Māori business makes big gains for New Zealand

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XERO HEADQUARTERS: Xero, an accounting software business, was started by Rod Drury of Ngai Tahu descent.

Māori businesses are having a growing impact on New Zealand's economic landscape and many are some of New Zealand's most successful and well-known brands.
Richard Jones, the Chief Executive of Poutama, a trust that provides business development services to Māori, says Māori businesses are important to New Zealand.
"Māori business activities are making a growing contribution to New Zealand's GDP with this set to increase as Māori become more involved in business and start to play a key role in some of our key sectors."

Mr Jones says some people might be surprised to know some New Zealand's most successful businesses were started or run by Māori.

"Xero was started by Rod Drury who is of Ngāi Tahu descent, Sir Ralph Norris of Ngāpuhi descent is the former CEO of ASB Bank, Air NZ and Commonwealth Bank of Australia, there are plenty of others out there."

Mr Jones says hardly any people would know that one of the most diversified businesses in NZ is the Tuaropaki Trust.

The trust runs a geothermal power station which supplies electricity to 100,000 homes, has food and communications ventures and a core business of farming livestock.

It also invested in a company called NZ Communications that eventually became 2degrees Mobile.

Māori business contributed to 5.9% of GDP in 2010, says Dr Ganesh Nana, a Chief Economist at Business and Economic Research Ltd.

He says Māori assets are worth $36.9 billion and increasing income from the Māori economy will boost the economy and create more jobs and opportunities for everyone.

He told the Auckland Council last year that if New Zealand invests in Māori business, it could see an extra $12 billion a year in GDP and 150,000 extra jobs a year by 2060.

The mobile company 2degrees is also a business with Māori as a majority shareholder.

2degrees came to fruition in 2009 when a group of Māori challenged the Crown though the Treaty of Waitangi to win rights to the 3G spectrum.

The 3G spectrum is a range of radio frequencies that allows faster transfer of data for mobile phones. The Crown rejected the claim but awarded them some rights over a quarter of the frequencies, with Māori to choose a commercial partner.

The Huarahi Tika Trust was formed and awarded $5 million which it used to start 2degrees.

2degrees offers a full Te Reo language smartphone and also has scholarships to encourage Māori to work in the telecommunications industry.

Venture Consulting values the direct and indirect benefits of 2degrees to the economy at $2.2 billion at the end of 2011 and expects it to grow to $10.1 billion in the next decade.

Mr Jones says there are some key differences between Pakehā and Māori run businesses.

"Māori enter into business as a way of supporting their whānau and extended whānau and also as a way of employing family and creating something not so much to build up and sell but as something for other family members to either take over or be involved in."

He says Māori businesses tend to incorporate elements of their culture in the way they conduct business and are similar to Asian business cultures.

"Cultural elements such as spending time to get to know people and their culture, strong family links and long term planning seem to resonate with Asian cultures when doing business."

According to a statement on the TuaropakiTrust website by its Chairman Tūmanako Wereta, he says that the trust is not solely based on profits.

"It is not simply about making a profit but rather, how profit is equitably distributed".

Businesses that are not Māori-run are also starting to incorporate Māori culture and values in business.

At the end of last year, ASB bank and Poutama partnered up to support Māori business to give financial and banking advice, support and resources to Māori ventures.

It is hoped the partnership strengthens the ability to directly help Māori business.