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# Iwi economy catches a dose of Covid

Pandemic hit return on assets in 2020, writes **Anne Gibson**

The pandemic took its toll on nine iwi, depressing returns for those with investments in hard-hit areas such as tourism, adventure activities and hotels. The TDB Advisory Iwi Investment Report 2020, out today, estimates that post-settlement iwi have assets of about \$9.8 billion, up from last year's \$9.2b, but most failed to achieve benchmark annual returns on their investments. The study analysed nine iwi which now have \$5.7b. That nine hold about 60 per cent of assets owned by all the post-settlement iwi. Three of the largest iwi – Ngāi Tahu, Waikato-Tainui and Tūhoe – recorded losses, the study found. "All of the iwi had 2020 returns below their eight-year average," the report says. "The effect of Covid-19 on the iwi

in this year's report varied depending on the iwi assets and also their reporting period," TDB says, citing Te Wai Pounamu's Ngāi Tahu, which laid off staff and put several of its businesses into hibernation. Tūhoe returned the least on its investments, earning minus 2.2 per cent on its assets, followed by Ngāi Tahu at -2.1 per cent and Waikato-Tainui with a -1.1 per cent return. Tūhoe was hit by negative revaluations and unrealised losses due to Covid, with falling values in forestry assets, carbon credits and managed funds. Ngāi Tahu's first negative return in more than 20 years was driven by a \$53m revenue drop, partly due to falling returns from tourism, primary industries and construction. Waikato-Tainui faced immediate liquidity challenges because of last

### \$9.8b Māori economy

Iwi	Assets	Return on assets	Population	Treaty redress
Ngāi Tahu	<b>\$1.8b</b>	-2.1%	68,082	\$471m from 1997
Waikato-Tainui	<b>\$1.4b</b>	-1.1%	78,000	\$463m from 1995
Ngāti Whātua Ōrākei	<b>\$1.3b</b>	+5.5%	5521	\$18m in 2011
Tūhoe	<b>\$373m</b>	-2.2%	40,056	\$169m in 2012
Ngāti Porou	<b>\$259m</b>	+2.3%	81,568	\$92m in 2011
Raukawa	<b>\$183m</b>	+5.5%	8697	\$50m in 2012
Ngāti Awa	<b>\$156m</b>	+2.6%	20,849	\$42m in 2005
Ngāti Pāhauwera	<b>\$93m</b>	+5.5%	7986	\$20m in 2010
Ngāpuhi	<b>\$65m</b>	+3.3%	144,197	Under negotiation

Source: TDB Advisory Iwi Investment report 2020 / Herald graphic

year's lockdown. The Base shopping centre in Hamilton and its hotels were "severely impacted", forgoing an estimated \$11m in income.

Matthew Tukaki, New Zealand Māori Council executive director, said the report only scratched the surface of the true Māori economy, worth far more than \$9.8b, because the study

### Māori fund's medical investment **c2**

only captures iwi which publicly report their annual accounts.

Assets of other iwi, hapū, registered charities and private enterprise would boost that \$9.8b figure considerably if that was captured, Tukaki

said. "The problem, I think with reports like this, is that it's not even a sample size."

Small Māori businesses, particularly those in retail which sold from stalls and markets, were increasingly online.

Although forestry assets were captured by the iwi, Māori often had associated businesses in logging, trucking and other activities, Tukaki said.

Media tended to highlight infighting among iwi, hapū or directors of Māori businesses, giving a biased view of tangata whenua, "yet the irony is that it's no different to Pākehā. It's just how it's reported".

The Berl think tank last month estimated the whole Māori economy – not just the post-settlement iwi – at \$68.7b.

And in 2017, KPMG estimated the Māori asset base at \$50b, including an estimated 50 per cent of New Zealand's fishing quota and about 30 per cent of plantation forests.

There are about 300,000 Māori in Aotearoa's workforce, with 74,000 of

them in high-skilled jobs, said Hillmare Schulze, chief economist at Berl. Māori were still key players in the more traditional primary sector areas, "but the asset base is increasingly diversified".

For the first time, the Hawke's Bay's Ngāti Pāhauwera appeared in the annual report, with total assets of \$93m.

In all, TDB analysed nine iwi, including the three richest which are:

### Ngāi Tahu

Property dominates Te Wai Pounamu's iwi, at 42 per cent of total assets, but it also has 11 tourism businesses, which have been hammered by the pandemic. Primary industry assets are in farming, fishing, forestry and honey. Farmland and buildings have a fair value of \$214 million. Fishing assets include quota, licences and shares in fishing company Moana NZ. Those are worth \$156m. Financial assets make up 12 per cent of the total, including \$74m in Ryman Healthcare and private equity funds. The iwi sold its 67 per cent stake in Go Bus. It owns

Oha Honey, which made big losses and has recently made joint venture investments in Ōwhaoko Honey and Central Plateau Honey.

### Waikato-Tainui

Owner of half of Hamilton's The Base shopping centre and Waikato University, this iwi's largest asset class is property, comprising 51 per cent, followed by 18 per cent in financial assets, 14 per cent cash and 7 per cent in hotels. Covid pushed down revaluations of assets, including a \$20m loss on investment properties.

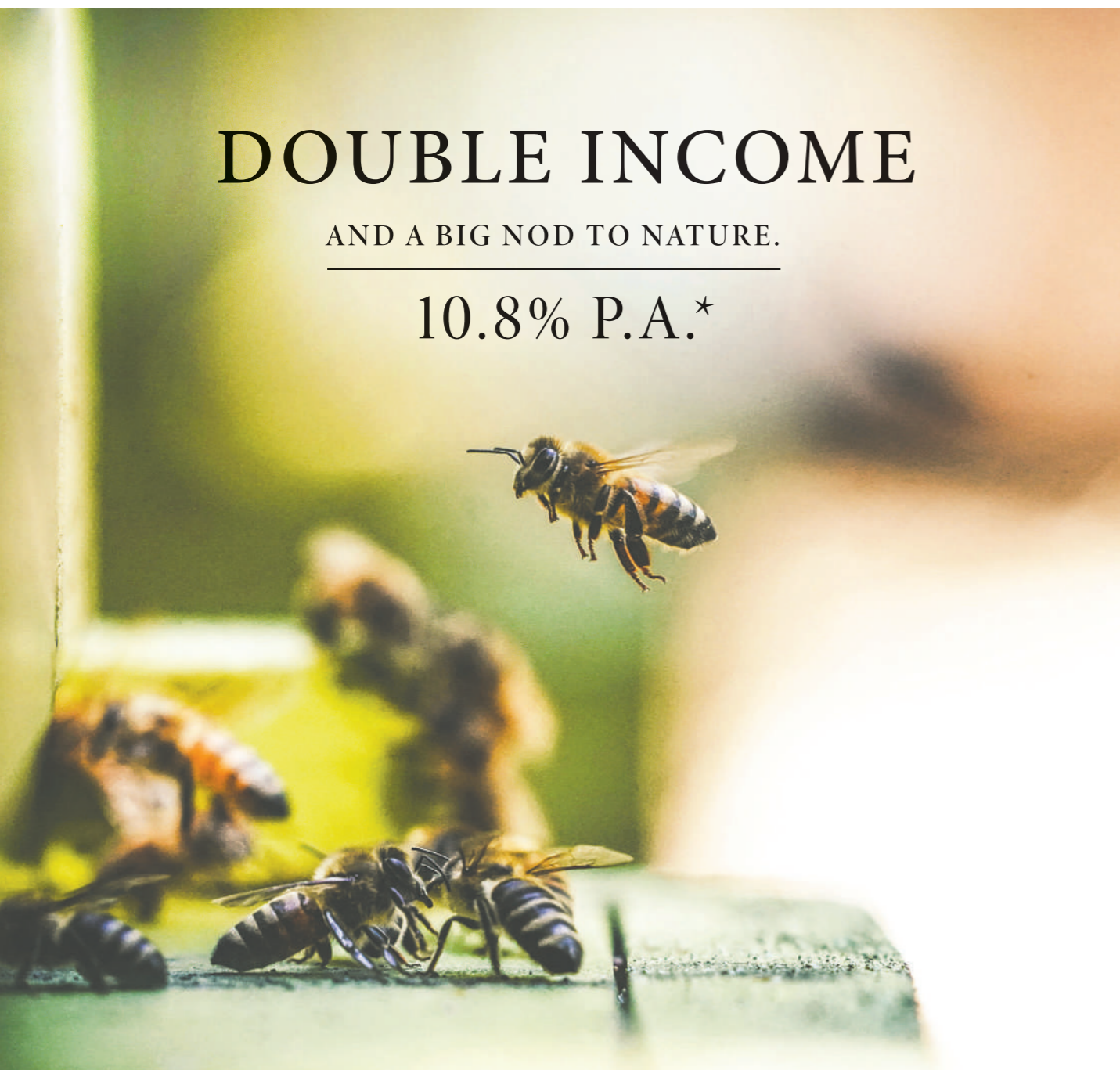
### Ngāti Whātua Ōrākei

Iwi assets are almost entirely in property: 29 Quay Park ground leases include land under Auckland's Spark Arena, Countdown, apartments, offices, banks, hotels and medical facilities. There is also 28ha of North Shore land where it has begun developing terrace-style houses. Property rental revenue increased from \$42m in 2019 to \$45m in 2020 and consulting revenue rose from \$2.2m to \$3.5m.

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\*This offer is only open to investors who fall within the exclusions applicable to offers made to "wholesale investors" as set out in Schedule 1, clauses 3 (2)(a)-(c) and 3 (3)(a)-(b)(ii) of the Financial Markets Conducts Act 2013 (FMCA). You can obtain further information on FMCA requirements, and whether you come within the exclusions and their requirements at [www.myfarm.co.nz/fmca](http://www.myfarm.co.nz/fmca)

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