

News Release

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Focus of iwi investment shifting

Iwi continue to grow their returns and are targeting new investment areas, according to ANZ Bank's latest Iwi Investment Insights report, Te Tirohanga Whānui.

This year's Te Tirohanga Whānui shows the overall value of investment in privately owned New Zealand businesses and joint ventures by the 34 iwi who took part in the report has increased 18% year-on-year since 2015.

ANZ Head of Māori Relationships David Harrison said iwi who reached settlement more than three years ago had a greater proportion of their assets invested within their own rohe (tribal area).

"We've been working with a wide range of Māori business leaders for the last five years to track the fast-changing iwi investment landscape and provide valuable investment insights," Mr Harrison said.

"What we're seeing is that iwi are continuing to invest in higher returning assets, and are increasingly interested in acquiring businesses, particularly within their own rohe, reflecting a common desire to create opportunities for their people."

The most recent example of this trend is Northland iwi, and Te Tirohanga Whānui participant, Te Rarawa's purchase of Bell's Produce Limited as part of a strategy to invest in the region's growing horticultural industry.

This purchase is a large-scale market garden operation, which is a significant local employer and generates strong cashflow selling fresh produce direct to consumers.

June McCabe, Chairperson of Te Waka Pūpuri Pūtea, Te Rarawa's asset holding company, said: "This acquisition gives us a good 10-year start toward achieving our horticultural aspirations. We took an opportunity to use our rohe's climate, soil and existing relationships to benefit future generations."

Haami Piripi, Chairman of Te Rarawa said: "As a significant local investor Te Rarawa are constantly looking at ways to invest in our people and community. This purchase is about creating revenue opportunities for development and providing a benefit back to our people which, for us, is really what the job of an iwi is."

Mr Harrison said Te Rarawa have been patient with this purchase. "They've probably always been the logical buyers and they've worked their way through a process to come to a positive solution for Te Rarawa and the previous owners."

"Iwi re-acquisition of land is always going to be of huge cultural value. What's great about this purchase is that as well as land, this also has a strong existing business which enables Te Rarawa to make a meaningful and visible contribution to the local economy."

Other key findings from Te Tirohanga Whānui 2019

- Return on assets continues to trend upwards to 7.7%, an increase of 2% (from 5.7%) across the last two years.
- Iwi with a fulltime commercial CEO had either made, or seriously investigated, twice as many significant direct investments in the last year as those without a CEO.

- On average, the commercial operating profits of iwi are covering the spending of the overall tribe by 2.6 times.

About Te Tirohanga Whānui – ANZ’s Iwi Investment Insights Report

David Harrison said the goal of Te Tirohanga Whānui is to give iwi CEOs and directors analysis to help validate decisions or help challenge the path they're on.

“We're building up a solid historic trend of data. When we talk to commercial boards they tell us the themes and metrics in the report help them frame up some important discussions at the board table.”

June McCabe said: “The Iwi Investment Insights publication has good information and was helpful for us as we went through the Bell’s acquisition.

“For us, the report is helpful for two key reasons: to see what our iwi counterparts are doing and how well they're performing, and to and see how we might learn some of the lessons from iwi of a similar age and stage.”

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To request a copy of Te Tirohanga Whānui email maoribusiness@anz.com.