



Office of Hon Hekia Parata

Minister of Education

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20 MAY 2014

Tākuta Timoti Kāretu and Tina Olsen-Ratana
Te Kōhanga Reo National Trust Board
PO box 38741
WELLINGTON 5045

Tēnā Kōrua

Thank you for your letter received on 8 May 2014 setting out Te Kōhanga Reo National Trust Board's (the Trust Board) response to allegations of misuse of public money, and the Trust Board's interest in completing the process to address the findings of the Waitangi Tribunal.

We note your summary of the steps taken by the Trust Board to address the allegations concerning Te Pātaka Ōhanga (TPO), and your view that those steps are all that can be reasonably expected.

Your letter also states that the Board and kōhanga reo "require" the completion of the process led by Sir Michael Cullen. As you know, this process looks to put in place long term measures for the regulation and funding of kōhanga reo, including the role of the Board and its relationship with the Crown. Accordingly, completing this process can only happen once the Trust's own position and structure is clarified and once Government's concerns, public confidence and governance arrangements have been addressed.

Given the significance of this matter, the Trust Board might have taken the opportunity at the Tūrangawaewae hui in April to clarify this for kōhanga whānau in attendance. We hope you will do so, perhaps through the consultation meetings being conducted by the working party.

Your letter also stated that the Ministry of Education has declined the Trust Board's request for a financial contribution to the working party. We are advised that the Ministry has not received any request. Given the strength of view expressed at the Tūrangawaewae hui that the Crown not be involved we would have been surprised to have received such a request. Additionally, we would like to clarify that the investigation by Charities Services New Zealand of Te Pātaka Ōhanga was initiated independently (by the Department of Internal Affairs).

We acknowledge the start of work discussions between the Ministry and the Trust on the Master Agreement, which is due to expire on 30 June 2014, with the possibility of continuation on an interim basis until October 2014. We see that work as offering real possibilities to reorient our joint efforts to secure better education outcomes for kōhanga reo and for te reo Māori more widely.

We look forward to further reports on progress with the Master Agreement and the review of the governance arrangements of the kōhanga reo movement.

Heoi anō rā

Hon Hekia Parata
Minister of Education

Hon Dr Pita R Sharples
Minister of Māori Affairs
Associate Minister of Education



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12 June 2014

Hon Hekia Parata
Minister of Education

Hon Dr Pita Sharples
Minister of Maori Affairs & Associate Minister of
Education

Parliament Buildings
Wellington

Tena korua Ministers

We write further to our letter dated 22 April 2014 and your reply dated 6 May 2014 to update you on recent developments.

As you will be aware, the Te Kohanga Reo National Trust Board has now received confirmation from the Serious Fraud Office that it found no evidence of criminal offending at Te Pataka Ohanga Limited and that it would not be taking any further action in respect of the matters raised with you by Toni Waho in his letter dated 10 March 2014. We enclose for your information a copy of the Serious Fraud Office's letter dated 10 June 2014.

We have also received a letter from the Department of Internal Affairs dated 4 June 2014. That letter included a warning notice about certain conduct at the Te Pataka Ohanga but also acknowledged remedial actions that have been taken to address the issues identified by the Department. The Trust Board has already implemented many of the remedial actions recommended by the Department, and has confirmed that it will implement all recommendations urgently. The Trust Board and Te Pataka Ohanga have acted promptly both to dismiss the person responsible for misuse of credit cards, and to strengthen Te Pataka Ohanga's governance arrangements. The Trust Board and Te Pataka Ohanga will continue to engage constructively in good faith with the Department to ensure that its concerns are addressed.

The Trust Board and Te Pataka Ohanga have now undergone an extensive period of close scrutiny by your offices (including a review by Ernst & Young), the Ministry of Education, the Department of Internal Affairs and the Serious Fraud Office, as well as the media. Overall, it has established that there has been no misuse of public funds, let alone evidence of criminal conduct. Shortcomings in the management and governance of Te Pataka Ohanga Limited have and are being remediated.

Moreover, as we have previously advised, the Trust Board's independent working group is continuing its review of the Board's governance arrangements and is consulting with whanau

now. Our expectation is that this process will result in reform to the structure and governance arrangements of the Trust Board itself. But as we have previously advised, it is essential that this process be undertaken in accordance with the kaupapa of kohanga reo, and with the support of kohanga whanau.

Given these developments, the Trust Board considers that the concerns raised in your previous correspondence about a loss of Government and public confidence in the Trust Board have been fully and properly addressed. The Trust Board has engaged constructively with all of the investigations that have been initiated and has responded promptly to all of the concerns that have been raised. No new or additional concerns have been raised about the Trust Board or Te Pataka Ohanga Limited.

On this basis, we consider it is now appropriate to resume the process with Sir Michael Cullen to address the findings of the Waitangi Tribunal on the WAI 2336 claim. The Trust Board is ready and available to meet with you to discuss this. We remain committed to that process and we look forward to receiving your confirmation that the Crown is similarly committed.

We also consider that there are no obstacles to renewing the Master Agreement. We note that at the meeting held between the Trust Board and Crown officials on 15 May 2014, the Crown negotiating team advised that its mandate was conditional upon the outcomes of the SFO and DIA investigations. As those investigations are now complete, we seek your confirmation that the Crown has given its negotiating full authority to conclude a new Agreement, and that the existing Agreement will remain in force pending conclusion of negotiations.

The Trust Board remains available to meet with the Ministry to continue the negotiation process now that the SFO and DIA have completed their investigations. In our view, there is no reason why those negotiations cannot be concluded and a new Agreement signed by the end of the month.

Naku noa, na



Takuta Timoti Karetu
Co-Chair



Tina Olsen-Ratana
Co-Chair

91a



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SERIOUS FRAUD OFFICE
Te Tari Hara Taware

www.sfo.govt.nz

10 June 2014

Te Pataka Ohanga Limited
c/- Mai Chen
Chen Palmer
PO Box 2160
Wellington

Dear Ms Chen

ENQUIRY INTO THE AFFAIRS OF TE PATAKA OHANGA LIMITED AND OTHERS

The SFO will shortly be making a media release in the terms below. As advised this morning we will provide your clients with an hours' notice of the release. We would ask that your clients do not make any disclosure of the announcement before it is made.

The media release will be as follows –

"The Serious Fraud Office has completed its investigation in relation to allegations of misuse of funds held by Te Pataka Ohanga Limited. The SFO's investigation did not disclose any criminal offending and the SFO will not be taking any further action.

The investigation specifically considered a number of loans made by TPO to staff and their whānau and the use of TPO credit cards. After considering the scope of any restrictions imposed upon TPO with regard to the use of funds the SFO does not consider any further action is warranted with regard to the loans. While some expenditure on a TPO credit card related to personal items, the SFO is satisfied on the information available that the card was used in error and that repayments were made. This was the case in relation to expenditure at Trelise Cooper and in relation to the purchase of a wedding dress.

Other issues raised appeared to be attributable to failures in corporate governance. Some of the expenditure on the credit card fell into this category. The SFO understands that TPO has taken steps to address these corporate governance issues.

Should any further information come to light, the SFO will reconsider its conclusions in relation to this matter.

Thank you for your assistance with this matter. Should you have any further queries please do not hesitate to contact me.

Yours sincerely

J Pettifer

Senior Forensic Accountant

Joanne.pettifer@sfo.govt.nz



Office of Hon Hekia Parata

Minister of Education

19 JUN 2014

Tākuta Timoti Kāretu and Tina Olsen-Ratana
Te Kōhanga Reo National Trust Board
PO Box 38741
WELLINGTON 5045

Tēnā kōrua

Tēnā anō koutou te poari. Tēnā hoki tātou e whāia nei to tātou reo rangatira me te mātauranga mō ngā uri mokopuna.

Thank you for your letter of 12 June 2014.

We have outlined in letters of 3 April and 6 May what needs to happen before the Crown can return to the process started under Sir Michael Cullen following the Waitangi Tribunal's report in WAI 2336.

The actions that needed to be taken by Te Kōhanga Reo National Trust Board (the Trust) included putting in place more representative, transparent, accountable and auditable governance arrangements to appropriately support kōhanga reo. Other actions include the Trust adequately addressing any findings and recommendations of investigations by Ernst and Young, the Serious Fraud Office (SFO) and the Department of Internal Affairs (DIA).

The issues of governance have been a concern of the Crown for some time as noted in the context of Wai 2336. The Crown requires the Trust to seek a transparent mandate from kōhanga whānau to confirm any Crown-Trust response following the Waitangi Tribunal's findings. The Crown will also want to see evidence of more representative, transparent, accountable and auditable governance of the Trust before finalising any responses to the Tribunal's findings.

The recent allegations about misuse of funding, the concerns raised by kōhanga reo whānau, and the findings of the SFO and the DIA investigations into Te Pataka Ohanga (TPO) underlined these concerns.

Kōhanga whānau have raised concerns about the accountability of the Trust to kōhanga reo. The Trust appoints its trustees for life, and therefore cannot be accountable to kōhanga whānau.

The SFO's letter to the Trust, while reporting that its investigation disclosed no criminal activity, highlights failures of corporate governance over TPO.

We are advised by the Ministry of Education, which has received a letter from the DIA, that their investigation found gross mismanagement in relation to credit card use, governance and financial management, directors' fees, koha and whānau assistance loans, which amounted to 'serious wrong doing and activities that did not advance TPO's charitable purpose'. DIA has issued a formal warning letter to TPO, requiring TPO to address outstanding issues by 21 July 2014. While we are reassured by DIA advice that TPO has taken several remedial steps as a result of concerns raised, DIA has commenced a new investigation into the Trust.

The review of governance arrangements of the Trust, initiated by Kiingi Tūheitia, is due to be completed in December 2014. Any improvement to governance made by the Trust is therefore some time away. Our letters of 3 April and 6 May noted that it is for kōhanga reo whānau to make these changes.

Finally, the Ernst and Young review, while finding there were adequate controls over public funding received by the Trust, they also found shortcomings. The terms of reference for that review included a follow up review of implementation of recommendations made by Ernst and Young. That follow-up review has not yet been undertaken. The Crown will need independent assurance that all changes have been made to governance and management in response to the various investigations and reviews.


Your recent letter suggested that the process started under Sir Michael Cullen be recommenced. However, our view is there are a number of outstanding issues that need to be addressed by the Trust first. We recommend the Trust works through its governance and management changes as the priority.

We do not agree with your letter of 12 June 2014 that there are no obstacles to renewing the Master Agreement contract between the Trust and the Ministry of Education. Rather, we understand that Ministry of Education officials have advised Trust management that before a new contract can be considered, among other things, the findings of the various investigations need to be fully addressed, and more representative, transparent, accountable and auditable governance arrangements over the Trust are required.

We note that Kiingi Tūheitia's working group to review Trust governance arrangements is not due to report back until December 2014. We are advised that the Ministry of Education is open, as a sign of good faith, to extending the short term variation of the Master Agreement beyond 30 October 2014 to 31 December 2014. This further extension will coincide better with Kiingi Tūheitia's December report-back. The Ministry of Education will, however, seek monthly reporting and invoicing for any extension of the Master Agreement to provide reasonable assurance while the Trust addresses the findings of the Ernst and Young review, the DIA recommendations on TPO, and any further recommendations made by DIA in relation to the Trust.

As we have outlined in this and our previous letters, we see real scope for kōhanga reo and the Crown to continue the process started under Sir Michael Cullen once the outstanding issues have been addressed.

Heoi anō rā


Hon Hekia Parata
Minister of Education


Hon Dr Pita R Sharples
Minister of Māori Affairs
Associate Minister of Education

s 9(2)(a) and 9(2)(f)(iii) OIA

From: Parliament - [REDACTED]
Sent: Wednesday, 15 October 2014 2:51 p.m.
To: Karl Le Quesne; Jan Breakwell
Cc: Rawiri Brell
Subject: Call from Chen Palmer re TKR
Importance: High

Hi Karl, Jan,

The Minister's Office received a call today at 2.30pm from Chen Palmer – Marina Matthews and Nick Russell called to alert the Minister to High Court proceedings today between their client (the Trust) and Toni Waho.

They advised that there was media at the hearing and that the pleadings were not suppressed so the media may report them. However, the evidence was suppressed. It was on this basis they had been instructed to alert the Minister, so she was not surprised by media asking her for comment.

s 9(2)(g)(i) OIA

Please let me know if there are any concerns posed by this communication.

s 9(2)(g)(i) OIA

Regards,

s 9(2)(a) and 9(2)(f)(iii) OIA

Office of Hon Hekia Parata | Minister of Education | 5.1L Executive Wing | Parliament Buildings | Wellington

s 9(2)(a) OIA

We get the job done *Ka oti ka mātou ngā mahi*
 We are respectful, we listen, we learn *He rōpū manaaki, he rōpū whakarongo, he rōpū ako mātou*
 We back ourselves and others to win *Ka manawanui ki a mātou, me ētahi ake kia wīkitoria*
 We work together for maximum impact *Ka mahi ngātahi mō te tūkinga nui tonu*

Great Results are our bottom line *Ko ngā huanga tino pai ā mātou whāinga mutunga*

[REDACTED]

From: Karl Le Quesne
Sent: Tuesday, 4 November 2014 8:52 p.m.
To: Rawiri Brett; Zoe Griffiths; 'geoff.short@parliament.govt.nz';
[REDACTED]
Subject: TKRNT Waho vs Olsen Rātana

s 9(2)(a) and 9(2)(f)(iii) OIA

The High Court did not back Tony's application to stop proceedings by the Trust Board to remove him.

Suggest we stick to our prepared key messages if asked to comment – this is the Trust's business.

<http://www.scoop.co.nz/stories/ED1411/S00020/high-court-case-of-waho-v-olsen-ratana.htm>

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RELEASED UNDER THE OFFICIAL INFORMATION ACT

78

From: [REDACTED]
Sent: Tuesday, 25 November 2014 1:59 p.m.
To: [REDACTED]
Subject: FW: Request to meet Minister Parata

s 9(2)(a) and 9(2)(f)(iii) OIA

From: [REDACTED] s 9(2)(a) OIA
Sent: Tuesday, 25 November 2014 1:46 p.m.
To: [REDACTED]
Subject: Request to meet Minister Parata

Kia ora [REDACTED]

s 9(2)(a) and 9(2)(f)(iii) OIA

The Te Kohanga Reo National Trust Board seeks an urgent meeting with Minister Parata, Minister of Education to discuss the Nga Tuara Whanui report which the Board have recently received. Liken to the Minister the Board has many commitments and obligations to fulfil at this time of the year. Therefore, we would like to propose the following dates to meet with the Minister for consideration

The TKRNT Board would like to suggest the following dates;
26, 27, 28 November 2014 or 1, 2, December 2014

Please advise at your earliest convenience.

s 9(2)(a) OIA



[REDACTED] | Te Kōhanga Reo National Trust Board
67 Hankey Street
Mt Cook
Wellington 6011

s 9(2)(a) OIA

[REDACTED] | www.kohanga.ac.nz

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Office of Hon Hekia Parata

Minister of Education

2 DEC 2014

Tākuta Timoti Kāretu and Tina Olsen-Ratana
Te Kōhanga Reo National Trust Board
PO Box 38741
WELLINGTON 5045

Tēnā kōrua

I understand that you wanted to meet with me before Christmas to discuss the review of governance of the Trust and kōhanga reo.

Angus Hartley has confirmed to Rawiri Brell that you have received a report from the working group established to consult kōhanga reo whānau on options for changes to governance. I also understand that report will be provided to kōhanga reo whānau for the 11 December 2014 hui convened by Kiingi Tūheitia.

Hon Dr Pita Sharples and I wrote to you on 3 April, 6 May and 19 June this year about our expectations of the Trust's governance review, and it leading to more representative, transparent, accountable and auditable governance. This is a necessary step before we can resume joint work on the response to the Waitangi Tribunal's inquiry (WAI 2336).

I would be grateful to receive a copy of the working group report, before I meet with you. I suggest we meet early next year, so I will have had the opportunity to read the report and you can brief me fully on the next steps for the Trust's governance.

I wish you a successful hui on 11 December and I look forward to hearing from you early next year.

Hepi anō rā

Hon Hekia Parata
Minister of Education

*Nga mihi mo te
kirihihi me.*



Office of Hon Hekia Parata

Minister of Education

10 DEC 2014

Tākuta Timoti Kāretu and Tina Olsen-Ratana
Te Kōhanga Reo National Trust Board
PO Box 38741
WELLINGTON 5045

Tēnā kōrua

Thank you for an embargoed copy of the Ngā Tuara Whānui report emailed to my Office late on Tuesday 9 December 2014.

I would welcome a meeting with you in the New Year to discuss the report, and your response to it.

I am particularly interested to hear from you how the Board intends to address the governance matters I have raised in my letters to you throughout the year. Once I understand what changes are to be made and when, then I can consider restarting discussions on WAI 2336.

I have asked Ministry of Education officials to review the Ngā Tuara Whānui report and to provide me with advice in the New Year, when I will be in a position to give it due consideration.

I trust the hui in Ngaruawahia will be successful and provide clarity for the way ahead.

My Office will contact you early next year to find a suitable time for us to meet.

Heoi anō

Hon Hekia Parata
Minister of Education