

News Release

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Post-settlement iwi making strong returns with capacity to increase growth further

An extensive financial analysis of 31 post-settlement iwi/hapū shows all recorded a positive profit on commercial assets in the last reported year, with an average return on assets of 8.2%.

"In unique and challenging circumstances iwi are demonstrating their ability to balance risk and reward to deliver strong commercial outcomes" ANZ Head of Māori Relationships David Harrison said.

By comparison, New Zealand's 30 largest listed companies had an average return on assets of 7.7% and our five largest listed property trusts an average of 5.6% for the same period.

Te Tirohanga Whānui – the annual ANZ Māori Business research series - this year collaborated with 31 iwi/hapū, with a combined asset base of \$4.6bn.

ANZ said the report shows clear evidence of the trend in iwi moving from asset holdings in cash and managed funds into more direct and active investment over time.

"For New Zealand businesses looking for 'transition of ownership' solutions, a thriving iwi/Māori business sector offers new options with a real point of difference". David Harrison said.

"Iwi are looking for opportunities to invest locally, and in a capital constrained environment where we increasingly look overseas for investment, that is a great story for New Zealand."

"We are seeing more collaboration among iwi, not just in sharing information, but also to gain the scale needed to target bigger deals. The new co-investment fund being scoped by Ngāti Awa, the NZ Super Fund, and the Minister of Business, Innovation & Employment is a perfect example."

Ngāti Awa Group Holdings chief executive Geoff Hamilton, who contributed information to the report, said the co-investment fund would allow Māori investors to "access and participate in much larger scale opportunities than could be achieved individually".

Te Tirohanga Whānui - which delivers a new series of 'industry' averages to help iwi review their investment strategies and planning processes – also highlighted low debt to equity ratios with average bank debt to total assets being 14% reinforcing the measured approach being taken by most iwi.

"However there is still headroom for iwi to use more external funding, within prudent levels, to help accelerate their growth." David Harrison said.

Despite the quantum of assets held by iwi the median assets per tribal member is just \$9,000 highlighting the enormity of the challenge faced to try and sustainably grow and leverage these assets for all future generations.

Iwi who collaborated in the research already have the results and have been using them to help inform their investment decisions. Tainui Group Holdings' GM of Strategy & Finance, Lyndon Settle, commented "this was a most valuable set of insights that has supported our mahi going forward".

Ngāti Kuri Chair, Harry Burkhardt "thanked ANZ for providing an insight into the journey iwi are on around wealth creation", noting "this was but one KPI we use in our journey to tino rangatiratanga."

Almost all iwi that took part saw value in continuing this collaboration. Koau Capital Partners - providers of contracted management services for several iwi that participated - noted "it would be a valuable resource to have an annual benchmark."

"As the post settlement environment becomes the norm for iwi, each are positioning themselves to make a meaningful difference to their own people – this process though, will have positive flow on effects for New Zealand as a whole." David Harrison said.

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