



Te Rūnanga o NGĀI TAHU

The role for iwi in Public Private Partnerships

Address by

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To


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Mihimihi

Thank you for inviting me to speak at this important event and to outline for you some important aspects of investing with iwi and the vision I have for future PPPs (public-private partnerships).



Introduction

The last few months of 2010 will be forever significant for the iwi of the top of the South Island, known as Te Tau Ihu, and indeed for all the iwi of Te Waipounamu. I am proud to say that these are the months in which our fellow South Island Iwi are signing their historic Deeds of Settlement with the Crown. For instance, a few weeks ago, **Ngāti Kuia** became the second iwi of Te Waipounamu to reach this significant milestone. This historic signing was followed a week later by the **Ngāti Apa** signing.

It is some 12 years since **Ngāi Tahu** signed with the Crown and it is extremely pleasing to know that at least for the iwi of Te Waipounamu, we are all at the cusp of settling our grievances.

My understanding is that the **Ngāti Apa** and **Ngāti Kuia** Deeds of Settlement are likely to inject some \$50 million into the top of the South Island. When all the Settlements in this region are complete, the government estimates they will total around \$300 million.

So what does this mean? It means that individually Iwi are finding their feet – **and collectively iwi Māori will** stand together and determine our future.

We are as much part of the landscape as the mountains and the lakes – our people, **whether Ngāi Tahu or Ngāti Kuia or Tainui or any of our Māori Iwi**, will

always be here, and our focus will always be here and we will be prepared for future opportunities because we have a lot to gain for our people and communities.

Earlier this week, the Prime Minister John Key noted in a speech that as more iwi settle and **focus on development, the strength of Iwi Māori coming together for commercial purposes will mean the Māori economy grows exponentially.** This is something I, and my fellow iwi leaders, have advocated for some time and it is great to see the Prime Minister advocating this position also.



IWI ECONOMY

You only need to think back a few short years to realise how much attitudes have shifted – **and how rapidly Māori investment is** becoming viewed as mainstream and how increasingly the wider community is **realising that Māori investment is** a positive – **a regional investment that creates jobs, not just for Māori but for many.**

While there has been significant growth in Iwi enterprise over recent decades, I believe it is in the Iwi management of their Treaty settlement assets that you will see the most spectacular development going forward.

It is Iwi that will be the economic powerhouses of the future. This is why I have begun this speech with reference to the current round of Crown Settlements with Te Tau Ihu.

Only a month ago, the Nelson Mail ran an editorial welcoming this new round of Top-of-the-South-Island Settlements **and the potential “shot in the arm” for the region and the likelihood of benefits for generations to come.** I am absolutely delighted **at how the opinion of media has changed in the 12 years since Ngāi Tahu settled.** I would like to think it is because business leaders and community leaders **have had to take note of how iwi like Ngāi Tahu, Tainui and now others are managing their Settlements.** **Of course we shouldn't forget that there are**

also other Māori organisations that are blazing a path and doing exceptionally well for their region.

One example that comes to mind is the Wakatu Incorporation, based in Nelson, **which is now at the forefront of Māori enterprises with interests in horticulture, viticulture, seafood and property.**

Likewise, Ngāi Tahu Holdings Corporation has done well at looking for an appropriate commercial return as measured against risk and pursuing a diversified portfolio. Our investment horizon is long-term, we are looking for like minded, far sighted investment partners.

We are not unique in this. In the past decade, a number of Māori incorporations and trusts in both the North and South Islands have quietly been notching up far sighted commercial achievements – sometimes with partners and sometimes under their own steam – it may be that it has just taken time for people to take note and begin to appreciate the wider benefits.



NGĀI TAHU

The Ngāi Tahu Settlement was the point at which our tribal past and futures met.

The Crown – by its own admission – acted unconscionably in the acquisition of our lands and erosion of our cultural identity, but our ancestors remained resolute.

Our claim, and the underlying vision of a strong, vibrant and limitless Ngāi Tahu future, formed a touchstone for our tribal identity over generations, defining the life works of many and uniting us as a people.

The Ngāi Tahu Settlement was a platform for the creation of our future, on our own terms.

The quantum we were offered was not fair or just. Treasury acknowledged our land assets alone in 1998 value would have ranged from \$12 billion to \$15

billion had the contracts signed with the Crown in the 19th century been honoured in full.

But, we voted to accept just \$170 million - cut our losses, move forward and build a future for our people. As one **Ngāi Tahu leader at the time [Charles Crofts]** put it – **it wasn't enough, but it was enough to build on.**

This story is now being repeated by other tribes, as they also accept Settlements, which although truly inadequate in terms of compensation for past injustices, are hopefully enough to build a future with.



IWI KATOA

Today iwi are in various stages in their tribal journey. Some, like Waikato Tainui and ourselves, are well post Settlement, with established commercial operators.

Others, like Ngait Kuia and the other tribes of Te Tau Ihu are on the launch pad for commercial growth, which will fund all sorts of cultural and social revitalisation.

Last year the Minister of Māori Affairs, the Hon Dr Pita Sharples, appointed me to the Government's Māori Economic Taskforce.

On this I have been delegated chairmanship of a committee on Iwi collaboration.

My belief is that while we can succeed commercially as individual Iwi – **and Ngāi Tahu** has proven we can - we can do so much more collectively, and that our collective strength can benefit not only Iwi but New Zealand Inc.

There are examples already of iwi doing business together.

For instance **Ngāi Tahu** and Tainui made their first major investment together with the purchase of a stake in listed retirement home company Ryman Healthcare. And you only need to glance at our Annual Accounts to see how well this investment is doing.

Working together, Iwi can achieve economy of scales and step up as a pillar of the national economy.

ARE IWI READY TO INVEST?

ARE IWI READY TO INVEST? This is a very important question being posed at this forum today and one that has given me reason to pause and reflect – quite possibly because I find it bothersome to think that anyone would think us NOT ready to invest.

For so long iwi have fought to invest in their own country. Everything we think and do is for the benefit of our **whānau, hapū** and iwi so that naturally we are highly motivated to invest in a shared future. I think in fact that this question is **not worded in quite the right way. The question I'd rather see posed is** who is ready to invest with iwi?

You see, iwi have always been ready to invest, but others have not always been ready to honestly and forthrightly invest with iwi or on behalf of iwi. So from my perspective, on behalf of my tribe, I ask who is ready and capable of investing responsibly with us?

Unfortunately, in the past Iwi Māori have had some rogues step up and put some rather deficient investments on the table. When our lands were purchased from us for ridiculously small sums in the 1800s, we asked that we be provided with **schools and hospitals...basic infrastructure. Sadly, those schools and hospitals did** not eventuate which is one of the reasons our Settlement had to take place, to compensate us for broken promises. Today we see the irony in the idea that we

and the Crown might one day - in the not too distant future - be starting afresh to build, in partnership, the very infrastructure that the Crown failed to provide us over 150 years ago.

For the enhancement of our people we have always been ready to invest but we are understandably a little wary about who we invest with.

I think a good question **from an Iwi Māori** perspective is whether the investment on the table is suitable to our needs and whether we feel confident about the legalities and arrangements proposed. Rest assured that if we deem it suitable then we are ready. Mechanisms by which we may invest have already been explored by us and these mechanisms will enable even the smallest iwi to contribute.

We can ensure certainty of delivery in the same way that any other private organisation can ensure certainty of delivery – due diligence processes exist so that business partners can double check the veracity of any potential proposal. I would expect that Iwi deciding on potential business partners, whether they be other iwi or other businesses, would be careful about their due diligence processes and in the same way they would expect to be scrutinised by their potential business partners and to be asked some very pointed questions about their ability to step up to the plate.

And as I frequently point out, there are some good examples of successful partnerships already, which should give us all confidence going forward.



CIVIC BUILDING

Most of you have already heard extensively about the **Ngāi Tahu** Joint Venture with the Christchurch City Council.

Therefore, I am not going to talk in detail about this venture other than to say **that Ngāi Tahu are incredibly proud of it and that this building stands as the first** clear example of what public-iwi collaborations can achieve.

The Civic Building is the first successful example of a local government facility being developed by a Public-Private-Partnership, with Ngāi Tahu Property and the Christchurch City Council sharing the costs of development equally and taking an equal ownership stake.

From Ngāi Tahu Property's perspective, this project ticks the boxes because it is stable and long-term. It will provide a strong cash return for the risks involved and provide a stable rental income over many years.

I would like to also point out that it is also a very good partnership from the **Council's perspective. The Joint Venture helps to limit the risk and liability to** ratepayers. Potentially good infrastructure is arrived at faster, with less risk. Jobs are created, and the economy of the city gets a boost. Our council workers get a much improved working environment. Ultimately, two organisations with long-term aspirations for the city have put their money where it counts most, into solid infrastructure.

Anyone with business dealings understands the importance of maintaining relationships. For me, it is demonstrably the most critical component in the success of Joint Ventures. If done correctly and in good faith, public-private-iwi partnerships will bring the right people together for the long-term benefit of a region.

The Christchurch Civic Building Joint Venture is a case study that we have presented to other iwi as being very close to something they might aspire to in their own region.



KAUPAPA BUSINESS

But it isn't just all about wealth creation.

It is important for our partners and potential partners to understand that at heart iwi like **Ngāi Tahu** are re-building a cultural identity. And we have big plans.

Just last year **Ngāi Tahu** had one of the most important hui ever – three **generations of Ngāi Tahu** came together to speak exclusively in Te Reo Maori, possibly the first time that this has occurred in 100 years.

For us, this is the real achievement. There is nothing more difficult than recapturing a language, which can take a lifetime of dedication and hard work.

And there are our environmental initiatives, our desire to safeguard our mahinga kai – our traditional food gathering places – that see our people spend endless hours of consultation and collaboration to get right.

One idea, which I have been floating in forums like this, is the concept of **“kaupapa driven” business. Kaupapa meaning values based.**

One of my areas of focus on the Māori Economic Taskforce, is to identify with **other leaders how Māori can work together better to** be the economic force I know we can and will become.

We want to help create a new Māori business paradigm with a set of guidelines that honours our values, delivers on them and lets us determine our own path. In other words, if we are to build infrastructure and run businesses together, then what are the confines within which we need to work to ensure these businesses reflect our cultural practices and do not lead us into places that undermine the very cultural values that sustain us? I guess you would say that we are working together to ensure that we can shoulder our cultural responsibilities as well as our financial responsibilities and are exploring the processes and tools that will help us achieve this.

Iwi and Māori, working together with Government and the private sector, will grow a strong New Zealand economy.

The right blueprint for our future partnership – is the one we design for the **benefit of all our children and our children’s children.**

ENDS