



Progressing Private Public Partnerships (PPPs)

Address by

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Tena koutou katoa

It gives me great pleasure to stand here before you and provide you with an Iwi perspective on the nature of Public Private Partnerships. First though, a brief introduction into Te Ao o te Waikato-Tainui...

We are made up of 68 Raupatu Marae, 33 hapuu and nearly 60,000 tribal members. We have come a long way since the heady days of our initial Land Settlement in 1995. We are now worth some \$700 million, give or take a few million. We have investments in hotels, fisheries, forestry, agriculture and property. We are active investors and our medium term goal is to become a multi-billion dollar Iwi.

Today, we have the world at our feet and Government at our door. It wasn't always this way. At one point we were much, much richer – not just in terms of a thriving culture, heritage and history. Richer financially too – Paaakeha noticed that. I want to paint you a picture...

The year is 1850....

The Manukau Harbour is a thriving, bustling port. Smaller vessels leave the Manukau and transport goods for sale and trade at points all along the coast, and up the Waikato river. Larger vessels enter and leave the port on their way to Sydney, the Pacific Islands and the Americas. The ships belong to Waikato-Tainui. So does much of their cargo. So do the flaxmills belong to Waikato-Tainui.

And the sawmills, the fish processing factories, the eel factories, the thousands of acres of gardens supporting the fledgling colony and markets around the world. We had investments in fisheries, forestry, agriculture and property...

Most will be aware of 'Once Were Warriors'.

Few will be aware of 'Once Were Traders' and 'Once Were Highly Successful Entrepreneurs'.

These golden years of Waikato-Tainui were cut short by war, invasion, confiscation and exile.

The year is 1863.

It began with a growing concern over land sales and a belief that to be firm against further sales and prevent the ongoing destruction of our culture and way of life we needed to unite under one banner – the Kiingitanga. The election of the first Maaori King, Pootatau Te Wherowhero was a defining moment in my people's history. Unfortunately it was used as a pretext for the invasion of the Waikato and the eventual confiscation of 1.2 million acres of land. Land that at the time of the 1995 settlement was valued at \$12 billion, by the way.

We received \$170 million. It has been a long and at times tortuous road from Raupatu to Redemption. In 2008 we negotiated terms for the settlement of our River claims, which involved the historic and utterly unique in the world, co-governance arrangements. We still have outstanding claims over the west coast harbours, and smaller blocks of land. We are, as always patient. And hopeful that these will be resolved in the near future.

Waikato-Tainui has a long association with PPPs – which I am sure will come as a surprise to many of you. In the late 1920s with the onset of the Great Depression, the plight of Waikato-Tainui was particularly acute: poverty, disease, cultural malaise and unemployment blanketed our lands like a fog rolling off our tuupuna Awa. In 1929 the Native Land Amendment and Native Land Claims Adjustment Act was passed. They were, in a way, the first examples of BOOT schemes – Build-Own-Operate-Transfer.

On 23 September 1929, Te Puea and 15 of her adopted children gathered at Waipipi, near Tuakau.

They began the work of converting a block of neglected land, once owned by the second Maaori King, Taawhiao, into a productive dairy farm that would employ and sustain dozens of her people. By December 1929 more than 280 acres had been cleared and ploughed. In January she moved on to the neighbouring Block...and on until Te Puea was responsible for the supervision of projects covering 5000 acres and supporting several hundred people.

Te Puea was fond of quoting the proverb:

‘With one cultivation a man dies, with two he lives.’

It is a proverb that encompasses several key principles underpinning the rebuilding of the mana and fortunes of Waikato-Tainui. First, it emphasises our fundamental belief that our purpose in life is not just to fulfil our own personal goals. It is to create and nurture a legacy for those who will come after us. We are merely kaitiaki (guardians) of what has been handed down to us, as the next generation will be kaitiaki of what we build. Secondly, it illustrates the pre-eminence of land in a Maaori world view and our preference for developments that have their roots in the land.

Te Puea herself described the relationship thus:

“The land is our mother and father. It is the loving parent who nourishes us, sustains us...[and] when we die it folds us in its arms.”

Thirdly, the proverb embraces the concept of mahi tahi: Of working together for the benefit of all. So you see, when we hear talk of Public Private Partnerships and the readiness of Iwi to participate in them, we can but smile to ourselves and note we have been here waiting patiently, for this day to come. We are heartened that we receive invitations to come to these forums as equals and with,

perhaps something to teach you about how to make Public Private Partnerships work effectively and efficiency. When Mark Solomon and I can bring our collective tribal asset bases of more than \$1.4 billion into this room, we could perhaps ask, in the manner of a recent advertising campaign run by our friends across the ditch, ‘Where the Bloody Hell Have You Been?!’

I was asked to deliver a speech on an Iwi perspective of PPPs. It is worthwhile to briefly outline the process by which Waikato-Tainui and Ngaai Tahu came to become investment partners. The relationship between Waikato-Tainui and Ngaai Tahu began with a series of meetings between myself and Mark Solomon. We then went on to include meetings of our two boards where whakapapa and historical relationships were at the fore. We discussed our respective strategies for the rebuilding of our tribal fortunes. Senior staff were invited into each others organisations to see how things were done. We agreed on the kaupapa.

Some months later, we made separate but parallel investments in Ryman Healthcare, a builder and operator of upmarket retirement complexes. Our people might not be able to afford to live in these retirement villages, yet, but we could certainly make sure our people benefited from the rich Paakeha folks who could!

The partnership with Ngaai Tahu began with the establishment of cultural relationships that were first forged in the mid-nineteenth century when the star of Waikato-Tainui was in its ascendancy. Now the collective stars of Iwi around the country are once again on the rise and we are keen to work with partners in our enterprises.

Our massive \$200 million retail development at The Base in Hamilton was begun with Stephen Tindall and the Warehouse as partners. We didn’t know much about retail development back then. But Stephen Tindall did. We learned all we could from his organisation and then were quite happy to buy him out and continue with the development. It was a win-win for both parties.

Last week we opened Stage Two. Early next year we will open Stage Three, which includes more retail and commercial office space. Stage Four will include a massive digital cinema complex that will be open in time for the Rugby World Cup. We intend to screen live games and create our own party central!

Anyone who has seen that complex can be under no doubt about its Maaori heritage and whakapapa. The taniwha niho pattern is everywhere. It even includes bilingual signage. It successfully weaves Maaori aspiration into the achievement of business success.

From an Iwi perspective this blending of cultures is important: It reminds us of who we are, where we come from and where we are going – even when we are doing it in a largely Paakeha-dominated

world. This joint venture approach typifies many of the investments made by Waikato-Tainui. It is a recognition that we don't know all the answers, and will seek to reduce risk by finding partners who can provide the knowledge and skills that we currently lack.

Our joint ventures with the Hamilton City Council in the Ibis and Novotel hotels are examples of this in action. So too, is our investment in a new hotel development with Accor Hotel Management and Auckland Airport Ltd. These are all long term investments in this country's tourism sector that bring additional and vital benefits in terms of employment and training for our people.

For businesses seeking to work with Iwi, it means doing things slightly differently and recognising the primacy of Maaori values. Don't get me wrong, we want to make money just like the next white fulla. But you're going to have to learn some new words...

Words like tikanga: This encompasses our heritage, the way we do things, the importance of doing right by our tuupuna and an acknowledgement of our view of ourselves as kaitiaki...

Words like kaupapa: the issue or reason behind the things we do.

Before you start thinking you're going to be doing business with a bunch of mystics I want to emphasise that we believe these are good things to temper some of the harsher realities of 'the pakeha way'. That kaitiaki word, for example, which loosely means guardian, can be distilled down to this very important concept: Long term. Maaori will be valuable participants in Public Private Partnerships if only because we are tangata whenua. We are not going anywhere. We have nowhere to go!

Stability is one of the cornerstones of any PPP arrangement and I believe Iwi will offer that. Just two Iwi in this room have, collectively, \$1.4 billion between us. Now Ngaati Porou is considering a Crown offer, including a cash settlement of \$110 million. Total Maaori assets were recently put at over \$16.5 billion. When all Treaty grievances are finally laid to rest, and Iwi have been returned to a relatively stable footing, just imagine the funding that will be available to invest in this country's infrastructure. In this country's future. One of the key issues governments around the world are facing in continuing to develop PPP models includes the funding for projects at a time when banks are unwilling to provide the scale of long term financing that a major infrastructure project requires.

I say to you: Enter the Iwi.

Across the globe, governments are increasingly turning to the private sector to fund critical infrastructure developments. Whether in the energy, environmental, transport or social infrastructure fields, the non-government sector is increasingly funding the infrastructure assets that provide core public services.

On Monday of this week the Iwi Leaders Group – that’s a group of elected tribal leaders by the way (we’re neither elitist nor ‘shadowy’!) met with the Prime Minister and Hon Gerry Brownlee to discuss the development of a framework for engagement with Iwi about oil exploration and mining on Maaori land. It is yet another example of a maturing and growing acceptance not only of the Treaty relationship between the Crown and Iwi, but a growing realisation of the considerable economic benefits that can flow from that partnership.

Just a couple of weeks ago, Waikato Tainui was selected as one of the inaugural 25 providers of Whaanau Ora services. We have brought a group of private sector providers under one korowai to deliver services to Whaanau in our region. We will bring together government agencies including Health, Housing and Social Development to deliver support to all those who need it, seamlessly. Waikato-Tainui will build two Whaanau Ora ‘super clinics’ to house all these agencies under the one roof. Those buildings will be owned by us, built by us, and largely funded by the State. This Whaanau Ora partnership brings to the fore another key element in our thinking about PPPs. That is, we view them ‘holistically’. They must be part of a wider, transformative strategy to improve the welfare and prospects of our people. We want the projects that we become involved in to be ‘legacy investments’. Again, it comes back to that kaitiaki role.

Since National took office we have been heartened by their willingness to talk to us as equal partners. No longer will be talked down to, or included as tokens to provide a veneer of bi-culturalism. Maaori are here. We’ve always been here of course, it’s just that we are only just being allowed to get up off our knees and reclaim the mana we once enjoyed in this great country of yours, and mine. Iwi will become, are becoming, the dynamic engines of sustainable, long term economic, social, cultural and yes, economic growth and transformation in our respective regions.

This is an exciting time for all New Zealanders. To see Maaori unleashed and moving from what Sir Robert Te Kotahi Mahuta referred to as ‘victims of a history, in which they ... have witnessed history, other people’s history, roll over them and determine their fate.’

His groundbreaking report was issued 27 years ago. Sir Robert was hopeful for the future, as I believe most Maaori are becoming. I will make his concluding remarks the conclusion to this presentation.

“It is insufficient for a people to simply sit and criticise and bemoan their fate. There are times when they must grasp the opportunity, take the risk and create their own history.”

That is what we in this room are in a small way, contributing to now.

