been performing and described Pratt as "one of the best chief executives in the country".

"Politics and commerce must be absolutely separate or you don't get the best results," Parata said. "The new commercial board will be now controlled by politics."

Pratt and the board resignations have thrown the already turbulent relationship between Tront and its holdings group into further disarray.

Tront kaiwhakahaere (chairman) Mark Solomon has faced criticism from his board and Tront chief executive Tahu Potiki over his failure to bring the holdings group under tighter control.

In a confidential email from Potiki to a lawyer, which was leaked to The Press last month, Potiki described the relationship between Tront and NTHC as "difficult and quite politically tense" and a "dysfunctional environment". He expressed concern that "there are trust issues between the NTHC board and Te Runanga staff and representatives".

Neither Potiki nor Solomon could be reached for comment.

Tront said the new group board was the result of a recent governance review. The new board would "ensure strong accountability and clearer delineation between the tribal representation and

corporate governance roles".

The group board will report directly to Tront and will be responsible for providing corporate governance to the entire group.

Tront said there would still be a holdings board, but could not comment on what the make-up of that board would be. The new group board, which is made up of Solomon, Tront member Te Maire Tau and business leaders Wally Stone and Andy Pearce, was appointed by the Tront board, but Tront would not comment on the appointment process.

THE PRESS