

CHAPTER 5

THE DEVELOPMENT OF THE WAIHEKE SCHEME

The Waiheke Scheme is unusual in that it was not founded on Maori land. As we have seen the former Maori land was part of the much larger sale to the Crown in 1858 and Ngati Paoa has not owned the land since.

It is also unusual that from the beginning of the development scheme there was no substantial tribal presence on Waiheke. The remnants of Ngati Paoa had occupied the western aspects of the island at Te Huruhi – and nearly all had left by the 1950s. Only archaeological sites remain to evidence the relatively dense native population of past years.

On the lands of the Waiheke Scheme itself, unlike other parts of Waiheke, there are no obvious pa sites – for it is an inland area – but numerous pit sites and terraces tell of extensive gardening in the past, and large swamps indicate that the occupants had access as well to substantial bird resources. A promontory near Man-o-War Bay called Te Huruhi, suggests some link between the locality of the scheme and the main residential area at the western end of the island that bears the same name. There was also a burial ground on the scheme, that people of Ngati Paoa were aware of, but when the bones of Ngati Paoa forebears were exhumed on the mainland in 1942, on extensions to the Devonport Naval Base, they were reinterred at Te Huruhi urupa on the western peninsula. That at least indicates that Ngati Paoa still saw the island as their ancestral home.

For those involved in Maori affairs however, the territory of Ngati Paoa ought to have been known, for it is well recorded in the oral history of the Maori people and is documented as a finding in the records of the Maori Land Court. The establishment of the marae at Waiheke in 1982 gave further reminder to those interested of the former Ngati Paoa presence.

Early ownership probably meant little to the Europeans who obtained Crown grants for various allotments in the area of the scheme in the 1850s. By the 1890s the bulk of allotments had passed to the ownership of Eliza Rutherford Thomson. Her lands then passed through five other owners before being purchased by Charles Hutchinson Scott and his wife Kathleen Hiraani Scott in 1937. It was subsequently transferred to Kathleen Hiraani Scott solely.

Kathleen Hiraani Scott (nee Blake) was the descendant of a Maori from Parihaka in Taranaki with connections as well to Ngati Kahungunu. Her husband Charles Hutchinson Scott, known also as Charles Te Mangu Scott, was also the descendant of a Maori with connections to Te Arawa of Rotorua. Neither however had direct connections with Ngati

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Paoa of Waiheke. In Maori terms they were as much strangers to the land in 1937 as the European purchasers who preceded them. And of course, the fact that the land was purchased in 1937 by Maoris did not mean that the land thereby ceased to be General land and became Maori land. The purchase was in all respects an ordinary commercial transaction in which the buyers just happened to be Maori.

The land was acquired, it seems, to establish a family farming venture, but it appears also that its full potential could not be realised without major capital injections. From about 1940 Mrs Scott sought the assistance of the Department of Maori Affairs to develop the property but without success, due mainly to the doubtful economy of developing an island property and the fact that the area that could readily be grassed was too small in relation to the whole block. The land suffers, in addition, from summer drought, some winter flooding and gorse infestation, and it later proved to be bad for facial eczema too. The cost of administration from a mainland office and a typography that restricted the use to sheep farming were also problems, there being fewer Maoris with the capital to settle on a sheep and cattle unit.

In 1960 the land was offered for sale to the Crown but the Department of Lands and Survey declined to purchase it.

Mrs Scott was persistent. After further representations in 1963 and 1964 and some degree of political pressure on the Board, an agreement was reached. Although Mrs Scott hoped the Department would develop the land as a station on the trustee basis for her family the only source of funds then available through the Department for land development was pursuant to Part xxiv of the Maori Affairs Act 1953 relating to development schemes under the control of the Board. The Board agreed to develop the land only with a view to its eventual division to some three farms and the settlement of Maori farmers within a projected time of seven years. An area of 25 acres on the sea-coast, containing two homes, was to be excluded from the scheme for the Scott family, and although members of the Scott family would no doubt qualify as prospective settlers on the proposed units, no undertakings were made as to who might eventually be settled. On figures prepared by it the Board estimated that at the end of the development stage – approximately seven years – the estimated realisation value of the property, including stock and chattels, would be \$187,790 and that the development would have cost \$225,590. The excess debt over the valuation was believed to be recoverable from farming proceeds.

There was nothing untoward, at least in law, in the establishment of the Waiheke Scheme on General (or European) land. Though invariably the Board develops Maori land, it may also develop General land owned by a Maori as was the case here (see sections 330(2) and 326 Maori Affairs Act 1953).

It was unusual too, but not without justification, that the decision was made to undertake the scheme. It was not policy at the time to develop land owned by an individual Maori, especially if it were to confer an individual benefit. It just so happened, after repeated requests for assistance from Mrs Scott, that money was available for development, that no

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Maori land in multiple ownership was then being offered for development, and the prevailing buoyant prices for wool and other farm products made island farming more viable than it had seemed before. It is to be noted however that while the Board had jurisdiction to develop the land on behalf of the Scott family, it preferred to maintain its policy of applying its monies for the ultimate benefit of a greater number. Its intention was to develop the land for the settlement of Maori farmers, without commitment to the Scott family in particular, and it hoped that some three Maori families might be settled.

In April 1965 the land was formally gazetted as subject to the provisions of Part xxiv of the Maori Affairs Act 1953 and the Maori Affairs Waiheke Island Development Scheme took root.

The misgivings of the Board that development of the area was marginal was soon translated into fact. There is one view that the Board went in too big to spend too much too soon so as to create an unsustainable debt. There is another that the amount spent was commensurate with the objective of developing the land for outside unit settlement at an early stage, and that losses were due to unexpected falling prices and drought conditions. We need not examine the cause but only the result. Between 1965 and 1972 the Board expended on development and incurred losses totalling nearly \$287,000. By 1972 the development debt was almost twice the book value of the land, improvements, stock and plant, and annual losses were occurring.

There seemed little prospect that unit settlement would be effected in Mrs Scott's lifetime and it appeared to be in her interests to sell out. That seemed also to be in the interest of the Board if it were to benefit from the capital gains of rising land values. It seemed also that the scheme might be made more economic with the acquisition of further land then available. Accordingly in 1972 Mrs Scott was to sell the greater part of her freehold interest to the Crown for the purposes of Part xxiv of the Maori Affairs Act, and by further agreements in 1975 a further 440 acres were acquired from adjoining farmers.

There is nothing untoward, at least in law, that the Board bought the land. It is specifically empowered to acquire land for development (section 370(1) Maori Affairs Act 1953). Unless the land is acquired on behalf of specific Maoris, which was not the case here but which commonly arises when further land is needed to develop an existing Maori owned scheme (see section 370A), then the land so acquired is acquired on behalf of the Crown and becomes Crown land (see section 370(1)(3) and section 384). The Waiheke Scheme was independent of any other and from the date of acquisition therefore, the land in the Waiheke Scheme was Crown land.

There was excluded from the sale by Mrs Scott, 105 acres, (not 25 acres as earlier envisaged) taking in the whole of the beach frontage. Accordingly no part of the scheme adjoins the coast and no parts of it have potential for coastal recreation reserves or coastal residential subdivision. Those parts of the land in native bush, predominantly Kauri forest, were to be left as proposed Crown Reserves.

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The purchase probably did little more than slow down the rate at which the debt was increasing. After 17 years of farming, on the Board's method of calculating, and after allowing for office and managerial expenses, the farm had produced a farming profit in only four of those years. The debt was continuously rising. In only two years had that debt been lower than the previous years. To 1983, from purchase in 1972, the debt more than doubled to reach a peak of \$670,000. The greatest advantage appeared to be the work and training given to unemployed under Labour Department unemployment schemes. The economics of continuing farming with a substantial debt looked doubtful and the outlay of further money would only increase the difficulty of finding a settler with sufficient cash to take on the land. The prospects for sale however looked reasonable. The land was reasonably developed and carried 5,000 ewes, 100 other sheep, 200 breeding cows and 100 other cattle.

The Board determined it would be best quit of the scheme. That the Board resolved to dispose of it, and the manner in which it did, sparked off complaints that in turn illuminated the plight of Ngati Paoa. It was natural that the immediate complaints were directed to the immediate cause of complaint – the decision to dispose of the land, and the basis and method whereby that decision was taken. It is necessary therefore to review the disposal of the Waiheke Scheme.