Dynamic Business
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EXCLUSIVE REPORT

DELOITTE TOP 200 AWARDS

Shaping the future

Opportunities for New Zealand business

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Clean Food Revolution

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See the Winners

Watch Duncan Bridgeman, Head of Premium Business, NZME (left) and Herald Business Editor-at-Large Liam Dann interview the winners of the prime 2019 Deloitte Top 200 awards on **nzherald.co.nz/business**.
Bridgeman speaks with Mainfreight CEO Don Braid, Executive of the Decade and whose company won Company of the Year in 2019, and Mercury CEO Fraser Whineray who is this year's Chief Executive of the Year.
Dann speaks with Restaurant Brands CFO Grant Ellis who is the 2019 Chief Financial Officer of the Year and The Warehouse CEO Nick Grayston whose company won the Most Improved Performance category.

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Deloitte Top 200 Awards

Mainfreight in elite company

Dynamic Business
Tim McCready

At last night's highly anticipated Deloitte Top 200 event, the winners of 11 award categories were unveiled.

The prestigious black-tie event recognises and honours outstanding performance among New Zealand's largest companies and trading organisations. Held at Auckland's Spark arena, there was a record turnout — with 1100 of New Zealand's premier business leaders, politicians and media in attendance.

Mainfreight took out the top award, recognised as the Deloitte Digital/Marsh Company of the Year for its outstanding achievement over the past year and for being among New Zealand's most globally successful businesses.

The logistics and transport company has been a frequent sight at the awards over the years. It was a finalist for Best Corporate Strategy and Most Improved Performance in 1996 and 2005, won awards for Best Growth Strategy in 2007 and 2012, and was previously awarded Company of the Year in 2011.

This year, the panel of high-profile judges — convened by NZME Head of Business Content Fran O'Sullivan — said Mainfreight was a deserving winner, recognising that it has reported one of the standout financial performances of the year, with strong growth in operating earnings in the international regions it operates in.

"These results demonstrate that Mainfreight is growing its market share in those large markets, underpinning growth in group profits for the year of 26 per cent and on total revenues of just under $3 billion," said the judges.

Given Mainfreight's long-running success, it is plain to see why managing director Don Braid was crowned Executive of the Decade. He has been a previous recipient of the coveted Executive of the Year award in both 2008 and 2011 — one of only two executives to have achieved this in the history of the Deloitte Top 200 awards.

The judges said Braid, who has been at the helm of Mainfreight for all of the past decade, is an outstanding leader with vision, drive and humility. He set Mainfreight on a course to expand internationally in the highly competitive global supply chain logistics business and has successfully delivered on that strategy with outstanding performance.

Outgoing Mercury head Fraser Whineray, who is about to begin a challenging new role as chief operating officer at Fonterra, was named this year's Deloitte/ServiceNow Chief Executive Officer of the Year.

The judges said he has not only delivered record earnings for Mercury along with solid dividend growth, but also re-positioned the company around its 100 per cent renewable generation position while undertaking an active capital investment programme especially around wind generation.

continued on D20

Shaping the Future | Clean Food Revolution

Looking down the barrel

Dynamic Business
Gill South

The world is changing: is New Zealand playing catch-up with food science?

New Zealand is looking down the barrel of a global food revolution, a tsunami-sized amount of disruption, where consumers are demanding "clean food" looking for alternatives from meat and dairy, and there is uncertainty if the country is quite ready to meet this need or is positioned to capitalise on it.

As this global food revolution hurtles our way, and the world population looks set to rise to 9.5 billion by 2050, are our big agriculture industries, our traditional food sources from dairy and meat, really moving fast enough?

Critics say incremental changes in our dairy and meat industries are not going to cut it when internationally plant-based meat alternatives are competing with meat producers, foods are being made through fermentation and no traditional foods are safe.

"What I don't think we understand in New Zealand is the speed of change, and the level of resources going into some of these technologies," says Dean Tilyard, a leader at the agtech Sprout Accelerator in Palmerston North.

"These will be available to you in the near future, it's not science fiction, it's serious. People are putting serious resources focused on disrupting some of the key ways that we make a living in the world," he says.

Tilyard argues there is a need for urgency in our understanding and engagement, and New Zealand needs to move its innovation faster.

"You've got to realise the world is changing faster. People are saying there won't be beef or lamb or dairy — it's all getting made in fermenters. What would happen if that were true?

Innovation always happens faster than you expect. Think about how fast smart phones have become a fixture.

For New Zealand, it will be about playing to our strengths, says Tilyard. And leveraging them through tech.

"We are really fortunate with our science base, with food tech, animal health environment - what I'm interested in is allowing those coming from that science platform to make it to market and enable entrepreneurs to take it on to the world.

"Start-ups are a valuable way of getting tech to market, we can do so much more by opening up science institutes to encourage and measure this — at the moment we are not measuring spinouts from our science system," he says.

There are very good long-term science programmes, you see that in forest tech and in animal genetics, we are world leaders, there is that IP that entrepreneurs can pick up, he says.

In agriculture's production systems, farm management systems, there is not a lack of willingness, but there needs to be an oiling of the wheels to bring urgency to innovation, says the agtech expert.

According to Tilyard, while New Zealand has good food production capability, is well resourced with very good science and institutions, the country's science and tech is not being commercialised, and taken to companies which will grow and internationalise.

Tilyard also heads up Silicon Valley company, Finistere Ventures' New Zealand Palmerston North office. Finistere co-founder, New Zealander Arama Kukutai, says New Zealand has to make the most of what it is doing with its resources. And he says, the country is playing catch up.

"New Zealand represents 0.3 per cent of the world's agricultural GDP — our tech is the chance of being much more impactful than what we produce with livestock," he says. "I am a huge believer in Kiwi ingenuity, we just have to lose the naivety."

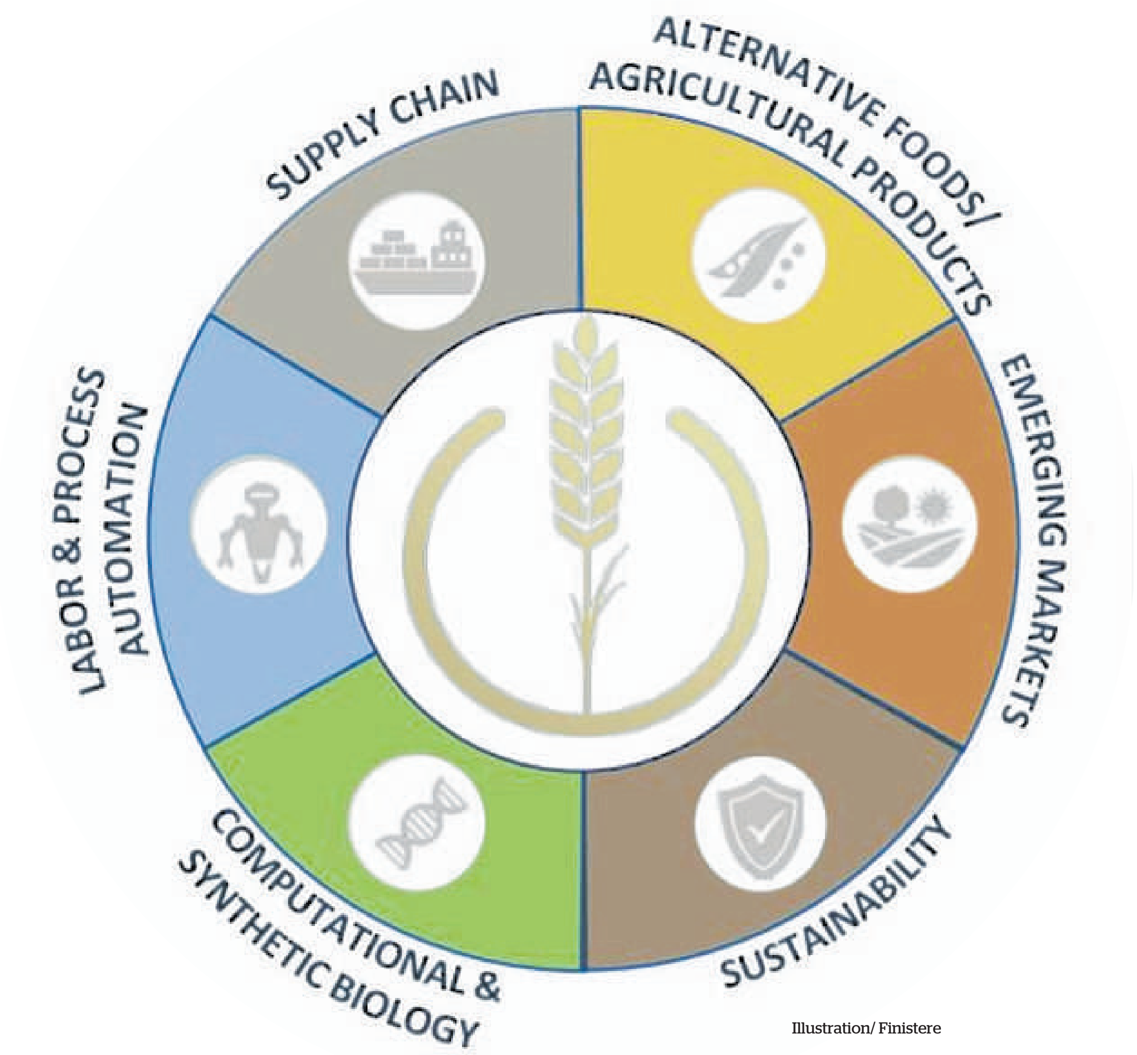
He doesn't think anyone has a silver bullet. New Zealand just has to be adaptable and nimble in a world that is changing much faster than ever.

"We need that scientific fuel to come back — it's why we are investing in New Zealand, we see a lot of opportunities that need smart capital," says Kukutai, who is based in San Diego.

He is heartened by Fonterra's latest strategy and openness to innovation, particularly in looking to start-ups both locally and globally as a means to bring innovation through.

"Innovation is coming from the start-ups who are the disruptors," says Tilyard.

What New Zealand and Fonterra should be doing is producing high-



Illustration/ Finistere

Agriculture turns to aquaculture

While New Zealand may be best known for its meat and dairy industries, it will be calling on the aquaculture sector of New Zealand for some help in the coming years. Recent science has found that a native seaweed can help the agriculture sector with its problematic methane emissions.

The Nelson-based Cawthron Institute, which has been awarded $100,000 from the Government's Sustainable Food and Fibre Futures Fund, is looking to grow a native red seaweed "Asparagopsis armata" into a greenhouse gas-busting cattle feed supplement for the domestic and global markets.

In previous trials — the initial discovery was made in Australia — Asparagopsis has reduced greenhouse gas emissions in livestock by up to 80 per cent compared with other products which offer reductions of 10 or 20 per cent.

The Cawthron Institute will be looking at having farms of the red seaweed, rather than just taking it from wild fishing. "We will be working out how to grow it at scale so it is useful in reducing methane emissions," said Professor Charles Eason, CEO of the institute.

Dr Serean Adams, Professor Charles Eason and the gas-busting red seaweed, Asparagopsis armata.

"We see it as one solution to methane for cattle, one thing farmers can have in their toolbox," adds Cawthron Institute group manager of aquaculture, Dr Serean Adams.

By 2025, the aquaculture sector is set to grow from its current $600 million to $3 billion in revenue, says Adams. She'd like to see the emergence of a seaweed aquaculture industry in NZ out in open ocean space, she says.

"Our marine environment is 15 times our land space so there is plenty of opportunity," she says.

Although this is a long-term project, Cawthron's CEO, Professor Charles Eason says the Institute will be working with farmers from early on in the project, and a number have gotten in touch to participate.

The Ministry for Primary Industries' vision is that New Zealand is globally recognised as a world leader in sustainable and innovate aquaculture, says Eason.

"To be part of enabling that, advising [other] primary sectors with what should be sustainable and lower the [methane] emissions footprint, is exciting," he says.

One primary sector can help another to reach the place where New Zealand wants to be, he says.

The Cawthron Institute is also working with Te Rūnanga o Ngāi Tahu and Wakatū Incorporation on developing the Karengo native seaweed with its potential health-promoting bioactivities for relieving chronic inflammatory conditions such as COPD, metabolic syndrome and inflammatory bowel disease.

While the Cawthron Institute is looking at research going on in Australia and Norway, it is about using our natural resources, says Adams.

"When you look at New Zealand's primary industries and where we are trying to head, having a point of difference for our product, adding value, if we can have these points of difference with our endemic species in New Zealand, it enables us to go out there and be in a higher product category," says Adams.

So far, the New Zealand aquaculture sector has been very successful with green-lipped mussel powder used as a supplement for arthritis sufferers. The value proposition part is our marine environment, says Professor Eason.

Compared with other jurisdictions, New Zealand has huge areas of sea water.

— Gill South

# of a food revolution

quality ingredients, around which clinically-supportable claims can be made, says Kukutai.

"If New Zealand continues to do nothing when starting from behind, it's incredibly risky and catastrophic," he says.

The world's top 20 food companies are all losing market share, says Kukutai, because the needs of millennials, boomers and Generation X are changing.

"I know I'm not buying the same thing in my grocery basket that I was 20 years ago."

In New Zealand, innovative agritech start-ups like Halter, Robotics Plus and BioLumic are the trailblazers, says Tilyard. "What we have to do is look at these exemplars and have others follow in their footsteps, let's look at what is good and replicate it."

Collaboration among science institutes, the Government, universities will be key to New Zealand's future, he says. And Palmerston North will be the hub of agriscience innovations.

Plant-based food products likely to expand

Massey University Professor Richard Archer from the school of Food and Advanced Technology is doing research on supporting farms in producing sheep's milk with a quick freezer. Sheep's milk is higher in protein and fat than cow's milk and makes very good cheese. He is also doing work on turning apple pomace – the cell wall material after apple juicing – into good dietary fibre, an ingredient product that can be used for bakery products, for instance.

Professor Archer sees plant protein meat alternatives or meat analogues, currently selling to vegetarians, working its way into broader consumption. It will be made available in institutions, from prisons, to hospitals and the military, he predicts.

He says sometimes the consumer doesn't understand what they are saying yes and no to. "Consumers may be against processing, but I think food processing is saving the world now. There may be processed food in the supermarket which is rubbish but there are also a lot of frozen foods where the nutrition is really good and enables the shifting of nutrients from times and places of plenty to scarcity."

Components New Zealand can add

He likes the idea of New Zealand coming up with ingredients which add something to a product that may be being made overseas.

"If we came along with an ingredient that did the business, if they put 1 per cent of our ingredient in, they have saved the money and we can clip the ticket of going overseas," he says. The dairy industry has done this in the past, adding whey proteins to food like ham to add body and succulence.

The New Zealand food industry will have to stay smart on fads and trends. Some things are just not built to last, he says.

Likely future foods

Dr David Everett, Science Team Leader Food Nutrition & Health at AgResearch as well as principal investigator of AgResearch's Future Foods programme – says the drivers of future food will be consumer values, processing capability and sustainability. The consumer wants safe, sustainably produced food that addresses animal welfare issues, he says.

"We don't want to mess up the environment when producing, processing and eating our food."

With New Zealand producing ten times the food we consume - enough to feed an extra 45 million people - the programme is asking the question: What can we do, what clever ideas can we have in order to feed 45 million people? What can we do to add value to food in a sustainable fashion to grow our export economy?

Consumers driving the food revolution/debate tend to be middle class, the younger millennial generation, and the expanding middle class from around the world. They are demanding that we incorporate these important values into our food production and processing systems.

It's not science fiction, it's serious. People are putting serious resources focused on disrupting some of the key ways that we make a living in the world.

Dean Tilyard

And, he warns, today's high value food is tomorrow's commodity product. "We have to stay one step ahead of the game, continuing to provide the value proposition, that's the difficult part."

Cellular agriculture growing trend

Dr Everett sees cellular agriculture being a big trend – taking bacteria and yeast, with some genetic modification, to enable them to produce, for instance, milk proteins.

"Companies in California are jumping on this," he says. But it can make for very expensive ice cream at this early stage of introducing a new technology. Especially those consumers who no longer want animal-based products.

Their argument is that this technology is more sustainable than producing milk from dairy cows, however the comparative environmental footprint is often difficult to precisely calculate, says Dr Everett.

Plant-based meat substitutes have been available on the market for many years.

The next technological leap is genetic engineering of microbial cells to produce non-animal components of meat. Companies such as Impossible Foods are currently doing this in the United States with their Impossible Burger using modified yeast to produce the heme molecule that gives meat its red colour.

The other driver is the pushback from consumers on animal-based products. People want things more aligned to value systems, such as being plant-based and with a focus on animal welfare and protection of our environment. Pea protein is this year's hot ingredient.

"The problem with pea proteins is they taste like peas," says Dr Everett.

Meanwhile certain "hot foods" are losing their popularity.

Soy is on the decline and almond-based beverages have calcium added to make it more closely resemble the nutrition of milk.

This introduces a further processing step and consumers have

Consumers may be against processing, but I think food processing is saving the world now.

Richard Archer

an increasing preference for minimal processing of food. Cashew- and oat-based beverages, and goat and donkey milk exist as cow milk alternatives.

Fermentation

Fermentation is an area New Zealand could become better at to stay competitive.

The oldest people in the world live in places such as Japan and the Caucasus region of Asia, and they frequently consume yoghurt containing probiotics. Fermentation is used in the production of beer, wine, bread and it's also very big in Asia in the form of fermented cabbage, such as kimchi in Korea. "New Zealand has a great ability bring in and adapt ideas from other countries. I think fermented food products are going to be increasingly important in the future," says Dr Everett.

Innovation from Beef + Lamb NZ

At centre stage of what's next for the meat producing industry, Beef + Lamb NZ chief insights officer Jeremy Baker says with emissions down from 1990 by 30 percent, while maintaining production, there is still a lot of work to be done.

The organisation has identified a strain of sheep genetics that reduced emissions and published information on that last week.

Injecting animals with vaccine as an inhibitor to reduce methane and bacteria in the gut – there is growth in all of these areas, says Beef + Lamb innovation marketing manger Lee-Ann Marsh.

"There is an allure around disruption and new things. The younger generation don't want the stuff their grandparents had," says Marsh.

New Zealand is seen to be a natural competitor over plant-based proteins, she says.

"But the industry has been thinking about this for a long time, it's not new. We are not just waking up to this now."

Alternative protein companies can be very savvy and deliver a compel-

New Zealand has a great ability bring in and adapt ideas from other countries. Fermented food products are going to be increasingly important.

David Everett

ling narrative that if you eat alternative meat it's better for the environment. But Beef + Lamb NZ also has a very strong narrative, says Marsh.

Beef + Lamb NZ has been getting the story out about New Zealand's natural and sustainable story in its Taste for Nature global origin branding in which it is explained how we farm in New Zealand, what it looks like and why New Zealand is different. "We are in a great space, we have to be as savvy as these other groups, in how we connect emotionally with people," she says.

New Zealand has to be the most sustainable agricultural country in the world, and it has to be leading, says Marsh.

"Free range is a huge part of what we are selling as opposed to meat," she says.

One thing Beef + Lamb NZ has been working on is the fact that grain fed beef has been perceived as more of a premium item in overseas markets but grass fed, the New Zealand preference, is on the rise going from $17 million in 2012 to $272 million in 2016.

"Consumers are deciding more what premium means to them and it means different things to different people," says Marsh.

Beef + Lamb farmers are not trying to sell meat to everyone but to conscious foodies, who want to know how their meat is raised. "It is the start of de-commoditising meat which is good for New Zealand," says Marsh.

Says Baker: "It's a 'false dichotomy' that if you like meat you are not interested in vegetables. Anybody who eats meat has plant on their plate.

So much plant-based food is processed. It is about the framing of it, he says.

DairyNZ

DairyNZ chief executive Tim Mackle is well aware of the steps of improvement New Zealand needs to take although DairyNZ maintains that the world could benefit from the country's dairy farming expertise.

The organisation says if all dairy producers were as efficient as New Zealand, more than half of the global emissions from dairy production could be eliminated.

New Zealand dairy is 64 percent more emissions-efficient than the global average, meanwhile soy beverage production can have double the green house gas footprint of New Zealand milk per unit of nutrition and rice beverage, 10 times.

Mackle is excited to see what comes out of the work by the Cawthron Institute with methane-reducing native seaweed, Asparagopsis armata which, has been proven to reduce methane emissions in cattle. "We have got to keep pushing hard for game breakers just like any sport," he says.

Mackle points out that there are some practical problems with giving additives in feed when your animals are roaming the farm – it's much easier to give an animal locked up in a barn. "We have to have our own technologies," he says. And New Zealand will likely work closely with Ireland which has largely pasture fed animals too.

Meanwhile Dairy Action for Climate Change, a commitment by DairyNZ to build the foundation to support dairy farmers and the wider industry to address on-farm methane and nitrous emissions over the longer term, has been a toe in the water' and useful.

"We also want to socialise the whole issue with farmers and play a key role in this," he says.

There are now 15 climate change ambassador farmers talking about issues to other farmers.

Riparian planting to help farmers is one of the key things, he says, where planting acts like a sieve between the land and a river or stream.

Having strong advocates

As with meat, with dairy it's about messaging.

The dogma out there is that people make the assumption that plant is better. It's not the case. If you compare the amount of carbon emitted, dairy milk "kicks butt".

Fermentation-produced proteins, using cells, also have substantially higher footprints, up to 50 times higher, DairyNZ says.

You need people arguing on your behalf. Scientists and academics who independently come forward and speak up on the dairy industry's behalf.

Mackle admits DairyNZ has got to be open to all options – sheep and goat's milk are growing in popularity.

"I think there's a place for everything as long as we continue to get better, farm better and the animals we look after will have a very bright future," he says.

Collaboration will be key. The Dairy Tomorrow strategy has been linking up more with livestock, beef and dairy industries which are inextricably linked. Announcements will be coming up in early December around these relationships and branding, Mackle says.

Shaping the Future — *Clean Food Revolution*

The cow of the future

Growth in milk production has come from farmers 'learning to do more with less' reports **Bill Bennett**

Technology investment is paying off for New Zealand's dairy farmers. In the past year the industry produced 21.2 billion litres of milk containing 1.88 billion kilograms of milk solids. That's up 2.4 per cent on the previous season.

We're producing more milk with fewer cows. The total cow population decreased 0.9 percent on the previous year. Cow efficiency is improving at a clip.

Wayne McNee, CEO of LIC, says some of the growth in milk production has come from farmers learning to do more with less. He says we are world leaders in precision farming. We're also seeing the benefits of the same technology revolution that has changed almost every other aspect of our lives.

One of the latest technologies helping farmers improve yields is something McNee describes as "Fitbit for cows", in effect a wearable computer.

"Fitbit for cows is a relatively new technology in New Zealand. It's something that has been used a bit overseas. It's starting to become more popular in New Zealand as a way of monitoring cow performance and cow health. The technology is getting more sophisticated."

He says at first it was a struggle to adopt the technology in New Zealand. "Our cows walk around a lot more than cows overseas who often live in barns or similar systems.

"Here they are mainly free range. And they are out in all types of weather. That meant it took time to get the technology to work here, but that's been cracked now."

McNee says LIC is starting to see farmers use the technology. They are also investigating how they will use it and link it into existing systems.

Fitbit for cows is an Internet of Things (IoT) application, essentially a way of embedding internet connectivity into everyday objects. Often there are measuring sensors that collect data then send it to the cloud (remote data centres) for processing.

McNee says there are systems that can record all the data from the device when the cow enters the milking shed. It uploads the data in the cloud. Another approach is to collect data as the animals move around the farm.

He says the technology is getting better all the time. "It can measure the health of the animal and its movements. If it's unwell, it will move differently, and this is picked up. Or if the cow is on heat, which means it is ready to be inseminated."

We're continuing to see increasing rates of genetic gain from traditional breeding programmes. Now with genomics we can go further.

Wayne McNee

Cows already have radio frequency ear tags that can identify the animals as they move into the shed. This is mandated by the National Animal Identification and Tracing scheme. However, McNee says the Fitbit technology takes things to the next level: "It's a little more expensive than a human Fitbit because these devices need to work in adverse conditions.

They get bashed around, rub up against things, get rained on and get exposed to the sun. They have longer lasting batteries; typically they last three to six years. Farmers are increasingly finding them to be a good investment."

LIC is investigating how it can link the product to its systems. It is also considering selling the devices, but McNee says the immediate goal is using the data to gather information about cow performance and potentially link it into the LIC genetic improvement programme.

"We already have the milking information, but if we have more data about how different cows perform, we can identify matters such as why some cows are healthier than others and can we breed for that," he says.

One possible development is that eventually cows won't need to go into the shed or walk past monitoring points for their data to be collected.

He says they could be connected full time to the cellular phone network. There is work going on with other communications technologies. Until now the challenges around battery life have been a barrier but newer networks, including 5G, have the potential to change that.

All this work is part of LIC's remit to develop what McNee calls "the cow of the future". He says the main focus is on the environmental impact of dairy cows. The idea is to breed animals that create less methane and less nitrate for each kilo of milk solid they produce.

McNee says methane and nitrates are facts of life in dairy: "You're not going to be able to remove them completely because of the way the animals process grass. We can make them more efficient and minimise the impact.

"We're already making progress. Cows are getting more efficient as the production numbers show. The big research projects we have are working on genomics. We have a full genome map of cows and bulls. We can then identify the traits that have an impact on their future health and their environmental impact."

He thinks the number of cows in New Zealand has peaked and will now decline. "I doubt we will see more. In fact we'll have fewer cows, but better ones," he says.

LIC is working with government agencies and with Dairy Research on developing more efficient animals.

McNee says though they've made good progress, there is still plenty of room for improvement:

"We haven't anywhere near reached the end of efficiency yet. We're continuing to see increasing rates of genetic gain from traditional breeding programmes. Now with genomics we can go further.

"We're not using any form of genetic modification. It's just about identifying the desirable traits on a cow and breeding for them. We can't see an end to the progress at the moment, which is good news for the New Zealand dairying sector."

One area of research is looking at how animals in places like South America deal with higher temperatures than we tend to find in New Zealand.

LIC is investigating whether the breeds used in South America can be cross-bred with local cows. This could be important for the long-term health of the industry if temperatures continue to rise. LIC is looking at this both for the New Zealand market and, potentially, to export animals.

Edible seaweed a potential new export?

Natalia Rimell

A seaweed considered a "pest" in New Zealand waters could one day be on the plates of Japanese, Korean and Chinese diners.

Wakame Fresh received $75,000 from the Ministry of Primary Industries' Sustainable Food & Fibre Futures fund (SFF Futures) to support its investigation into the "commercial viability of turning a weed into a high value export industry".

Wakame Fresh harvests Undaria pinnatifida — also known as wakame — a seaweed that is considered to be a highly invasive pest and often called the "gorse of the sea".

Although considered a pest — it is one of the 100 most invasive species — wakame has long been a staple of the Japanese, Korean and Chinese diets, packed with vitamins and minerals and believed to deliver a range of health benefits

The seaweed obstructs mussel farms and ravages native marine species. It was introduced to New Zealand in the 1980s and is now widespread through the southern and eastern coastlines.

Undaria is in short supply in Japan and the Coromandel-based company aims to exploit this gap in the market, exporting the New Zealand supply of Undaria, "turning gorse into gourmet".

Wakame Fresh managing director Lucas Evans says "there's a tremendous opportunity for New Zealand as an alternate aquaculture sector.

"Whether it's with this particular seaweed, Undaria, or native

Wakame — "gorse of the sea".

seaweeds. Applications in food, nutraceuticals, herbalisers, it's just so vast."

Evans notes the potential risks of the farming of the invasive seaweed but was keen to stress the positive impact harvesting the weed has.

"Our project has no connection with farming — it's all about wild harvest. We're reducing the biomass of this Undaria and having a positive impact on the environment, so when people talk about this particular seaweed in relation to risk, often the first thing that's assumed is that it's a farming activity. I think it's important to make that distinction. It's actually a wild harvest."

The harvesting is both sustainable and environmentally friendly. The company believes that seaweed "will contribute toward the world's efforts to combat climate change, to develop and provide life changing medicines ad contribute toward the world's food security".

Agriculture Minister Damien O'Connor says: "This project is really exciting. It's pioneering, it's innovative and it has the potential to create new market opportunities. It also supports a Government priority to assist thriving and sustainable regions.

"This could be the next big thing for New Zealand. We could be looking at the start of a lucrative edible seaweed export market into Japan and other Asian countries."

MPI director investment programme Steve Penno adds the project has a lot of potential benefits to the local area, the aquaculture industry, and New Zealand as a whole.

"These include developing a new, value-add industry for New Zealand which could create jobs, and also help encourage the aquaculture sector and potentially others in New Zealand to collaborate and invest in the seaweed sector."

Shaping the Future — Clean Food Revolution

Rise of the agtech disruptors

Gill South

The Kiwi-born co-founder of Silicon Valley agtech investment company Finistere Ventures Arama Kukutai stresses how quickly conditions are changing thanks to the global food revolution.

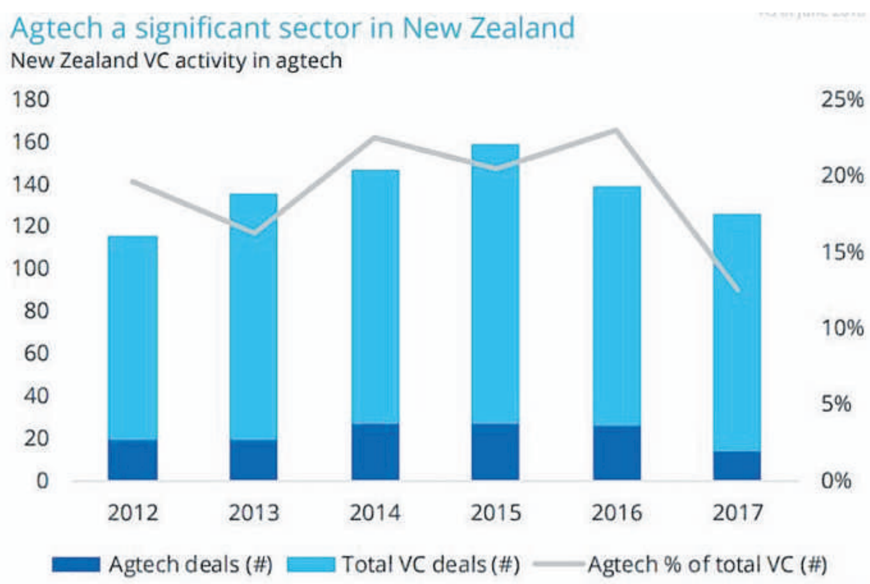
Kukutai, who is based in San Diego, California has set up a New Zealand base for the company through agritech incubator, Sprout Accelerator in Palmerston North so it can be close to the country's new ideas. An investor and entrepreneur in the agribusiness sector for 20 years internationally, he thinks the best way that New Zealand can meet the changing global consumer tastes is through disruptors in agtech.

"One of the biggest calls is figuring out what we know, what we don't know," says Kukutai.

On the plus side, New Zealand has a very large investment in food and agricultural research, but they are not all well connected to capital, to entrepreneurs, or the market, and New Zealand is going to have to do a better job on this, he says. "One of the reasons I've been coming back to do more is I see the beginnings of a new approach and a mindset," says the investor.

Kukutai is heartened by the progress from business incubators around the country, the ideas coming out of Sprout Accelerator in Palmerston North and The Icehouse, in Auckland, among others. Finistere has invested so far in New Zealand businesses including Zeakal, BioLumic and Invert Robotics.

According to a Finistere Ventures report which it produces with financial data company, PitchBook every year, more than US$15 billion has gone into the technology to develop novel food so far, and that's ramping up every year but New Zealand has captured very little of that US$15 billion.




Arama Kukutai

Kukutai takes his hat off to the Government in helping "prime the pump", with investment from NZVIF, Callaghan Innovation and others in new ideas but says New Zealand's crown research institutes (CRIs) have not been able to spin off a company in five years.

As well as helping start-up agtech companies providing new ideas and solutions, Kukutai is looking closely at what Fonterra does next. It has expertise and experience with developing alternative dairy proteins, which will stand it in good stead. "I think they are thinking the right way about changing from commodity to high-value ingredients. But building technologies that are protectable take time," he says.

To New Zealand's food industry meanwhile, it should be looking at the needs of an ageing population, the need for greater cognition awareness, on the other end, how to help children grow more, have better cognition, fight metabolic illnesses, with nutrition.

"If we are to effectively direct our science and resource uses, linking that research to entrepreneurs and capital and will be critical, it's a huge opportunity for New Zealand to have," says Kukutai.

"We have to address this, we are in catch up mode. But If we think about the ingredient space, science-advantaged ingredients where we can make real scientific claims about products, there are huge opportunities there", he says.

With New Zealand's expertise in unique genetics, the rock star in New Zealand has been Zespri's golden kiwifruit SunGold. Also in genetics New Zealand company LIC has a global reputation in bovine genetics for dairy, he says.

Finistere on meat production in NZ

At Finistere Ventures, Kukutai talks about the goal of climate-neutral meat production.

When New Zealand's biggest emissions are from livestock, the meat industry in New Zealand has to do more and think smarter, he says.

For meat, a very, very small percentage of the animal are primal cuts. Meat producers have to do something with the rest of it and that's often going into a not very well priced segment, like burgers, he says.

"If you have got plant-based products like Beyond Meats, the Impossible Burger, being sold at a premium to meat, in the short term it's hard thinking about how much to invest in incremental improvements and rather, looking for advantage products."

Kukutai remains hopeful for New Zealand. If R&D continues at pace, and the role of CRIs and Government and others is done right, that work should cut the urgent timeline.

Scaling up in goodness

Auckland-based enterprising former software engineer, Shama Sukul Lee has stepped up to join the global movement for plant-based meat protein with her Sunfed Chicken Free Chicken, launched in 2017. Sukul Lee's aim is to provide New Zealanders and the global market with good clean food.

The entrepreneur is currently bringing in the yellow peas - or chickpeas - at the heart of this plant-based meat alternative from Europe, but is hoping to grow these in New Zealand once she is selling the product on a sufficiently large scale. The company expanded to Australia earlier this year after finding success in New Zealand selling in New World and Countdown stores.

The chicken-like Sunfed product includes New Zealand pumpkin, natural yeast extract, rice bran oil, NZ maize starch as well as yellow pea protein.

It is soy-free, gluten-free, GMO-free and preservative free among other things.

"Chicken Free Chicken is a natural progression in chicken consumption, moving from factory to free range to antibiotic chicken to Sunfed," says Sukul Lee.

While the entrepreneur is keen to please consumers, often they don't know what they want until it's put in front of them, she argues. If Henry Ford had asked consumers, they would have asked for faster horses, rather than an automobile.

The majority of consumers are flexitarians, says the Sunfed founder.

A buddha bowl made with Sunfed.

What the entrepreneur, who used to like and enjoy meat has tried to do is give the meat analogue a real fleshy meaty feel with long fibres.

Being able to provide consumers with a "meaty experience" is really huge, says the software engineer turned hardware engineer.

Sukul Lee wanted the Sunfed product to be "cleanly minimal," she says.

"I'm a big clean eater, I don't like chemicals or E numbers, I'm really strict. We are very conscious that this is food," she says.

"Being a New Zealand brand, it's in our DNA that we are making food as cleanly as possible.

"For it to work in the world, it's a meaty experience, and clean and healthy and it's not compromised in any way. The meat is very nutrient dense and bio-absorbed so that health part, we don't ignore," she says.

After success in New Zealand, the product is selling in Australia through Coles and it has gone better than they expected, says Sukul Lee.

Next year, Sunfed will be launching bacon and beef alternative products.

The company, which has backing from investors including Sir Stephen Tindall and international investors, is now in its next phase of expansion, and this time it's global.

Sukul Lee is seeing demand from the US, Canada, the UK, Europe and Asia. In parallel, she is exploring how to set up an infrastructure in New Zealand, talking to farmers about growing yellow peas here.

The beauty of growing yellow peas is they are regenerative and leave the soil in a better state than when they arrive, she says. They are the most environmentally sustainable of pulses, she says.

The Aucklander likes the idea of offering farmers an alternative from meat and dairy, giving farmers a regular income on growing yellow peas. They may be grown on a large scale overseas but she doesn't see why they can't be grown here.

New Zealand is still so focused on meat and dairy, this is going to be good for everyone, she says.

"We can build a company that is good for soil, water, animals, human beings and it remains good as it scales," she says.

— Gill South

Would you believe it?

Battle begins to combat the spread of fake news, writes **Graham Skellern**

For the seriously trained journalists the advent of fake news was received with a degree of curiosity, credulity and then anguish.

The idea of publishing and broadcasting unfactual and misleading news was anathema to them. The rise of social media and messaging apps has challenged journalism's code of ethics and well-crafted practices.

Facebook, Twitter, WhatsApp, Instagram and others have permanently disrupted traditional media and business models. They can instantly post and share news items that often are not fact-checked and contain misleading or inaccurate information.

True reality set in when the *Collins Dictionary* made "fake news" its word of the year in 2017. The global internet has made countless sources of information readily available with varying levels of credibility.

Fake news has had devastating consequences. Recently a video was spread through WhatsApp in India showing two helmeted men on a motorcycle circling a group of children playing cricket in the street and the man in the backseat grabbed one boy and the driver sped off.

The video was part of an anti-kidnapping public service ad produced next door in Pakistan. With the ending edited out to make it appear like a real kidnapping, the video went viral. Users claimed the child traffickers were running loose in Indian cities, which led to mob attacks and some two dozen people killed.

WhatsApp cut down on potentially harmful content going viral in India by allowing users to forward a message to a maximum of five chats at once. Forwarded content dropped by more than 25 per cent and the limit has been implemented worldwide.

In other incidents, an advertisement claiming presidential candidate Joe Biden coerced Ukraine to fire a prosecutor targeting his son Hunter was distributed on Facebook and Twitter but was refused by other news outlets because of inaccuracy. The social media giants refused to remove the ad on their networks.

Facebook's head of global elections policy told the Biden campaign in a letter that claims made by politicians are "considered direct speech and ineligible for our third-party fact checking programme."

A false Twitter rumour claimed a mass shooter displayed a bumper sticker supporting Democratic presidential candidate Beto O'Rourke, and there was a call to boycott a restaurant chain based on an incorrect report that it was supporting President Trump.

When pollsters asked Americans whether they trusted the news they read, listen to and watch, their answer was increasingly negative. This sentiment has spread throughout the world.

According to research by the European Research Council, one in four Americans visited at least one fake news article during the 2016 presidential campaign. Fake news poses a serious threat to the values of honesty, truth and accountability — something the messengers of false information don't hold too closely. Social media has enabled news enthusiasts and propagandists to compete with professional journalists on an equal footing.

The traditional news services, and even some governments, are now fighting back to ensure news is accurate, balanced and credible.

The BBC has launched an industry-wide campaign to get media organisations and technology companies to work together to fight disinformation, particularly around elections and other sensitive events. Tony Hall, BBC director-general, likened the rise of false and misleading news to "a poison on the bloodstream of societies. Disinformation and so-called fake news is a threat to all of us. At its worst, it can present a serious threat to democracy and even to people's lives."

BBC convened a summit that included the *Financial Times*, Reuters, *Wall Street Journal*, *The Hindu*, Agence France-Presse, Canadian Broadcasting Corporation, the European Broadcasting Union, Google, Facebook and Twitter. The group plans to develop an early warning system so news companies and tech platforms can alert each other when they "discover disinformation that threatens human life or disrupts democracy during elections."

The system would rely on a combination of technology and journalists to identify problematic content quickly and remove or minimise its reach.

Tech companies such as Facebook and YouTube are hiring thousands of content moderators and developing algorithms and filters to help identify problematic posts. But given the masses of data being posted to social media networks and the challenges posed by encrypted chat apps, the effect has been minimal.

Through the disruption, traditional news organisations have emerged leaner, stronger and stealthier, having learned to battle, and partner, with digital rivals. The Future of News Europe conference in Amsterdam last month debated how to secure growth, safeguard transparency and promote quality journalism for the next generation. Mishal Husain, a leading broadcaster at the BBC, said, "One thing that is positive is the fact that I, and I suspect all of us journalists, have a renewed sense of mission and purpose."

Craigslist founder Craig Newmark donated US$1.5 million to non-profit organisation First Draft, which is conducting a campaign against disinformation and is hoping to send out alerts about stories to stay away from. First Draft is making free training available to newsrooms and will conduct 14 simulations of news events to show how reporters can recognise and stop the flow of false or misleading information.

Some governments are having a crack at containing fake news themselves. France and China have passed laws that define illegal misinformation and allow for its removal. Up to seven East Asian countries have recently enacted or are considering laws to limit or gain access to information about internet reports that officials claim are false, speculative, exaggerated or truthful yet hurtful.

Singapore has passed the Protection from Online Falsehoods and Manipulation Act and already has one "prosecution'. A politician placed a correction, with a link to the government statement, on Facebook after questioning the independence of state investors Temasek Holdings and GIC.

Thailand is planning to establish a centre to fight the spread of fake news, and Nigeria is proposing the Social Media Bill, which cracks down on posts thought to threaten national security, sway elections or diminish public confidence. People making the posts could be arrested.

An Oxford University Internet Institute study found misleading and confusing content was widespread in British politics, despite 125 reforms by social media platforms over the past three years. Professor Philip Howard of the institute said self-regulation had failed. It suggested political parties that spread fake news online should be punished with bigger fines and restrictions on their use of data. It also recommended that the Electoral Commission keep a database of political campaigners' social media accounts.

The problem of tracking online fake news has been exacerbated by automatic text generators. Advanced artificial intelligence (AI) software is being used for auto-completion, writing assistance, summarisation and producing large amounts of false information fast.

Now AI researchers are busy developing automatic detectors that can identify this machine-generated tact.

But what about the social media users? Can they change their attitude? Jimmy Wales, co-founder of Wikipedia, said articles and videos that are most popular online are those that attract the most immediate and emotional reactions, even if they contain factual errors. He said transparency is the bedrock of restoring public trust in the media — eliciting greater involvement among consumers will lead to an increased demand for media transparency in sources of funding, involvement of advertisers and political pressure.

"Beyond a supervisory role, an important step would be to regard the online community as an active participant in producing news. Given the chance, internet users can carve out a crucial role in assembling and curating accurate information," Wales said. "The key is to view social media users as a community of fact-checkers and news producers, instead of passive recipients of unreliable news".

New Zealand not immune

New Zealand is not immune from misinformation, disinformation and fake news. Recent polls show increasing political division and decreasing trust in politicians, the media and experts.

The Electoral Commission says they aim to protect New Zealand "as much as possible" against the kind of attacks that have marred elections around the world. However, in the lead up to next year's election, claims of fake news and the use of misinformation are likely to increase.

While recently under pressure to explain donations to New Zealand First, Winston Peters released a video on Twitter blasting National leader Simon Bridges and the media, stating: "No more fake news. If mainstream media won't do their job then we will go direct."

He closed his video with some advice to the media: "Get some serious education on the electoral law of this country and stop writing these speculative articles which do your profession no credit. Fake news is not good enough."

The Department of Conservation has also blasted "irresponsible fake news"after a photo of dead kiwi went viral. The kiwi were, in fact, killed by cars and dogs over three years and collected by DoC but the photo was used by anti-1080 campaigners.

Shaping the Future AI

AI is even helping protect New Zealand's iconic bird the kiwi from the threat of predators.

Rewarding intelligence

Machine learning has gone from academic curiosity to being the foundation of modern commerce

Dynamic Business
Bill Bennett

Artificial intelligence (AI) has already made its way in to all aspects of New Zealand life. Local businesses in sectors as diverse as retailing, agriculture and manufacturing have created transformative AI applications. We know the technology can make companies more efficient, increase sales and improve productivity. It is making safer, healthier workplaces.

There is more to AI than commercial or industrial applications. AI is used in healthcare, social welfare, education — almost every imaginable area of human activity.

It even plays a role in non-human activity: the Department of Conservation (DOC) uses AI to understand how best to protect endangered kiwi populations from predators and other threats. Elsewhere DOC, the Ministry for the Environment and Statistics New Zealand are using a Microsoft AI tool to help clean up beaches.

In simple terms, AI is about building systems than can learn from experience, then draw inferences, make decisions and either perform tasks or provide advice based on what has been learnt. You'll often hear this described as machine learning, a key component of AI. You may also hear terms like neural networks and deep learning.

Machine learning is not new. It has been around since the 1950s.

However, so much else has changed since then that machine learning has gone from being an academic curiosity to the foundation of modern commerce.

That's because today's digital systems can collect, process and move data so much faster and cheaper than in the past. Machine learning requires brute force computing. The other difference is that over the years organisations have collected and continue to collect vast silos of digital data for machines to trawl through and learn from.

This is a long way from the science fiction idea of AI, where computers or robots think like humans. That image can make the subject look frightening to the non-technical. It can also set up confused or unrealistic expectations of what the technology might deliver. Even if the machine are not going to take over, there are fears about what AI might mean for jobs.

Stuart Christie knows all about public perceptions of AI. He chairs the AI Forum NZ, a not-for-profit group that brings together researchers, entrepreneurs, users and others. He says: "When people talk about AI adoption, they are talking about narrow AI use cases. They are not talking about cognition; the capacity to be able to reason based on a real world environment.

"AI is effectively an extension of data analytics or predictive analytics that are already used to solve business or social problems. We've a long way to go before we have a machine with the capacity to consider all aspects of its environment and respond appropriately."

If anything, the potential of what Christie calls "narrow AI" is more exciting than the prospect of thinking machines. It is the culmination of the digital revolution. Now that everything can be measured and every measurement stored, we can use that data to optimise and improve almost every aspect of our world.

The rewards for adopting AI may be huge. A study conducted earlier this year by IDC for Microsoft concludes that AI will double the rate of innovation in New Zealand. It says it expects employee productivity gains to increase 1.5 times. The report, *Future Ready Business: Assessing Asia Pacific's Growth Potential Through AI*, goes on to say NZ companies that have adopted AI expect to double their competitiveness by 2021.

In other words, it doesn't take long for investment in AI to pay off. The report says there are five main drivers for organisations that have implemented AI projects. In order they are better customer engagement, higher margins, higher competitiveness, accelerated innovation and business intelligence.

Louise Francis

Stuart Christie

New Zealand-based IDC research director Louise Francis says: "Organisations that adopted AI last year saw tangible improvements in those areas in the range of 19 to 26 per cent. These organisations also forecast further improvements of at least 1.7 times over a three-year horizon, with the biggest jumps expected in accelerated innovation, higher competitiveness and better business intelligence."

In September the AI Forum published research saying models from McKinsey and PwC estimate AI could add between 5.6 and 10.4 per cent to New Zealand's GDP by 2030, compared to a scenario without AI.

We've only started. Qrious technology director Stephen Ponsford says AI is now at an inflection point. Qrious is a Spark-owned analytics business that helps companies make sense of their data. He says we're seeing a significant change: "Businesses are already deriving value from AI. The next step is that AI will become the a strategic underpinning. That means business models will change."

Ponsford says Qrious advises its clients to view AI as a cornerstone of their business operations. He says: "Companies must accept they will need to leverage AI in order to remain competitive. We tell them to start by experimenting with a few projects, then to benchmark their AI activity against their global counterparts. The benefits of AI will soon become clearer. In our experience adding AI to data is like getting compound interest."

He says just as every major company is now, to some degree, a software company, every future successful business will be, to a similar degree, an AI business. Almost every interaction a modern business has is captured in digital form. Most data is stored. AI is the key to unlocking that data and turning it into opportunity.

Data sits at the heart of every AI project. Spark data and automation lead, Kallol Dutta says: "Data is the critical part of the AI story. You need to have a really good data architecture and the ability to get data together, otherwise you will spend most of your time just collecting data, not analysing it to get insights. That requires dedicated effort and focus. If you don't have that in your organisation then you will struggle."

"You can't go out and say can I have some AI please", says Tim Howell, general manager of strategy and marketing at Leaven.

"It's important to have the right foundations in place. Without those foundations AI is not going to have much of an impact." Leaven is another Spark-owned business. It specialises in helping companies with their digital transformation. Much of that work is preparing businesses to be able to use technologies like AI.

The foundations are mainly about putting the right IT infrastructure in place. This generally means moving from legacy systems to public cloud, although there are other possible strategies. Howell says along the way it means deciding whether existing apps should be moved to the cloud or replaced with new ones. He says this can be a considerable exercise and technology is only part of the story. It also means working on the business culture.

He says: "AI is not just one project, you can't think of it as a set, leave and forget exercise, it requires constant feeding and nurturing. There are issues such as security, governance and compliance to consider. It changes the way companies think about technology."

The other foundation needed for AI to work is having people with the right skills. This can be the hardest barrier of all. It ties in with the idea of putting AI at the core of a company's strategy and investing for the long term. IDC's Francis says finding people is a real problem, but it isn't a New Zealand problem, it's universal and, contrary to what many people think, it is not all about money.

She says: "The trouble with New Zealand being a small country is that we don't necessarily have the resources or the scale of projects in other countries. Where New Zealand is starting to attract skills is because when talent comes here, the people have more opportunity to work on cool projects. In other countries they are not necessarily going to have that hands-on front line experience.

"Attracting the talent with money isn't working, even for countries and businesses that have the big money. They are finding that it doesn't attract the right talent. The personality of the talent that will work on these projects

continued on D11

Shaping the Future AI

Building a back-up bank

BS11 will further reinforce New Zealand's banks as being among the safest in the world, says **Mike Bullock**

In half a dozen offices around Wellington, Auckland and Melbourne, more than 100 technology architects and engineers are racing the clock on the biggest finance sector technology project New Zealand has ever seen.

With a little under three years to go, they must essentially co-ordinate and build a back-up bank, to ensure ANZ can continue to service more than two million customers, manage millions of transactions a day, payroll for tens of thousands of Kiwis, and be up and working in a matter of hours in the event of a crisis affecting the wider ANZ group.

All of those architects and engineers are Wellington and Auckland locals, and they're very familiar with massively complex, high-pressure projects like this.

The regulation driving the project is formally known as Banking Standard 11, or as we call it, BS11. When finished, it will enable ANZ — the country's biggest bank — to operationally separate from all the technology systems and operational services it currently receives from the global ANZ group and be able to run the New Zealand bank independently.

Literally everything is at stake — compliance is a condition of our registration to operate as a bank in New Zealand. No pressure then.

The project has its origins a decade ago when the banking world was hit by the worst financial crisis since the Great Depression of the 1920s.

The collapse of the subprime mortgage market in the US developed into a full-blown international banking crisis. Governments had to step in across Europe and the US to prevent the collapse of the world financial system.

Down in Australia and New Zealand, things felt a little different. Our banks had largely avoided the risky lending that had caused so much mayhem in the Northern Hemisphere.

There were no registered bank collapses, and a government bail-out was limited to other finance companies. While the Global Financial Crisis (GFC) swept past and the global economic downturn took hold in its wake, in Australia and New Zealand it seemed like we got off lightly.

> Literally everything is at stake — compliance is a condition of our registration to operate as a bank in New Zealand. No pressure then.
>
> Mike Bullock

In the years that followed, regulators around the world vowed "never again", and redrafted the rulebooks to ensure — as much as possible — that there would be no GFC II.

Despite the Southern Hemisphere banks generally being held as comparative case-studies in old-style financial responsibility, there was also work to be done.

In New Zealand, the Reserve Bank was concerned about overseas-owned banks' reliance on technology systems and operational services from their overseas parent banks, and what it would mean for the New Zealand banking system if those systems and services were suddenly not available.

Around 90 per cent of New Zealand's banking is operated through overseas-owned banks.

In 2014, the Reserve Bank reviewed its BS11 policy. It significantly tightened the requirements for the bigger New Zealand banks to be able to achieve operational separation from group technology systems and support services.

The updated policy requires foreign-owned banks with $10b of liabilities or more to be able to separate from its global technology systems and services, and be able to operate independently by 9am the next business day in the event of a crisis.

For some very critical systems and services, the separation must be fully complete within six hours.

In 2017, banks were given a deadline of September 2022 to comply.

At ANZ, the NZ Board has brought this deadline forward to September 2021 to ensure compliance is completed and working well prior to the regulatory deadline.

This presents a monumental challenge for ANZ's technology and operational teams.

In just five years, ANZ had to design and implement its own version of the relevant technology systems and services support we currently rely on from other ANZ group entities throughout the Asia-Pacific region.

It dwarfs our previous largest technology project; the merger of the ANZ and National Bank IT systems in 2012.

That was, at the time, the largest IT project in New Zealand's history by a long way, costing $221 million and involving 290 people from New Zealand, Australia, Bengaluru, and Manila in the Philippines

ANZ's BS11 project involves approximately 330 people, located in New Zealand, Australia, Singapore, Bengaluru and Chengdu.

Fifty-one per cent of the technology work is being done at ANZ's locations in Wellington and Auckland, with 45 per cent done in Melbourne, 4 per cent in Singapore and 1 per cent in India.

The project will cost around $350m — most of which will be spent between now and completion.

Work on the transition to compliance with BS11 began on 1 October 2017. In scoping the project we identified 49 solutions that had to be developed, tested and working by September 2022.

Some are permanent changes and improvements to the way we do things, and others are back-ups which will only be required in the event ANZ NZ has to stand alone and operate separately from ANZ Group.

Along with new capital requirements and tougher regulatory oversight generally, BS11 will further reinforce New Zealand's banks as being among the safest in the world.

In the event of a catastrophic economic or natural disaster that engulfs our support networks overseas, New Zealand's biggest foreign-owned banks will be able to open their doors and continue to provide banking services to our customers.

● *Mike Bullock is Chief Operating Officer of ANZ NZ*

Rewarding intelligence — a digital revolution

continued from D10

wants to work on something creative. They get a buzz out of creating something that's going to change the industry or even the world."

Francis says the jobs and skills required are changing and evolving fast. Being precise about skills is less useful than finding people who can adapt. She says: "In the US MIT has set up a school for AI technology, they're not only looking for technical people but also for statisticians, for people who work with customers and a range of skills. Many employers look at AI from a technology perspective, not from a process perspective. They don't take into account things like the fact that AI doesn't have empathy."

AI is now ubiquitous across the entire New Zealand technology sector. Last month Vodafone held a function to sell its soon-to-be launched 5G network to enterprise customers. It may be a communications network, but AI featured in each of the presentations.

Vodafone business director Lindsay Zwart explains why.

Lindsay Zwart

"Vodafone's 5G network comes with increase capacity, agility and speed. This is what you want a cellular network to do; to be able to collect large volumes of data from billions of devices. It's not just the collection of data, it's also the analytics. At Vodafone we are partnering with Microsoft, using Azure cloud technology. We analyse customer's data using artificial intelligence. This allows us to do advanced analytics and machine learning, which can then make predictions and suggest next actions for our customers."

She says 5G adds an important ingredient to AI: "It enables the AI reactions to become almost instantaneous. We've been doing IoT for years, we even did it on our 2G network, but you have a lag. It meant collecting data, processing overnight, determining what happens, then go back. 5G enables us to remove the lag time that may inhibit businesses from using it.

"Examples of where this matters might be creating safer cities or stadiums. With AI-enabled CCTV we can support customers automatically identifying safety issues and communicate directly with authorities, it means faster real-time reactions. It also works in manufacturing leveraging collaborative robots, their ability to respond really quickly increases based on collection of data, analytics and the ability to respond.

"In Italy we're working using 5G

continued on D12

Vulcan Steel health and safety

Not all commercial AI applications are helping sales or simple efficiencies. Microsoft national technology officer Russell Craig likes to quote the example of how steel distributor Vulcan Steel uses AI to improve health and safety.

Vulcan is a steel distributor, it has video cameras on the factory floor to watch workers load steel products on to trucks. The company's steel products are large, heavy and often difficult to handle.

Craig says: "Vulcan uses computer vision. This is matched against a set of health and safety policies. They might say things like 'no-one should be in this area without a hard hat' or 'if we have a piece of heavy equipment moving towards a worker, can we tell if the worker is aware of that equipment?' If then, say, a worker is on the factory floor in an area without a hard hat, the system can automate the process of

issuing an alert to a supervisor or even stopping a process."

Craig says the application can reduce workplace incidents where someone is hurt. This then has flow-on effects. It's good for the person who avoids harm, but it also helps overall productivity and reduces compliance costs. In the past the company's health and safety was all about training, but this application does more to actively prevent accidents before they happen.

Shaping the Future — AI

Rewarding intelligence

continued from D11

and AI to reduce traffic congestion by connecting sensors in the streets and controlling traffic lights."

If anything, New Zealand is running a little behind the global curve on AI adoption. In part that's because our companies lack scale. When it comes to AI, bigger is often better. However there are bright spots. Stuart Christie singles out Auckland-based Soul Machines as having the potential to be a world leader. The business was co-founded by Greg Cross, who is behind a number of successful local tech start-ups. Soul Machine gives a digital body and face to public-facing AI systems. To date is has been used for online customer service.

Stephen Ponsford says New Zealand is able to be the best-in-the-world in certain AI niches. He mentions the DoC projects and says other bright spots are in renewable energy and in health and safety applications.

One of the biggest fears about AI is that it will kill jobs. There's some justification, many AI projects are about increasing efficiency or productivity and that often translates into staff reductions. Yet, decades of computer use show business technologies also create opportunities. In many cases the new jobs are better, more rewarding than those lost.

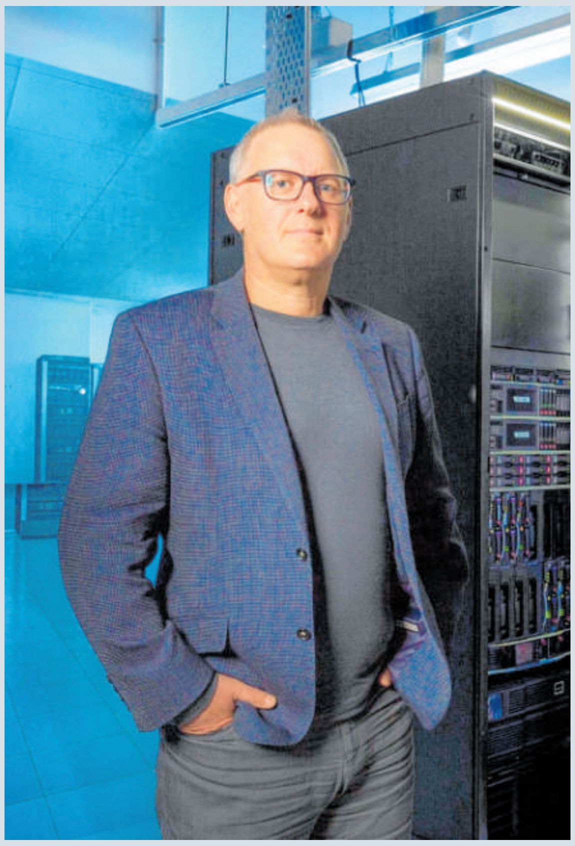
The study found some positive attitudes to AI's impact on jobs. More than half of those asked – 67 per cent of business leaders and 55 per cent of workers – thought AI will either help them do their jobs better or reduce repetitive tasks.

Things are less positive when people asked about creating or replacing jobs. The IDC survey found 16 per cent of business leaders think AI will create new jobs;12 per cent think it will replace workers. Workers are more gloomy; 8 per cent think it will replace jobs; 7 per cent think it will create new ones. Three in 10 workers think it will have no impact on their jobs in the next three years.

AI is not just one project, you can't think of it as a set, leave and forget exercise, it requires constant feeding and nurturing.

Tim Howell

Connecting AI's eyes and ears



Chorus network strategy manager Kurt Rodgers says that in some applications internet-of-things sensors and video cameras are effectively the ears and eyes to an AI "brain". He says; "If you think of it that way, then it's important for the ears and eyes to have a good connection to the brain. It can't have a big latency – that's the time data takes for a round trip – and it has to be reliable."

For these applications Rodgers says edge compute and fibre are critical.

Edge computing is the practice of moving computer processing hardware as close as possible to the data that's being worked on. There are applications where it's not a problem having the processing done in a remote data centre, but if you're dealing with something that moves fast in real time, say a manufacturing robot, a drone or a driverless vehicle, sending data on a long round trip or using a interruption prone connection creates problems.

He says; "We know data can't travel any faster than the speed of light, but even at that speed it takes time to travel a long distance. Fibre works at the speed of light, but putting processing close to the edge is important."

The problem with putting computers too close to the edge is that it increases cost, hammers battery life and can even affect the life span of the device. Low-power IoT sensors with limited on-board computing capacity can last as long as ten years.

He says these devices might be untethered and linked over the last few metres by a wireless connection, say Bluetooth, Wi-Fi or cellular. So in most cases there will be some wireless but Rodgers says they won't achieve much unless fibre is carrying the data over longer distances.

Shaping the Future — Changing Economy

New energy futures

Environmental issues must be factored in the drive to a battery powered future, reports **Tim McCready**

New Zealand has an electricity system that is largely based on renewable energy. Because of our existing competitive advantage in wind and hydro power, many leaders in sustainable transportation predict hydrogen will only play a small role in New Zealand's fleet.

A recent report by Z Energy shares a similar perspective, noting: "Z's view is that hydrogen is more suitable for decarbonising high-utilisation, long-range use cases such as trucks, ferries, trains and buses, while battery electric will be the better choice for the shorter-range fleet."

Adoption of electric vehicles (EVs) here is rapidly increasing — from 210 cars in 2013 to 10,000 in 2018. The benefits from EVs include lower emissions, quieter running, and the fact that they can act as a flexible storage solution for intermittent renewable energy.

And it is not just electric vehicles. The Global Battery Initiative, a World Economic Forum initiative, has called batteries a "backbone technology" in the transition from fossil fuels to a low-carbon future. Batteries — and particularly lithium-ion batteries — are powering anything from toys to cameras, e-scooters to e-bikes, trains and even electric vehicles.

But one of the major challenges faced by the industry is how to treat these batteries at the end of their useful life.

Further compounding this is the fact that New Zealand's uptake of electric vehicles is heavily reliant on the introduction of second-hand vehicles. Cars are imported with semi-depleted batteries — they will reach the end of their useful life sooner than new cars.

This means the requirement to innovate to meet this challenge is especially front of mind for New Zealand — something that has been recognised by the Battery Industry Group (B.I.G), a cross-industry collaboration launched last week.

The group acknowledges the current "linear" system — extracting materials from the ground to make a battery, using the battery once and then putting the 'waste' battery into land fill — is not sustainable.

Made up of over 80 businesses — including a core delivery team of Vector, Eunomia Research & Consulting and WasteMINZ, with funding from Vector, EECA and the Motor Industry Association of New Zealand — the group will design solutions to reuse and recycle the large batteries found in electric vehicles or in stationary energy storage.

They note that a commercially sustainable model will require a shift across the entire system, and aim to propose a "circular" product stewardship scheme for end-of-use and end-of-life battery management to the Ministry for the Environment within the next 12 months. It will include recommendations on consistent safety guidance for the handling, storage and shipping of used large batteries.

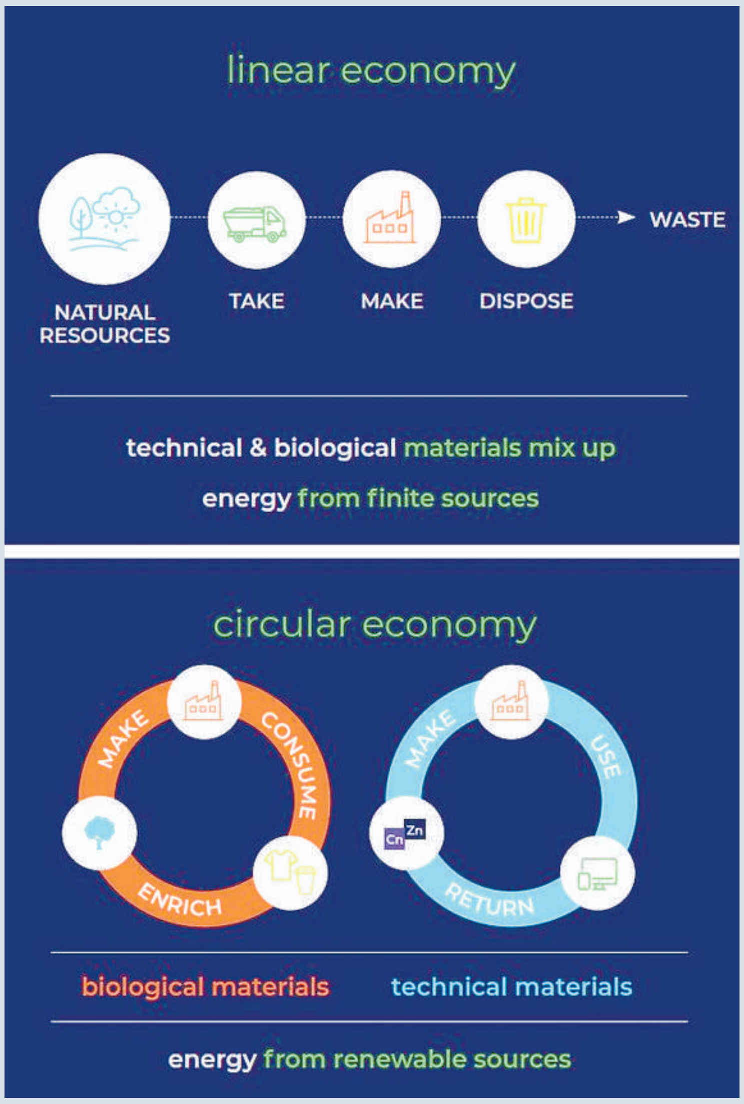
Vector says the move acknowledges the important role businesses can play in not only front-footing the e-waste challenge, but also acts as a catalyst to accelerate New Zealand's transition to a low-emission circular economy.

"Vector recognises that electrification of transport presents a significant opportunity to help New Zealand achieve a zero-carbon future," says Vector Group CEO, Simon Mackenzie.

"The research in the New Energy Futures Paper tells us that there will be between 500 and 1000 EV batteries coming to the end of their lives by 2020, potentially rising to 17,000 by 2025 and a staggering 84,000 by 2030."

He says that while batteries will be key to powering New Zealand's new energy future, they contain valuable materials that come at an environmental and social cost. It's clear that we must work collaboratively with others to ensure we have a proactive, robust plan in place to make the most of battery capacity, as well as mitigating any risks from their disposal.

Toward a circular economy



The linear economy, a hallmark of modern economies, takes resources from the ground and turns them into products that ultimately become waste and are thrown away.

It designs and manufactures products for the consumer without accounting for the resources used to make them or what happens to the product at the end of its life.

Often it is considerably more expensive — or impossible — to repair something when it breaks compared to replacing it. This was demonstrated in last week's Black Friday sales, which saw consumers rush out to the shops to snag a discount deal — often items that will have a short life and be soon destined for the landfill.

In contrast to the "take-make-waste" model of a linear economy, a circular economy is an economic system aimed at eliminating waste and the continual use of resources and is designed to benefit businesses, society, and the environment.

It aims to gradually decouple growth from the consumption of finite resources and is increasingly seen as the driver to help reach the UN's Sustainable Development Goals.

The New Zealand Government has identified the circular economy approach as an important principle for addressing resource and waste issues for the country's future.

The Ministry for the Environment defines it as "an alternative to the traditional linear economy in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life."

It says when a product is designed for the longest use possible — and can be easily repaired, remanufactured or recycled (or used, composted and nutrients returned) — it can be considered to have a circular life cycle. A circular economy is fuelled by renewable energy, such as solar, hydro, wind, tidal and biofuels.

The New Energy Futures Paper: Batteries and the Circular Economy paper, released last week, outlines the six enabling factors required for a circular economy:

1. Systems thinking: Organisations take a holistic approach to understand how individual decisions and activities interact within the wider systems they are a part of (e.g. material, operational, financial, social and ecosystems).

2. Innovation: Organisations continually innovate to create value by enabling the sustainable management of resources through the design of processes, products/ services and business models.

3. Collaboration: Organisations collaborate internally and externally through formal and/or informal arrangements to create mutual value.

4. Value optimisation (retaining value): Keeping products, components and materials at their highest value and utility at all times.

5. Transparency (open communication): Organisations are transparent about decisions and activities that affect their ability to transition to a more circular and sustainable mode of operation and are willing to communicate these in a clear, accurate, timely, honest and complete manner.

6. Stewardship: Organisations manage the direct and indirect impacts of their decisions and activities within the wider systems they are part of. This can include product stewardship or Extended Producer Responsibility (EPR), where businesses take back their products to refurbish and resell.

Using technology to combat change

Natalia Rimell

Advanced technologies in manufacturing

Manufacturing is the largest end-use emitter of CO_2. Advanced manufacturing technologies are technology innovations designed for the critical improvement of efficiency and the reduction of these emissions. CO_2 is one of the most damaging Greenhouse Gasses (GHG) as it can stay in the atmosphere for thousands of years. Direct energy use in manufacturing produces steam and electricity for power generation and processes such as heating furnaces and kilns, and indirect use is the use

of electricity that transforms raw materials into products such as steel, cement, petroleum and aluminium.

Technology innovations are on the up as industry and businesses strive to tackle these vast emissions from energy-intensive manufacturing. The majority of innovations are advanced biofuels from waste wood, carbon dioxide capture and storage, deep geothermal energy, ocean and wind energy and hydrogen fuel.

New energy technologies for buildings

Research by The International Energy Agency (IEA) recently revealed that 87 per cent of greenhouse gas emissions

can be cut by 2050 in the building and construction sector in a report published in April 2019. They showed that energy-related CO2 emissions rose in 2018 by 1.7 per cent and the building sector represented 28 per cent of those emissions from rapidly growing electricity use. The IEA highlights areas to enable buildings to be an average 40 per cent more energy efficient by 2040, despite the total building floor area growing a further 60 per cent. The key areas to be tackled are space heating, water heating and space cooling. Recent cost-saving innovations include

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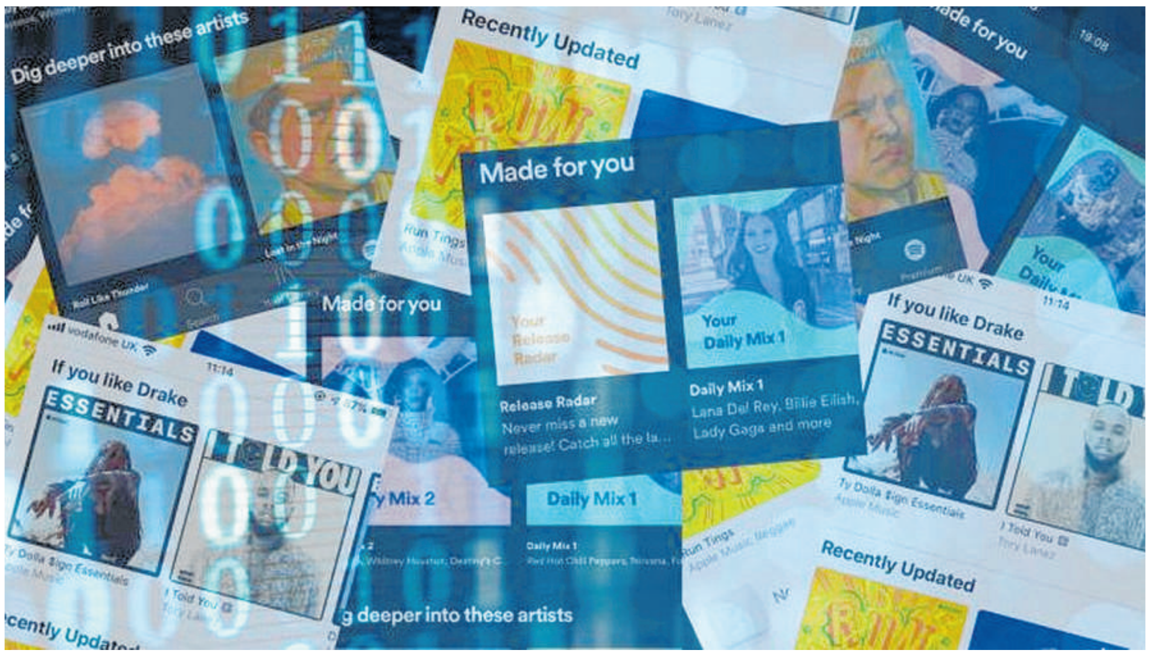
Shaping the Future

Changing Economy



Personalisation vs privacy: the trade-off

High-profile exposés and regulatory moves have fuelled calls for technology companies to strike a better balance reports **Siddarth Shrikanth**

In the battle for consumer attention, internet companies have long attempted to personalise their services and offer tailored content. Netflix and Spotify have both built loyal followings on the strength of their recommendation algorithms, and businesses are adept at using data from Facebook and Google to target their advertising.

But ever-better personalisation comes at a cost to privacy. The nature of targeted advertising and recommendations means that businesses know who their customers are and what they are interested in — and much of this information is gathered with little informed consent from the consumer.

"The trade-off between privacy and personalisation is stark and explicit: the more data you collect, the more effectively [a technology company] can personalise a service," says Dipayan Ghosh, a privacy expert at the Shorenstein Centre at Harvard Kennedy School.

A series of high-profile exposés and regulatory moves have fuelled calls for technology companies to strike a better balance between personalisation and privacy.

In June, the UK's data regulator reported the $200bn online advertising industry, which Google dominates, is operating illegally. The Information Commissioner's Office found that customers' personal data were being used without consent in real time auctions that underpin online advertising, and gave the adtech industry six months to clean up its practices. Google insists that it complies with the EU's GDPR legislation and local laws.

However, in a sign of how pressure on the industry continues to mount, Ireland's data regulator has opened an inquiry into Google's online advertising exchange. Evidence submitted in September suggested that the company secretly feeds sensitive data, such as information on race and political affiliations, to advertisers. Google insists it does not serve personalised ads or send bid requests to bidders without user consent, and that it is co-operating with investigations in Ireland and the UK.

Part of the challenge is informing consumers of their rights. "Regulations, such as the GDPR, have assisted in stipulating data protection and data use to protect personally identifiable information," says Rob Robinson, global head of security at Telstra Purple, an Australian tech services group.

"However, the next stage is to increase awareness of this choice, so that people are not only presented with choice of personalisation versus privacy, but they are equipped to make informed choices themselves," he adds.

Activists' concerns extend beyond informed consent. Privacy International, a London-based charity that has campaigned against opaque advertising practices, says intrusive data collection can be discriminatory, manipulative and comes with a growing security risk.

Industry experts say weak regulation is partly to blame. "The US, where all these companies are incorporated lacks any sort of robust regulatory regime for targeted advertising," says Ghosh. "Companies built business models based on three practices: the unhindered collection of personal information, the creation of opaque algorithms that create content, and the development of tremendously compelling services that come at the expense of privacy."

Advertisers contend that personalisation efforts have a long way to go before they can become truly relevant, and that they are obliged to strike a balance between relevance and intrusion.

A Gartner survey in March found that nearly 40 per cent of customers would stop doing business with companies if they found their personalisation "creepy".

They also argue that customers are willing to share data in exchange for a better online experience. A study by SmarterHQ, a behavioural marketing company, found that 90 per cent of customers would willingly share behavioural data for an easier and cheaper shopping experience. The same report found that Amazon was the most trusted among major technology company for responsible data practices, followed by Apple.

As a result, academics and industry leaders are exploring new approaches to resolve the tension between personalisation and privacy, including fully homomorphic encryption and differential privacy.

Fully homomorphic encryption is "a new mathematical technique that would allow you to search for the *Financial Times*, for example, without Google knowing it was you who ran the search," Ghosh says.

"Differential privacy injects noise into the data, so the company still has just enough information to provide the service without necessarily identifying the user."

Facebook has taken small steps towards differential privacy, integrating the technique into a project to allow researchers to study the role of social media in elections.

"For this project, the tool uses differential privacy to prevent those who have access to the data from determining whether a specific individual contributed to the data set," Facebook says, adding that the tool will offer "strong privacy protection while still facilitating reliable research".

However, experts question whether technology companies will embed these tools into their core products and services without being offered incentives.

"But regulations are looming," says Ghosh.

"There will be serious inquiries, and there is going to be a robust overhaul of what these companies can do. It's only a matter of time."

— Financial Times

Using technology to combat change

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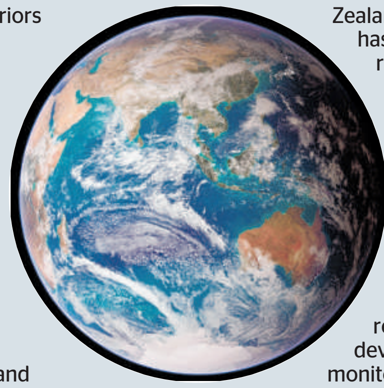
translucent wood by KTH Royal Institute of Technology; a low-cost, renewable and readily available material that can be used to develop both windows and solar panels. Another example are hydroceramics — blocks that can reduce the temperature of interiors by up to 6 degrees Celsius (from the Institute of Advanced Architecture of Catalonia).



Stratospheric aerosol injection

Stratospheric aerosol injection (SAI) is a form of geoengineering designed to reflect and therefore reduce incoming sunlight in order to cool the earth by creating a cloud of particles in the stratosphere.

An aerosol is a liquid or solid particle that is suspended in air or other gasses. Natural aerosols include dust, fog and geyser steam. Anthropogenic aerosols include air pollutants and smoke.

The controversial idea of aerosol injection to reduce the effects of

global warming involves planes or balloons spraying aerosols — namely sulphate particles — into the lower stratosphere at around 60,000 feet.

The idea stems from the natural results of volcanic explosions; the earth's temperature dropped by roughly 1 degree Fahrenheit in 1991 following the eruption of the Philippines' Mt Pinatubo, although this didn't last more than a few years due to the sulphates eventually falling back down to earth. It has been suggested that this system would need to be implemented every 1-4 years to have ongoing temperature-reducing effects.

Carbon capture and storage

The process of capturing and storing carbon takes waste carbon emitted from industrial manufacturing factories and plants, such as cement and steel factories or biomass powerplants, and transporting via pipelines or ship to a secure location to be stored so that it's unable to enter the atmosphere — this will usually be an underground geological formation.

The Ministry of Business, Innovation and Employment (MBIE) has said that the New Zealand government has: co-ordinated research and policy steering groups; supported research and development in New Zealand; collaborated on international research and development and monitored international developments.

The MBIE also notes that as yet, it's not clear as to whether this waste CO2 will behave as expected when stored and that the technology required for carbon capture and storage (CSS) comes at a large expense.

As of December 2018, CSS success had been seen mostly in the US with nearly 160 million metric tonnes of carbon dioxide already stored through various projects.

Food production and regenerative agriculture

Regenerative agriculture is agricultural processes that lead to healthy soils that ultimately will improve rather than degrade land, enabling the production of high-quality nutrient-dense crops and food. The aim of regenerative agriculture is to capture the carbon found in soil and above-ground mass to help curb the effect of climate change.

Regenerativeagriculturedefinition.com by Terra Genesis International (founded in the US by a team of team of Permaculture and Agriculture systems designers), lists 10 examples of regenerative agri practices:

- No-till farming & pasture cropping,
- Organic annual cropping,
- Compost & compost tea,
- Biochar & terra preta,
- Holistically managed grazing,
- Animal integration,
- Ecological aquaculture,
- Perennial crops,
- Silvopasture, and
- Agroforestry.

Using these practices means that food can be grown that has less environmental impact than traditional agricultural farming. New Zealand is already doing better in this area than a lot of other countries due to its pastured farming, rather than the non-pastured practices of many other countries such as the US which incurs greater transport and grain-growth.

Shaping the Future *Changing Economy*

Trending now . . .

What to watch? US economist **Carl Tannenbaum** and Australian futurist **Michael McQueen** share insights

On China

Carl Tannenbaum – Our president, Donald Trump, certainly doesn't shy away from provocation.

What's been remarkable is that the Europeans are so happy that he is willing to be the tip of the spear because he is pursuing grievances they share.

And if it redefines the equilibrium, the Europeans, among others, will be quite happy to surf along on the wave that he creates.

I read some Chinese original texts and and one of them was the *Art of War* by Sun Tzu. In that book, the author advocates, occasionally, provoking, angering or confusing your opponent as a means of getting an advantage in a conflict.

So, I sat confidently in front of my Chinese hosts, I said: "well, the president is clearly such an admirer of Chinese teachings that he's using them in the trade negotiations".

What you have to understand is that True North for the American Administration is making points on the back of talking tough with China.

The governors are the performance of the American economy, which still seems to be pretty good; the performance of the US equity markets, which remain for large caps near record levels, and then the polling numbers – where this is a very popular and surprisingly bipartisan issue in my country.

Carl Tannenbaum (left), Chief Economist, Northern Trust and author and futurist Michael McQueen spoke at the recent Infinz conference.

Now both sides are suffering to a greater or lesser degree. Both sides are anxious to manage the PR side for their populations.

I think probably what we can best hope for is a stalemate with no further escalation, which is the base case that we've build into our forecast for the next 12 months.

> I think probably what we can best hope for is a stalemate with no further escalation.

The United States is holding up reasonably well, but as this grinds on and potentially becomes more expansive, it's going to be hard for any country in the world – whether you're in the middle, or on one side of the other – to escape its consequences.

On Trust

Michael McQueen – Trust will be one of the key commodities for any business, any organisation over the next couple of years. The challenge is trust has been under assault.

If you look at some of the data from the Edelman Trust Barometer over past two years you see how distrusting or cynical we're getting.

In the United States we've seen the steepest decline on trust – not just in business, but trust in social institutions, political institutions and in the media.

The Royal Commission into banking and financial services in Australia has been massive and we're seeing similar things around the world. The Facebook Analytics thing was huge and is still playing out.

The first element for building trust is credibility. Being incredibly consistent, predictable, reliable, is hard to overstate.

Having regular communication is vital to building trust. The third one is clarity. Having absolute clarity around essentially what you stand for, what your true North is, as an organisation.

We're increasingly becoming aware of this notion of profit and shareholder first which has been prevailing mentality for decades.

There been a shift that's been driven not just by the businesses and the leaders themselves. It's been driven by the marketplace.

"If a business substitutes making money for purpose, it will fail at both" – the person who wrote this is Martin Wolf, the chief economics commentator for *The Financial Times*.

And I think for all of us it's the moments where you need to have absolute clarity around values.

> If you look at some of the data . . . you see how distrusting or cynical we're getting.

When we started focusing on shareholders, or, started focusing on the press releases and the way we were positioned in the marketplace, that's when we started to make the decisions that led to all the mess we had in the Royal Commission.

So for all of us, it's about being super-mindful of being close to the customer and the best people to give you insights on where the customers are at are your frontline staff.

They're the ones dealing with customers every single day. And unfortunately, those who set strategy are often many steps removed from customer and that's dangerous.

The whole Ivory Tower Syndrome is part of the challenge we've got to be very mindful of.

30 Years of the Deloitte Top 200

Visionary business builders

New Zealand has some great business leaders who have had the vision, establishment skills and growth plans to drive the creation of outstanding New Zealand companies with a global focus.

The Deloitte Top 200 judges singled out three players from the last 30 years of New Zealand business — each of whose companies have featured in the Deloitte Top 200 awards.

In particular, Mark Waller — the force behind EBOS Group who came into the company as chief financial officer and went on to become chief executive. Waller, who was Executive of the Year in 2010, drove the company's transformation from a small player in the healthcare market to the largest trans-Tasman healthcare and animal care operator with revenue of more than $6b before he stepped down as chairman in October.

EBOS listed under the name Early Bros Dental & Surgical Supplied Ltd in 1960. Its market capitalisation was $3.695b at the start of this business week.

John Ryder (pictured below) and Kevin Hickman founded Ryman Healthcare in 1984 with $10,000 each, and in 1999 listed it on the NZ stock exchange. It's now New Zealand's largest retirement village operator with operations here and Australia. Ryman Healthcare was Company of the Year in 2012 and is now under professional management with a market capitalisation of $7.55b.

In 1978, Bruce Plested founded Mainfreight, which went on to list in 1999 and these days has a market capitalisation of $4.20b. Plested was named Visionary Leader in 2014. The company has expanded into Australia, Europe, Asia and the Americas. It was Company of the Year in 2011 and again this year.

Other standout visionary leaders include The Warehouse founder Sir Stephen Tindall, who was named Visionary Leader in 2005 and the founder of infrastructure investor Infratil, the late Lloyd Morrison, who won the award in 2011.

Xero's Rod Drury, above, and the late Lloyd Morrison.

Xero founder Rod Drury is another key visionary award winner (2017) along with Rajna Patel (2016) and Dame Suzie Moncrieff (2015) who founded Nirvana Health Group and the World of Wearable Arts awards respectively. Dr Marilyn Waring was the recipient of the award last year.

The awards have been dominated by male winners. But in recent years women have been making their mark with Dame Alison Paterson Chairperson of the Year in 2010 and Joan Withers in 2015 and Jolie Hodson the first female CFO of the Year in 2016.

When the awards were launched in 1989 under the *Deloitte/Management Magazine* banner, Fletcher Challenge was the largest company with revenues of $11.51b. This year it was Fonterra with $20.11b revenue.

Some prime New Zealand companies — among them Fletcher Building and Fonterra — have faced difficulties in recent years. But like Air New Zealand, which went on to flourish after its 2001 recapitalisation, a period of adroit governance and management could see their performance step up again.

Top 200 stars

Air New Zealand
The national flag carrier has been a top performer winning its first award for Company of the Year in 1995, a feat it repeated in 2014. Among a slew of awards, Air NZ has featured as finalist or winner in categories ranging from Best Growth or Corporate Strategy; Diversity and Inclusion Leadership, Excellence or Responsible Governance and Most Improved Performance. Former chairmen **John Palmer** (2007 and 2009) and **Tony Carter** (2014) have taken out top honours as Chairpersons of the Year. Three former CEOs: **Sir Ralph Norris** (2004), **Rob Fyfe** (2009) and **Christopher Luxon** (2015) have been Chief Executive of the year and **Rob MacDonald** was the inaugural Chief Financial Officer of the Year in 2015.

EBOS Group
Ebos first came onto the honours board in 2009 winning the Best Growth Strategy award which it repeated in 2013. It won Company of the Year in 2015 after being a finalist in three prior years and Most Improved Performance in 2008. Former CEO **Mark Waller** was Executive of the Year in 2010.

Fisher & Paykel
Fisher & Paykel (F&P) is another two-time winner of Company of the Year in 2004 and 2013. Along the way it has featured in Best Growth or Corporate strategy categories and Most Improved Enterprise. **Gary Paykel** was honoured as Chairperson of the Year in 2006 for both F&P Appliances and F&P Healthcare. Former F&P Healthcare CEO **Michael Daniel** was Executive of the Year in 2013.

Fletcher Building/Fletcher Challenge
Fletcher Challenge won Company of the Year in 1997 and as Fletcher Building won in both 2003 and 2006. It also featured in Business Ethics and Excellence in Governance categories. Former CEO **Ralph Waters** was Chief Executive of the Year in 2003.

Port of Tauranga
A three-time finalist in Company of the Year, the listed ports company has featured in Best Growth and Corporate Strategy categories and Most Improved Performance. CEO **Mark Cairns** was Executive of the Year in 2012. **Steve Gray** was Chief Financial Officer of the Year in 2017 and **David Pilkington** is the 2019 Chairperson of the Year.

Ryman Healthcare
Ryman Healthcare won Company of the Year in 2012 and has been finalist in the Best Growth Strategy and Most Improved Performance categories. Former CEO **Simon Challies** was Chief Executive of the Year in 2014.

SkyCity Entertainment Group
SkyCity Entertainment Group was named Company of the Year in 2001 and notched the Diversity and Inclusion Leadership award in 2018. SkyCity has featured in the Best Growth Strategy and is a finalist in Most Improved Performance this year. Chairman **Rob Campbell** was Chairperson of the Year in 2017

Telecom NZ/Spark
Telecom was Company of the Year 1991 and as Spark a finalist in 2016. It won Best Corporate Strategy in 1994. Telecom's **Peter Troughton** was Executive of the Year in 1991 and **Sir Roderick Deane** in 1994. Former Spark CEO **Simon Moutter** took out Chief Executive of the Year in 2017.

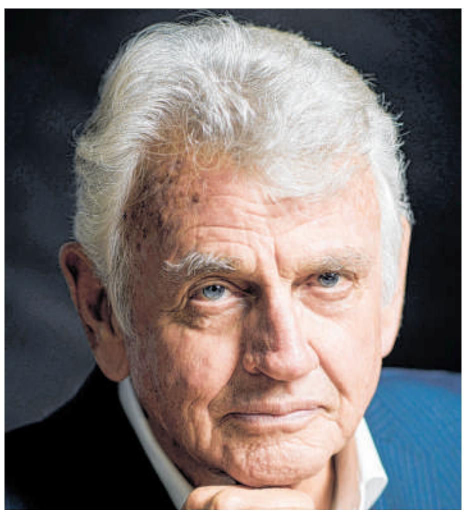
The Warehouse
The Warehouse was Company of the Year in 2000 after twice being a finalist. It also featured in Most Improved Enterprise. Founder **Sir Stephen Tindall** was Executive of the Year in 1998 and Visionary Leader in 2005.

Zespri
Zespri won Company of the Year in 2018 and previously featured in the Best Growth Strategy and Most Improved Performance categories. Former Zespri chairman **Peter McBride** was Chairperson of the Year in 2018.

Big vision, big results

Sir Stephen Tindall
Visionary Leader
2005

Mark Waller
Executive of the Year
2010



Bruce Plested
Visionary Leader
2014

John Ryder (Ryman)
Company of the Year
2012

30 Years of the Deloitte Top 200

Changing times

1999

The Deloitte/*Management* magazine
Chief Executive of the Decade

DR RODERICK DEANE

Choosing New Zealand's Top 200 Executive of the Decade was a tough task, according to *Management* publisher Reg Birchfield and Deloitte executive chairman John Hagen who made the selection. The winners since 1990 have been Douglas Myers, Lion Nathan, 1990; Peter Troughton, Telecom, 1991; Kerry Hoggard, Fernz, 1992; Graeme Hart, Whitcoulls, 1993; Kerry McDonald, Comalco, 1996; Ralph Norris, ASB Bank, 1997; Stephen Tindall, The Warehouse, 1998; and Peter Hubscher, Montana Wines, 1999.

But, if one individual could be said to epitomise the spirit of outstanding leadership we should expect from the head of a Top 200 company by ensuring his enterprise performed consistently, that his management team remained focused and performed to its upmost, and that he personally always strived for excellence, then Dr Roderick Deane of Telecom was that chief executive.

2009

DELOITTE/*MANAGEMENT* MAGAZINE
CHIEF EXECUTIVE OF THE DECADE
RALPH NORRIS

Of all the many comments on the leadership style and skills of Ralph Norris, formerly chief executive of ASB Bank and Air New Zealand and now chief executive and managing director of Commonwealth Bank of Australia, none summarises them better than those of his former Air New Zealand chairman John Palmer.

He calls Norris' management style "assured" and explains: "Assured managers are a rare breed. Ralph is confident in his capability, doesn't get overawed and is never arrogant. It's to do with getting that balance between being confident in your abilities and being able to attract good people around you. That's often a failure of managers who feel threatened by other highly confident people around them. Ralph doesn't feel threatened. He is energised by it so others feel confident in their own ability and understand what their role is. That's an absolute hallmark of management success in my view."

Norris was the Deloitte/*Management* magazine Top 200 Executive of the Year in 1997 as CEO of ASB Bank and repeated the performance in 2004 when he was again voted Top 200 Executive of the Year, this time as CEO of Air New Zealand. He has now taken his outstanding leadership skills with him to Australia, but his leadership legacy is deserving of the Deloitte/*Management* magazine Top 200 special accolade of New Zealand's Executive of the Decade. M

Showing progress

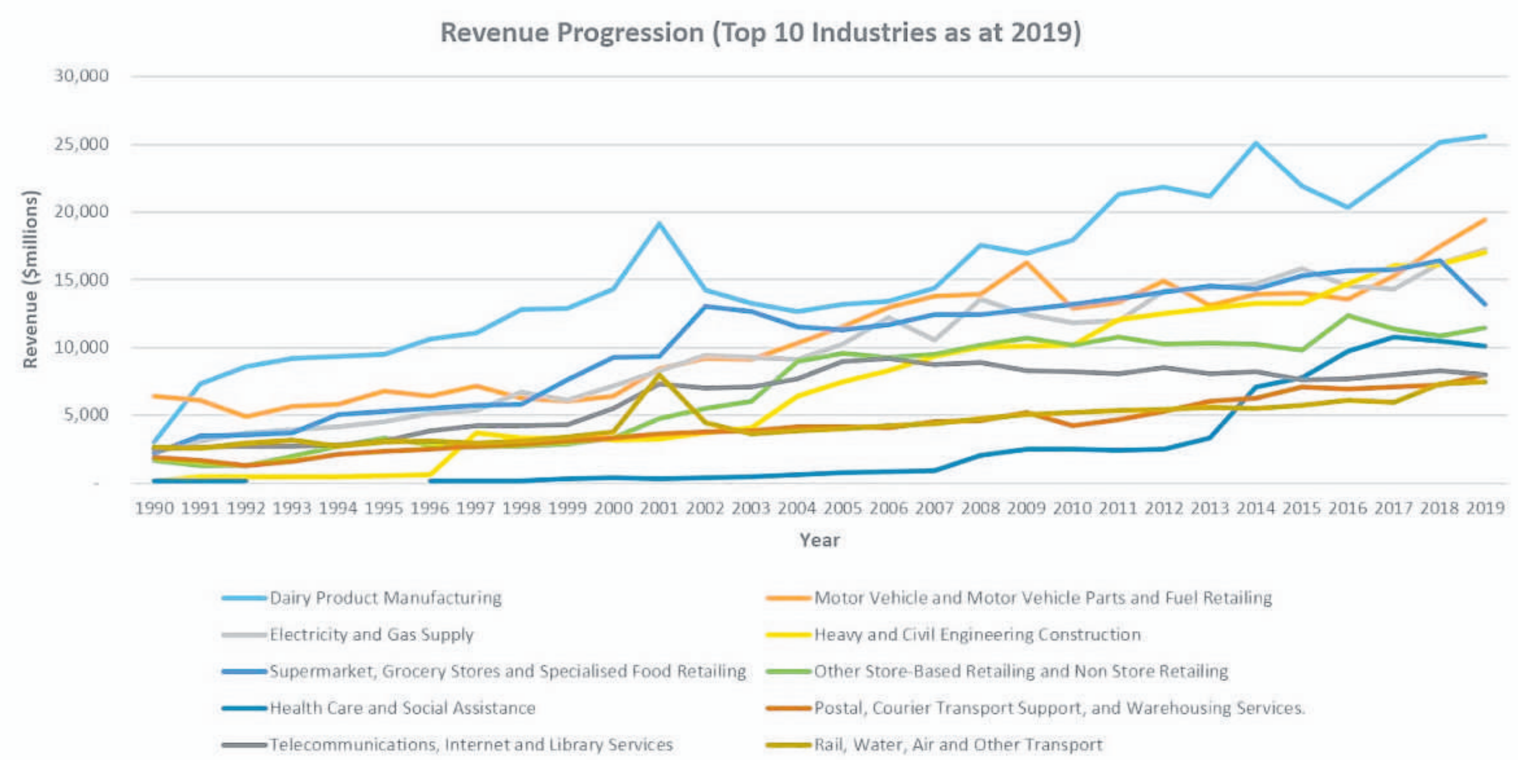
The graph to the right shows the revenue progression of Top 200 companies since 1990 for the top ten industries as at 2019.

Dairy product manufacturing, the largest industry in the Top 200 for 2019, has increased from revenues of $3,056.3m in 1990, to $25,592.1m in the current year.

In 1990, the largest industry in the Top 200 was wood product manufacturing. Its revenue in 1990 was $20,297.7m, falling in the current year to just $1,170.4m and out of the top ten industries.

Along with wood product manufacturing, the other top ten industries for revenue from 1990 that no longer feature among the top ten industries this year are:

- beverage and tobacco product manufacturing, and
- fruit, oil, cereal and other food product manufacturing.



Women make their mark

Dame Alison Paterson
Chairperson of the Year
2010

Jolie Hodson
CFO of the Year
2016

Joan Withers
Chairperson of the Year
2015

Rajna Patel
Visionary leader
2016

30 Years of the Deloitte Top 200

30 years of the Deloitte Top 200

Why the past provides confidence in our future

Dynamic Business Thomas Pippos

The way the All Blacks play rugby today (accepting it may be an emotive topic at the moment...) is very different to how they played it over 100 years ago. The game is still rugby, but the tactics, tempo, rules and even scoring have all changed. So too has the competitive landscape – over 100 years ago, no one would have guessed that Japan would be playing rugby let alone at a Rugby World Cup in Japan.

Relevant also given this analogy is that overall success is often achieved by navigating through defeats and adversity. In many respects, it's the ability to face and address failure that builds the resilience and adaptive capability required for long-term success. Tenacity matters.

The same can be said of the first Deloitte Top 200 index. Many of the businesses operating under current brands, including Fletcher, Meridian, Fisher & Paykel, Fonterra and many others, have their genesis in businesses that operated at the inception of the awards. While they existed in some form or another in 1989, they were not the businesses they are today. Just like in rugby, the business environment has changed.

Reflecting back on the Deloitte Top 200 index, over the last 30 years, the markets have materially evolved, which has also shaped the index. Asia in particular has become a key market for the world, including New Zealand. Regulations, customer expectations, business structures and of course access to markets are also very different now to how they were 30 years ago.

And, in general, these changes have been for the better. Globalisation, regionalisation and digitisation have widened the playing field for New Zealand businesses, helping to improve access to markets and technology, while some other barriers to entry have also lowered. Related, there is better access to capital and to intellectual property in New Zealand now than there historically was, in addition to a greater acceptance of New Zealand businesses with global relevance.

New Zealand, as a country, has matured since 1989 – we are taken seriously on the world stage, and we have strong geopolitical conditions. Overall, we exhibit less populism than in many of our major western trading partners, have a better stance on climate change than many other places and on balance have a stronger economy – you only have to look at the Deloitte Fast 50 results each year to see the excellent pipeline of new businesses we have in this country and the incredible growth that Kiwi businesses are capable of. Xero is a great example of a company first recognised in those awards.

In addition, wealth that's held now has greater substance and rigour than that created and lost during the share market boom and bust of the late 1980s.

And New Zealand businesses have contributed to and benefited from these improving conditions. Take two organisations that have consistently been recognised at the Deloitte Top 200 Awards. First, Mainfreight. The company was started by Bruce Plested in 1978 with a single truck and has gone from strength to strength. It is now generating revenue of $2.953 billion in 2019 and is ranked #16 on the Deloitte Top 200 Index. And more recently A2, where new Asian markets and differences in milk consumption have taken the business from a start-up to ranking at #30 on the Deloitte Top 200 Index in 2019 (let alone the largest company by market capitalisation on the NZX).

The last 30 years, then, has seen New Zealand businesses change significantly – they have responded to market conditions and variations in customer expectations, and they have grown. The calibre of business and their ability to deliver to their societies and their stakeholders is also now much greater. They are capable today of delivering on societal and environmental promises, and they make a huge contribution to the sustainability of our business community and the regional communities in which they operate.

Of course we still face challenges in New Zealand, many of which we were also facing in 1989 (but were not necessarily as top of mind). Climate change, addressing challenges with diversity and inclusion, inequality and populism were all present in some form or another 30 years ago, and they are still present in 2019. Yet today we are making meaningful progress in addressing these challenges. Our businesses are making significant investments in halting climate change, in furthering gender and ethnic diversity, and in reducing inequality. Even at a human level, quality and longevity of life is also generally considerably better now than it was back then; accepting that this is describing a journey rather than a destination.

Similarly, the Deloitte Top 200 continues to go from strength to strength, and although businesses in it may change (particularly with regards to ownership), many of them will still be here in some form or another in 30 years' time. In fact, our new Sustainable Business Leadership Award reflects this. It celebrates the forward-facing, long-term approaches that Kiwi organisations are taking – they are increasingly using innovation and finding new ways to overcome these difficult issues.

For Kiwi organisations, it is the perfect time to capitalise on growth, to take advantage of the conditions in New Zealand today, to deliver positive outcomes for society and for stakeholders, and to take the country forward into the next 30 years of change. The Deloitte Top 200 index always reflected opportunity in the face of challenge and will continue to do so 30 years into the future.

● *Thomas Pippos is chief executive of Deloitte NZ*

In many respects, it's the ability to face and address failure that builds the resilience and adaptive capability required for long-term success. Tenacity matters.

The Deloitte Top 200 judges

FRAN O'SULLIVAN ONZM (Judging Panel Convenor)
Fran O'Sullivan is Head of Business Content for NZME and a high-profile business columnist for the *New Zealand Herald*. She has a strong interest in New Zealand's international business success and is a frequent television commentator and public speaker.
Fran chairs the NZ US Council's Advisory Board, is a member of the NZ China Council's Advisory Board and deputy chairman of the Pacific Economic Cooperation Council (NZ) board. She is a regular participant in NZ's partnership forums with the United States, Australia and China. She also chairs the Metropolis Body Corporate and is a former editor of *National Business Review* with an award-winning track record in business journalism, recognised in 2018 when she was awarded the New Zealand Order of Merit for services to journalism and business.

DAME ALISON PATERSON
Dame Alison Paterson was appointed as a Dame Companion of the New Zealand Order of Merit for services to business in the New Year's Honours 2014 and previously awarded the QSO for services to the community.
Dame Alison's experience spans a range of industries in public and private sectors. She is recognised as being a trailblazer for women in governance roles and is a chartered accountant who operated a sole farm accounting practice. Her first major board appointment was in 1976. She served on the Reserve Bank board from 1996 to 2010 including as chair of the audit committee and Deputy Chair. Her past appointments include the chair of several organisations including Landcorp Farming, Abano Healthcare, Crown Irrigation Investment, Waitemata Health and as a director of Metrowater.
Dame Alison is a Fellow of the University of Auckland, D.Com [Massey], a Distinguished Fellow of the Institute of Directors, an FCA. She was 2010 QBE Chairman of the Year and was inducted into the Business Hall of Fame in 2015.

JONATHAN MASON
Jonathan Mason has over 30 years of experience in financial management roles in the oil, chemicals, forest products, and dairy industries with an emphasis on emerging markets. Jonathan was CFO of Fonterra Co-operative, CFO of Cabot Corporation (a Boston based chemical company), and CFO of Carter Holt Harvey. Jonathan also served in senior financial management positions at US based International Paper from 1990-2000.
He is currently a director of numerous large organisations and an Adjunct Professor of Management at the University of Auckland.

NEIL PAVIOUR-SMITH
Neil Paviour-Smith has over 25 years' experience in various roles in New Zealand capital markets. He is Managing Director of Forsyth Barr Limited, a leading NZX sharebroking firm and investment bank.
Neil is Chancellor of Victoria University of Wellington, chair of the NZ Regulatory Board and past director of Chartered Accountants Australia New Zealand (CAANZ), director of The New Zealand Initiative and former director of NZX Limited. He is a Fellow of the Institute of Finance Professionals NZ (INFINZ) and former chair of the NZ Society of Investment Analysts.
Neil was an inaugural recipient of a Sir Peter Blake Trust Leadership Award in 2005.

CATHY QUINN ONZM
Cathy Quinn is a senior partner (and former Chair) of MinterEllisonRuddWatts.
Cathy was made an officer of the New Zealand Order of Merit in the Queen's Birthday honours list in 2016 for her contribution to the law and women.
Cathy was the Veuve Clicquot Business Woman Award Winner 2010 (New Zealand).
Cathy is on the Board of Fletcher Building, Tourism Holdings, the NZ Treasury and the NZ China Council.

ROSS GEORGE
Managing Director of Direct Capital, the leading private equity fund which has invested in over 75 companies in both New Zealand and Australia over the last 25 years.
Ross has been involved in the private equity industry in Asia, Australia and New Zealand since 1987 and played a key role in establishing our private equity industry.
Ross is currently a director of Bayleys, Perpetual Guardian, Qestral and Beca.

Deloitte Top 200 Awards

Last year's Deloitte Top 200 Awards night.

In elite company

continued from D3

The only award that is given without finalists — the *NZ Herald* Premium Visionary Leader — went to former Labour Cabinet Minister and Wellington Mayor Dame Fran Wilde. The judges say this prestigious award recognises Wilde's ability to see opportunities and take on tough issues — and her passion and energy to make New Zealand a better place.

The judges say Wilde's contribution to the country has long been underrated: "She does things that are worthwhile. She sees opportunities that are good for the country and the community and is prepared to invest time and effort to help out, paid or unpaid."

After having been a finalist in the category last year, David Pilkington was named Hobson Leavy Executive Search Chairperson of the Year. He currently chairs the boards of Port of Tauranga, Douglas Pharmaceuticals and investment firm Rangatira.

The judges say he is an inclusive chair, facilitating an environment to get the best out of people, and was selected "due to his track record of success as a chair over a long period".

Grant Ellis of Restaurant Brands — the company which operates the KFC, Carl's Junior, Pizza Hut and Taco Bell brands in New Zealand — was awarded University of Auckland Business School Chief Financial Officer of the Year. The judges say Ellis, who has run the financials for over 20 years, has been a key part of the management team and helped drive its growth strategy. "The success of that has resulted in Restaurant Brands delivering top decile shareholder returns of over 30 per cent per annum for the past 10 years," they say.

The Warehouse Group took out the OneRoof.co.nz Most Improved Performance award this year, impressing judges with its significant growth in revenue, profits and gross margin — and share price — in the 2019 financial year.

They say its performance is due to the successful execution of its business transformation programme in a changing and challenging retail environment.

Datacom was recognised with the 2degrees Best Growth Strategy award. The judges say the longevity and dexterity of the information technology services firm was recognition of its ability to thrive when competing with traditional global players — accumulating an enviable record of 21 years of continuous revenue growth.

Datacom were winners again in the Eagle Technology Young Executive of the Year category, with enterprise portfolio manager James David recognised for his huge vision, passion and outstanding leadership potential.

The judges say David "provides a great example — integrating and celebrating his Māori culture within the corporate world," adding that he is very focused on bridging that cultural divide to change the country for the better.

Downer's continued commitment to the Te Ara Whanake programme and its intent over the past five years to increase diversity throughout the company, saw it recognised with a win in the Diversity and Leadership category.

Air New Zealand took out the MinterEllisonRuddWatts Sustainable Business Leadership award. A new category in the awards this year, it recognises businesses working toward creation of long-term environmental, social and economic value.

The judges say while they acknowledge the airline's environmental impact, they applaud it for introducing measures in areas where it can, and for having a strong impact in social and governance aspects of the category.

The Deloitte Top 200 Index consists of New Zealand's largest entities ranked by revenue. These entities include publicly-listed companies, large unlisted entities, NZ subsidiaries and branches of overseas companies and the commercial operations of Māori entities. It also includes producer boards, co-operatives, local authority trading enterprises and state-owned enterprises.

The financial figures for the Top 200 as well as New Zealand's Top 30 finance companies have been produced in full toward the back of this report — showing revenue, profitability, efficiency and more.

These numbers offer an insight into how the biggest companies in New Zealand operate and are accompanied by explanations and insight from the *Herald*'s team of business reporters.

The high-level story for the Top 200 this year is continued growth. Total revenues rose by 4.0 per cent compared to the 2018 figure. This increase also drove an increase in underlying earnings (EBITDA), which rose by 5.7 per cent. Total profits after tax were also up 6.3 per cent year-on-year.

Eighteen companies made their debut on the Top 200 Index this year. Most notable was Lotto NZ, which entered the Index at the highest rank (37th) with revenue of $1,113m.

Year-on-year asset growth for the Top 30 finance companies outpaced last year's figures, up 4.0 per cent. Cumulative profits also increased by 8.3 per cent.

Despite a difficult year, ANZ continues to sit comfortably at the top spot with $159.0b in assets, outranking its closest competitor BNZ by $59.0b. There has been a reshuffle of rankings between the biggest banks. BNZ has overtaken Westpac to rank second this year, increasing total assets by 4.9 per cent.

Compared to last year

Total revenues: up
4.0%

EBITDA: up
5.7%

Total profits after tax: up
6.3%

Growing fortunes

2019 Deloitte Top 200 Awards

Executive of the Decade

Don Braid — Mainfreight
A natural leader

Fran O'Sullivan

Don Braid would be the first to say when it comes to "shaping the future" for Mainfreight it is a team game.

Mainfreight's straight-talking group managing director has an infectious zest for business and dogged determination to deliver on the company's 100-year vision, following in the footsteps of the company's visionary leader, co-founder and executive chairman Bruce Plested.

Delivery is happening in spades.

Over the past decade, Braid set a course for Mainfreight to expand internationally in the highly competitive global supply chain logistics business and has gone about successfully delivering on that strategy.

The results have consistently been good as he expanded the company's three core businesses — transport, warehousing, and air and ocean carriage — from Australasia to Europe, Asia and the US.

In a highly competitive global industry, Mainfreight's approach of putting people first, taking a long-term view and no-nonsense approach of getting on with the job has resulted in this proud Kiwi company successfully delivering in all the markets it operates in.

Said Plested: "He's a very natural leader. He loves selling. He knows the customers and the operations and people want to know him."

Importantly, says Plested, "Braid sees the big picture" — which is critically important to Mainfreight's mission to be a 100-year globally successful company.

The judges were unanimous that in a group of high-performing CEOs over the past decade Braid stood out as the most deserving of the recognition as Executive of the Decade following in the footsteps of two previous winners of this award — Sir Roderick Deane and Sir Ralph Norris.

Braid is one of only two CEOs to be awarded Chief Executive of the Year twice in the Deloitte Top 200 awards 30-year history; the other was Norris at ASB (1997) and again at Air New Zealand (2014).

Braid has been at the helm of Mainfreight for all of the past decade and the performance of the company in that time has been outstanding.

In the past decade, group profits rose from $35 million to $141 million this year with revenue increasing from just over $1 billion to $3 billion today. To achieve that level of growth this long-established and successful Kiwi company needed to prove up and deliver in its formula in Australia and then seek out opportunities in global markets.

At times it has not been easy. It took a little while to successfully integrate European acquisitions and embed the Mainfreight culture. But Braid does not lack determination and the persistence has paid off with all areas of their global operations performing well with double-digit earnings growth in the last year. As a country sometimes lacking in confidence about the ability to succeed overseas, Mainfreight has demonstrated that a company founded on Kiwi values can succeed with a focus on people and hard work.

Leading the way has been Braid.

Mainfreight's market value is now over $4 billion.

It is one of our largest listed companies that hasn't evolved from an original government ownership. Shareholders have benefited greatly from Mainfreight's performance with an annualised total shareholder over the past decade of just under 30 per cent per annum.

Braid has gained a reputation as a straight-shooter.

In his annual newsletter, he applauded the enormous amount of hard graft from Mainfreight's global team — saying this is all "rear mirror" stuff, and we are now focused on what is in front of us.

The judges said: "Don Braid is recognised for the achievements of the past decade but also for setting the the company up to continue to deliver given its successful global positioning.

Finance Minister Grant Robertson, who presented Braid with his award last night, said "the winner is truly deserving of this accolade. . . this outstanding leader impresses with his vision, drive and humility."

Braid's twin sons Cory and Jason also work in the business — Cory in Australia and Jason in Europe. He has won an award for "best-dressed CEO" at least once. He is very fit through cycling and boxing.

Plested says his expectation is Braid will in the future become Mainfreight's executive chairman and "bring on and mentor" his replacement.

But he says Braid will be a hard man to replace in the CEO's role. "He has less faults than any other CEO that I have met and he makes quite quick decisions so you are not left with any question marks."

Career

- With Mainfreight since 1994.
- Appointment to board 2000.
- Over 38 years' experience in the freight industry, including 22 with Mainfreight.
- His leadership is underpinned by a strong belief in Mainfreight's global competency and capabilities to provide high quality supply chain solutions for customers.
- His visits to local and overseas operations guide teams to be sales-focused and always aiming for operational excellence.

Awards

- 2018 New Zealand Shareholders' Association Beacon Award.
- Deloitte Top 200 Executive of the year 2008 & 2011.
- INFINZ Leadership award 2016.

Mainfreight recognition

- Deloitte Top 200 Awards: Winner Best Growth Strategy 2007; Company of the Year 2011 & 2019; Best Growth Strategy 2012. Finalist Best Corp Strategy 1996 & Most Improved Performance 2005.

Chief Executive of the Year winners in the past decade

Mark Waller, EBOS (2010); Don Braid, Mainfreight (2011); Mark Cairns, Port of Tauranga (2012); Michael Daniels, Fisher & Paykel Healthcare (2013); Simon Challies, Ryman Healthcare (2014); Christopher Luxon, Air New Zealand (2015); Mike Bennetts, Z Energy (2016); Simon Moutter, Spark (2017); Russell Creedy, Restaurant Brands (2018); Fraser Whineray, Mercury (2019).

This outstanding leader impresses with his vision, drive and humility."

Grant Robertson

Company of the Year
sponsored by Deloitte Digital / Marsh

Mainfreight

Big wheels keep on turning

Duncan Bridgeman

It's no accident that freight and logistics company Mainfreight is a global success story and has once again been recognised for outstanding achievement.

The company is always near the top of the list when it comes to broker stock picks because it rarely puts a foot wrong, constantly delivering in markets that are not always favourable.

And one of the main reasons Mainfreight is so successful is its strong company culture, well supported by a management team that understands the firm's people and its strategy.

It's these qualities that saw Mainfreight take out top honours as the Deloitte Digital/Marsh Company of the Year in the 2019 Top 200 Awards.

Mainfreight reported one of the standout performances of the 2019 year with strong growth in operating earnings in the international regions it operates in. US earnings, for example, increased 43 per cent; Asia by 35 per cent and Europe by 37 per cent.

"These results demonstrate Mainfreight is growing its market share in those large markets, underpinning growth in group profits for the year of 26 per cent and on total revenues of just under $3 billion," said Forsyth Barr managing director and Top 200 judge Neil Paviour-Smith.

"The market has recognised Mainfreight's impressive long-term track record and growing international presence with total shareholder returns in the September 2019 year of 35 per cent."

Since Bruce Plested co-founded the company in 1978, the company's strategy continues to bear fruit, despite operating in a more complex international environment.

Mainfreight has sustained strong financial performance over multiple years and was previously recognised as Company of the Year in 2011 at these same awards. Managing director Don Braid says Mainfreight has expanded its global transport and logistics footprint to reduce its reliance on the local market.

Now, its New Zealand, Australian, European and American divisions each generate about the same level of revenue, although the Kiwi business still offers the best margin. Mainfreight's Asian revenue is about a seventh of the others.

"We have a long-term view and we're interested in being around for 100-plus years from today so therefore it's all about making long-term decisions and setting the business up for the future," Braid said.

"Running a business here in New Zealand versus running a business that's in 26 countries around the world is a little different.

"You learn to deal with different cultures and that's been a valuable lesson as we've grown."

Where some New Zealand companies have failed in their international expansion, Mainfreight has painstakingly exported its unique 'special people, special company' culture and style of doing business.

"Success is about making sure you have got happy customers and you have happy people," Braid said.

"And I think we've got both probably.

"It's about finding growth and it's about having a passionate, energetic business with deep belief and integrity to grow a business around the world."

At its first half profit announcement last month, Mainfreight said earnings growth in Europe and America more than offset the trade war headwinds facing its Asian arm.

Mainfreight first gained a foothold in Europe in 2010 when it bought Wim Bosman for €110 million and turned the unit around after some early setbacks.

The business delivered a 6.3 per cent increase in first-half revenue to €193.8 million and a 33.6 per cent gain in ebitda to €13.9 million.

Meanwhile, revenue from its American operation rose 2.9 per cent to US$244 million in the first half of this year, while earnings lifted 22.3 per cent to US$13.4 million.

"Continuing profit improvement from Europe and the Americas has assisted overall performance, as we continue to improve margins and services in both regions," the company said.

Analysts said the New Zealand economy may have slowed but Mainfreight is still achieving positive growth rates and the outlook remains robust based on trading post balance date.

The only soft spot was Australia where Mainfreight continues to accelerate investment for scale and network intensity.

Mainfreight has key long term attributes, including a high marginal return on capital and a proven ability to adapt to changes in market conditions.

The company was built on a 100-year vision and all the signs are that it will be here for another 100 years.

Company of the Year

sponsored by Deloitte Digital / Marsh

"The market has recognised Mainfreight's impressive long-term track record and growing international presence.

"Meridian grew customer numbers in all their geographies. And as a 100 per cent renewable energy company, the strong hydro conditions in New Zealand helped Meridian's results.

"Delegat is investing to support its strategic goal — building a leading global Super Premium wine company.

Finalist: Meridian Energy

Meridian Energy has been a consistently strong performer since the company was partially privatised by the government in October 2013.

Since then the electricity gentailer's market value has increased by more than $8 billion, not including dividends, while its profits have tripled.

Award judges noted that Meridian grew operating earnings by 26 per cent to $838 million in its 2019 full-year result.

"Meridian grew customer numbers in all their geographies. And as a 100 per cent renewable energy company, the strong hydro conditions in New Zealand helped Meridian's results. Nonetheless the company's performance still exceeded expectations," judge Neil Paviour-Smith said. "This is reflected in the total shareholder return in the year to September 2019 of 67 per cent."

Strong hydro conditions in New Zealand and record wholesale electricity prices played a strong part in Meridian's financial performance along with successful investment into Australian electricity retailing and hydro generation through its subsidiary Green State Power.

Meridian shares were on a sustained incline until recently when Australian mining giant Rio Tinto knocked the wind out of the gentailer sails by threatening to pull the pin on the Tiwai Point smelter.

If the smelter was to close it would hit all of the electricity companies, although Meridian would feel it the most acutely with its South Island hydro dams and the fact it is the primary supplier to Tiwai.

Since Rio's announcement, Meridian shares have shed around 20 per cent but are still up about 40 per cent over a 12 month period.

Finalist: Delegat Group

Delegat Group's journey to become one of the world's leading premium wine companies remains strongly on course.

Its positioning as a top premium wine company in Australia and New Zealand owes much to the vision of its founder and group chairman Jim Delegat and strong execution by management as it drives harder into the North American market.

Delegat's strong single-brand strategy, exporting wine under the Oyster Bay brand has allowed it to maintain and increase pricing, despite the challenges of wine market conditions. The company exports wine volumes representing around 95 per cent of group sales.

"In the New Zealand wine industry, Delegat Group is a standout performer," Deloitte Top 200 judge Neil Paviour-Smith said.

"Over a long time they have successfully marketed their Oyster Bay sauvignon blanc to discerning wine buffs around the world and put New Zealand wines on the map and are also successfully positioning their Barossa Valley Estate wines in the super-premium category. Key to this has been controlling their own sales and distribution."

In the 2019 year, Delegat reported record earnings up 14 per cent on 10 per cent higher case sales, now over 3 million cases.

In August, Delegat posted operating earnings before interest, tax depreciation and amortisation at $99.3 million from $89.6 million, an 11 per cent boost.

In a presentation filed to the NZX, Delegat said the record results were a testament to the strength of its business model.

"Delegat is investing to support its strategic goal — building a leading global Super Premium wine company," he added.

Delegat saw a 30 per cent gain in case sales in its second-biggest market, the UK, Ireland and Europe.

Sales in its largest market of North America were up 7 per cent while Pacific sales dropped by 2 per cent to 780,000 cases.

Shareholders have shared in its success with total shareholder returns for the past decade over 22 per cent per annum.

Chief Executive Officer of the Year

sponsored by Deloitte and Service Now

Fraser Whineray, Mercury

Duncan Bridgeman

When Fraser Whineray started his management career as a young man in the dairy industry he was given a lot of freedom — maybe too much freedom.

But that trust and encouragement to make decisions stood him in good stead for what was to come as he worked his way to the top of Mercury Energy, one of the largest electricity companies in the country.

And now, as he prepares to head back to the dairy industry to be part of Fonterra's senior leadership team he can reflect on those early days and look forward to what lies ahead.

"When I started out we got to do some really amazing things, even at the age of 24, 25, and we were making it up as we went along," he says. "I think I got given much greater rope to experiment and try things early on.

"That was when organisation structures were slightly deeper. Now that they are shallower we still need to make sure we give young people some really decent opportunities where we really let them have a go."

Whineray — this year's Deloitte/ Service Now CEO of the Year — says good leaders bring people along on the journey with them but first you need to find out what your organisation's kaupapa, or purpose, is.

"You have to be able to communicate what that's about but also listen very carefully and that's a fine balance; to bring a lot of passion to a job but also make sure that it doesn't overwhelm your people and tour team.

"And you need a great executive team because without that your role as CEO is unsustainable: it's too hard to do it all on your own."

Whineray, who incidentally doesn't appear to have a LinkedIn profile, joined Mercury in 2008 (when it was known as Mighty River Power) and became chief executive in September 2014 — 16 months after the company was partially privatised and listed on the New Zealand share market.

During that time, he simplified the business through the divestment of overseas interests and the sale of the company's former smart metering business, Metrix.

He oversaw the mothballing of the Southdown gas-fired power station in Auckland as the company turned its focus fully to renewable generation; led a rebranding to Mercury from the two brands of Mighty River Power and Mercury Energy and developed with his executive team a strategy for sustainable growth.

Sustainability is a something Whineray takes very seriously. You can tell.

"To make a finalist in this category I'd like to think you'd have made some meaningful changes to sustainability, not just within the business itself but also for the sector and ultimately the country.

"Sustainability is much more than simply looking after the environment. It is all forms of capital: people, customers and brands, financial capital, natural capital and in our case, partnerships."

Whineray says the Mercury's big joint venture partnerships with Māori land trusts to build geothermal power plants is something he's particularly proud of.

Geothermal generation is now the country's second biggest source of electricity.

"That investment by us, Contact Energy and the Tauhara North No. 2 Trust is New Zealand's greatest decarbonisation this century," Whineray says.

"It's a very little known fact [but] that has shifted base load fossil fuels out of the electricity mix."

Another example he gives is that seven years ago Mercury procured the largest carbon tenders from New Zealand forests for exotic and native trees — more than 10,000ha — to the point where Mercury is now carbon positive. He's one who believes when it comes to climate change, companies need to go all in.

"Unfortunately, with the challenges we've got on sustainability not every little bit helps.

> We need to make sure we give young people some really decent opportunities where we really let them have a go.
>
> Fraser Whineray

"We think just doing a few little things and they will all add up. But we actually have to tackle the big things in terms of that natural capital and I think that's what Mercury has been privileged to be part of."

Deloitte judge Neil Paviour-Smith said Whineray has delivered record earnings for Mercury along with solid dividend growth. Total shareholder returns over the past 5 years average over 25 per cent per annum.

Not only had he delivered those strong returns but also re-positioned the company around its 100 per cent renewable generation position, while undertaking an active capital investment programme especially around wind generation, Paviour-Smith said.

"He has overseen a successful rebranding of the company and has demonstrated passion for electric vehicles, renewable energy, sustainability and innovation.

"Fraser is highly regarded and is motivated to contribute to New Zealand's long-term success — including leading New Zealand Initiative offshore missions, his involvement in the Aotearoa Circle, and his recent appointment to chair the Prime Minister's Business Advisory Council."

Whineray is leaving Mercury for a challenging new role as chief operating officer at Fonterra.

With all he brings to the table it's no surprise that Fonterra stakeholders are cheering the move.

Chief Executive Officer of the Year

sponsored by Deloitte and Service Now

— purposeful sustainability

Finalist: Volker Kuntzsch, Sanford

Volker Kuntzsch had already carved a strong reputation in the international fishing industry before taking up the chief executive's reins at Sanford five years ago.

Born to German parents, he spent his first 18 years in Namibia before moving to South Africa to complete a masters in zoology and starting work in the seafood industry. After suffering a personal tragedy (he lost his wife and daughter in a car accident) he returned to Europe and roles that included Unilever and then Nissui, the world's second largest seafood company.

When he joined Sanford in 2014 he quickly leveraged his experience in creating awareness of seafood sustainability in markets such as Japan and the US to set a vision for Sanford to be the best seafood company in the world through having the finest sources, uncompromising care and providing beautiful seafood.

He has played a role in the development of the Marine Stewardship Council certification of key fisheries and the early accreditation of the New Zealand Hoki.

"Volker Kuntzsch has transformed Sanford, following a strategy of repositioning the business to move up the value chain," said Deloitte Top 200 judge Neil Paviour-Smith.

"His leadership has seen the Sanford team collectively focus on its strategy and authentically embrace core values of care, passion and integrity and the principle of achieving together.

Volker Kuntzsch

David Mair

"With Sanford holding about 20 per cent of New Zealand's commercial fishing quota as well as extensive aquaculture interests in salmon and mussels, Volker has acknowledged that sustainability sits at the heart of the business.

"On top of that, Sanford's diversity has reduced the risk that the volatility of the commercial fishing industry brings and helped to deliver improved financials with total shareholder returns over 17 per cent per annum for the past 5 years," Paviour-Smith added.

Finalist: David Mair, Skellerup Holdings

David Mair's deep knowledge of manufacturing and product development was critical when he became chief executive of Skellerup Holdings in August 2011, with a mission to strengthen the company's manufacturing and distribution base.

Skellerup, an iconic brand in New Zealand, may have been around the scene for more than 100 years but it continues to re-focus and grow strongly.

Famous for its Red Band gumboot, which celebrated 60 years in 2018, Skellerup now supplies a wide range of engineered solutions for customers here and overseas in dairy rubberware, water and related infrastructure, roofing, plumbing, automotive, mining and other industrial applications.

The Auckland-based company posted a record net profit for the year ended June 30 of $29.1 million, up 6.5 per cent on the previous year.

Revenue lifted 2.2 per cent to $245.8m and its earnings before interest and tax were up 5 per cent to $41.8m. More than 75 per cent of the company's revenue is generated offshore.

The industrial division saw its ebit lift 10 per cent to $22.9m and revenue lift 4 per cent to $157.1m.

Under David Mair's leadership, Skellerup Holdings has delivered robust profit growth, and has placed a strong emphasis on delivering operational efficiencies that assist with both margins and responsiveness to customers, judge Paviour Smith said.

"Skellerup's strategy of targeting selective growth opportunities in the US in its industrial rubber business is helping deliver robust growth.

"Mair has ensured Skellerup remains relevant to its customers, forming strong relationships with key partners, original equipment manufacturers and major distributors."

After many years in which Skellerup struggled to deliver, total shareholder returns over the past 5 years are in excess of 15 per cent per annum.

Much of that turnaround can be credited to Mair's leadership.

Chief Financial Officer of the Year

sponsored by the University of Auckland Business School

Grant Ellis

Restaurant Brands

A highly experienced, strategic CFO

Tamsyn Parker

Grant Ellis, CFO of Restaurant Brands, says being a good chief financial officer means having a lot of passion — not just for the business you work in but also for the community around it.

It is that passion and commitment which has helped Ellis — the chief financial officer of Restaurant Brands — take out the award for the University of Auckland Business School Chief Financial Officer of the Year.

Ellis has been CFO of Restaurant Brands since the company listed in 1997. Over that two-decade timeframe he has overseen the evolution of the company from a local franchise operator into a business with global operations.

Restaurant Brands now operates the KFC, Pizza Hut, Taco Bell and Carl's Jr franchises in New Zealand, KFC franchises in New South Wales, Australia and Taco Bell and Pizza Hut franchises in Hawaii.

This year it expanded the Taco Bell franchise into New Zealand and Australia, opening its first stores with plans to spend at least $65 million expanding it to 50 to 60 across Australasia over the next five years.

On top of that it was partially taken over by Mexican Company Finaccess.

Finaccess now owns 75 per cent of Restaurant Brands which remains listed on the New Zealand stock exchange.

Ellis says the biggest challenges for the business in the last 12 months have been getting through the partial takeover of the business and building its offshore acquisitions.

"We have been getting through a takeover bid, which was a pretty substantial amount of work, of course as the CFO you are right at the centre of that activity.

"We also of course have been building our offshore acquisitions and bringing them into the Restaurant Brands stable and that has also involved quite a bit of work to go through the process of making the company bigger and better," he says.

Ellis is no stranger to hard work and challenges.

Starting with the company at the time of its initial public offer, Ellis had to set up all the accounting systems from scratch, an entire department, establishing funding lines, and all other financial and administrative aspects of a public company's operation within a three month time frame.

Since then he has been actively involved in overseeing the financial aspects of the business including the acquisition and building of the Starbucks Coffee and Carl's Jr franchises, the acquisition and conversion of the Eagle Boys pizza chain, the entry (and exit) from the Australian Pizza Hut business, the resurgence of the KFC brand and the expansion into the Australian (KFC) and Hawaiian (Taco Bell and Pizza Hut) markets.

Judge Jonathan Mason said not only had Ellis run the financials of Restaurant Brands ably for over 20 years, he had been a key part of the management team that had driven its growth strategy and is well-respected by the markets and his peers.

"The success of that has resulted in Restaurant Brands delivering top decile shareholder returns of over 30 per cent per annum for the past 10 years.

"Grant helped lead the significant and transformational off-shore acquisitions in Australia and the USA that have all been backed by well thought through integration plans, exceeded objectives, and have generated additional shareholder returns of over 40 per cent in the last year for Restaurant Brands."

Mason said of all the capable finalists, Ellis has had the most sustained contribution to the strong shareholder returns at the company he worked for. Restaurant Brands has been one of the leaders in the New Zealand share market.

"Grant is an example of a highly experienced strategic CFO that has been integral to superior performance for the Restaurant Brand shareholders."

Ellis has a Bachelor of Commerce and an MBA from the University of Auckland and is a chartered accountant. He was a finalist for the Deloitte Top 200 CFO of the year awards in 2017.

He says good leadership is a combination of factors.

"First, I think you have got to have an ability to delegate and ensure you trust and allow your team to do what they need to do without you hanging over their shoulders."

Ellis believes the key is also keeping things simple.

"The term I use is: can a simple country boy understand what is going on — and certainly some of the challenges we have had with accounting standards in recent times have sort of validated that approach."

And being clear about expectations. "I think a long with the ability to have people come with you is the expectation around deliverables and making sure everybody is very clear about what I want and when I want it."

Restaurant Brands is already forecasting its profit growth to be up 10 per cent in the 2020 financial year as it continues to roll out new stores and look at buying others.

The fast-food operator has seen margins improve at its local KFC stores, which account for half of New Zealand revenues, but shrink at its Pizza Hut chain.

Its net profit after tax for the 28 weeks to September 9 was $20 million, down $0.4m or 2 per cent on the first half of last year.

The fast food operator's earnings before interest, tax, depreciation and amortisation were $72.6m — up $3.4 million or 5 per cent up on the same period a year earlier.

Meanwhile, sales from its Pizza Hut business in New Zealand were down 7.1 per cent, attributed to competitive pressure and new food delivery companies entering the market.

Finalist: Philippa Harford, Infratil

Philippa Harford's deep expertise on complex accounting and tax issues came to the fore when she took up the finance reins at infrastructure investor Infratil in 2015.

Infratil is a complex company with major investments in renewable energy, airport, transport, data and connectivity and social infrastructure and in the past year acquired a major stake in Vodafone New Zealand.

The $3.4 billion deal saw Infratil partner up in a joint venture with Canadian infrastructure and property investor Brookfield Asset Management.

Already, Infratil has begun repeating benefits from the investment with the company reporting last month that its first half operating earnings were up 1.7 per cent with a two-month contribution from Vodafone New Zealand offsetting weaker returns from Trustpower and its Longroad Energy interests in the US.

Excluding businesses sold in the past year, underlying earnings before interest, tax, depreciation and changes in financial instruments rose to $289.4 million in the six months ended September 30, from $284.6 million a year earlier.

The company reported a net profit attributable to shareholders of $56.4 million from $58.5 million a year earlier.

The firm raised $400 million during the half-year for its $1.03 billion share of the Vodafone acquisition.

It's been a busy two years for Infratil with the business refocusing its portfolio to put more emphasis on renewable energy and digital connectivity, while also exiting investments that had not worked strategically or which didn't offer sufficient growth potential.

In May, it sold its 50 per cent stake in its student accommodation concession at the Australian National University, and its Snapper bus card business.

In September, it completed the sale of NZ Bus and its 80 per cent stake in Perth Energy.

Judge Jonathan Mason said that Harford had been integral to Infratil's acquisition and divestiture strategy over the past 10 years including the large partial purchase of Vodafone this year.

"These efforts have been rewarded in the market with the Infratil share price rising over 40 per cent in the 12 months ending in September."

Mason said Harford was a highly respected CFO in the view of the market, her colleagues and the board.

"Philippa runs the finance function with a high level of competency handling complex tax issues that arise in both New Zealand and foreign jurisdictions with skill."

Prior to the CFO role she was deputy CFO of Infratil and head of tax for Morrison & Co.

She joined Morrison & Co in 2009 from Vector where she was head of tax.

Harford also worked for several years providing tax advisory services at PricewaterhouseCoopers, in New Zealand and offshore.

Finalist: Rob Hamilton SkyCity Entertainment Group

Rob Hamilton is not only a dab hand when it comes to the numbers but has had an increasing impact on improving the fortunes of SkyCity through working with the chief executive on strategy.

Hamilton joined SkyCity Entertainment Group in October 2014 after more than two decades at broking and investment firm First New Zealand Capital, recently renamed Jarden.

He led the investment banking team for First NZ for 12 years and had advised SkyCity as part of that role.

Since joining the casino operator, he has helped improved its capital structure, execute non-strategic assets in Darwin and Auckland and raise $450 million for improved cash flow to fund reinvestment in the Adelaide casino, and the New Zealand International Convention Centre.

In April it reached a long-term concession to operate its Auckland carparks until 2048 to Macquarie Principal Finance for $220m — a price higher than analysts were expecting.

It also settled the sale of its Darwin property which raised $201.6m in a deal first announced last year.

Judge Jonathan Mason said Hamilton was a leading example of a strategic CFO who not only leads a capable finance function but also works alongside the CEO on key strategic initiatives.

"Rob is especially strong at supporting the CEO in executing key decisions to improve the value levers at SkyCity on capital structure and capital allocation."

Mason said SkyCity had made significant progress in the last year at selling assets that were underperforming or non-strategic and redeploying the proceeds into assets that are at the centre of SkyCity's expansion strategy.

"Rob also has faced important challenges as CFO on shareholder activism, CEO succession, and leading operational improvement initiatives."

Mason said Hamilton was highly respected by the market, the board, and other SkyCity stakeholders.

SkyCity is now facing challenges ahead as it looks to re-build the new international convention centre after the major fire which damaged it in October.

Uncertainty remains over when the convention centre will now open for business and what the flow-on effects of those delays will be.

Chairperson of the Year

sponsored by Hobson Leavy Executive Search

David Pilkington — Port of Tauranga

Getting the best out of people

Tim McCready

David Pilkington describes his style as chair as having a focus on ensuring the board and management have a well understood joint strategy for the business, working together to develop the capability to achieve targets.

"This requires full engagement from the board which I encourage, and an open and frank relationship with the CEO and senior management team, with the right balance between challenge and support," he says.

Pilkington — this year's Hobson Leavy Executive Search Chairperson of the Year — is chair of the Port of Tauranga, Douglas Pharmaceuticals and investment firm Rangatira.

Until the end of November, he was also chair of Northport but has stepped down in line with a two-yearly rotational policy in place with its 50 per cent partner Marsden Maritime Holdings.

"Every entity he chairs has performed financially and grown consistently during his tenure," says Deloitte Top 200 judge Cathy Quinn. "He is an inclusive chair and facilitates an environment to get the best out of people, and has been selected as the winner due to his track record of success as a chair over a long period."

The judges add that he has developed chief executive talent and built constructive relationships with them — allowing them to do their job but also be guided by him.

Pilkington says his highlight over the last year has been overseeing the Port of Tauranga's group net profit after tax (NPAT) exceed the $100 million milestone for the first time, as well as making big strides in its focus on sustainability having gained certification of its carbon emissions.

"The Port has set a short-term target of five per cent reduction in its Scope 1 emissions per cargo tonne and is targeting net zero emission by 2050," he says.

The Port of Tauranga this year has seen exports and imports increase, handling an impressive 37 per cent of all containers in New Zealand and 30 per cent of the country's cargo.

Despite the Port having a 6 per cent slip in profit after tax for the first quarter of the 2020 financial year, due in part to lower long volumes which dipped 5.2 per cent, it advised shareholders its full year guidance should see earnings between $96m and $101m — the same as the guidance provided last year.

"The Port of Tauranga's success comes as a result of a co-ordinated investment strategy to become 'big ship capable' and at the same time entering into long-term agreements with its major cargo owners to provide services and support to commit to Tauranga as the major export port," says Pilkington.

He says given the constraints and difficulties faced by the Ports of Auckland, Tauranga — and to some extent Northport — are able to provide an efficient and alternative gateway for the upper North Island.

"Port of Tauranga is ideally placed in a geographic sense to continue to grow," he says.

"A recent study by an international consultant specialising in port operations identified that with further investment it would be possible to increase container handling capability to well in excess of the Port of Tauranga and Ports of Auckland's current combined container volumes."

Pilkington was also commended by the judges for being influential in his work with Douglas Pharmaceuticals.

As chair of the privately-owned company, Pilkington has worked with management following the passing of founder Sir Graeme Douglas two years ago.

"Graeme's son Jeff has successfully taken up the reins and has increased the focus on the company's new development pipeline — this is an exciting time for the business," he says.

He has also been chair of diversified investment firm Rangatira since 2013.

Rangatira — whose investments include Polynesian Spa, Rainbow's End Theme Park, and Mrs Higgins — operates a flexible investment management strategy that allows it to work alongside owners to maintain what it is that has made the company successful.

Pilkington says the investment firm has just passed its 82nd year since its establishment in 1937.

"Its success has been based on equity partnerships with successful SME owner operators who have reached a point with their businesses where they are either facing intergenerational succession or require new capital for growth," he says.

"Unlike the traditional private equity company model with short-to-medium investment horizons, Rangatira is prepared to take a long-term view and is flexible depending on the founders' needs going forward.

"We see our equity investments as true partnerships."

Finalist: Graeme Milne, Synlait

Graeme Milne says he is driven by the opportunity to grow New Zealand enterprise and develop and create value-added activities and jobs. "Satisfying, purposeful jobs. That's the key thing for me," he says.

The judges say Milne has been brave in taking on roles as chair of companies at an early stage and seeing them transform to become very successful.

"He is quick to give credit to others but his strategic thinking and calm manner under pressure have been key factors in the success of companies he has been involved with," says judge Cathy Quinn.

Milne has an impressive resume. He is chair of Synlait Milk, nutrient and fertiliser company TerraCare, forestry services firm PF Olsen, Rimanui Farms and plastics company Pro Form. He describes his style as supportive of the executive and consultative with the directors, seeking consensus and ensuring the focus is on strategy. "Not wanting to necessarily be the spokesperson — that is more for the CEO," Milne adds.

Milne has been chair of Synlait since 2004 — initially at Synlait Ltd, the predecessor of Synlait Milk.

He indicated at last year's AGM he wouldn't stand again, saying it had been great to be part of an exciting company for such a long stint.

As chair at Synlait he has presided over rapid progress. He says the fact he has always been keen on the land and has a background as a sheep and beef farmer and in the dairy industry has helped in terms of knowing what works and what doesn't.

Since listing on the NZX in 2013, Synlait has grown at 15-20 per cent a year. Milne attributes this exceptional growth to it having been built into Synlait's culture to always look strategically for the next step.

"If anything, we're probably stepping a bit faster than we can digest at times. That's what we have to be careful of — there are always more ideas than the ability to execute on them."

He says Synlait is a talent magnet, and headed for 1000 staff: "You have to be careful you don't disappoint really capable people when they get into the company, if systems have to catch up and all the rest of it. The key is not to trip over."

This year Synlait acquired South Island-based cheese manufacturer Talbot Forest Cheese, and recently announced its intention to buy Christchurch-based dairy company Dairyworks for $112 million.

But Milne says his highlight over the past year has been getting Synlait's Pokeno processing plant commissioned and running. The move into Waikato away from its Canterbury base has seen it sign up its first farmers in the region.

"To establish a completely greenfield operation, and have North Island farmers have faith in us and shift to us from their previous supplier — there is still a way to go, but it is running very smoothly," he says.

"Synlait is a real growth story — startup from an idea," he says. "And I don't really want to leave, but you can't stay forever."

Finalist: Pip Dunphy, Transpower

Pip Dunphy is a highly regarded professional director, having worked across a broad range of companies as a non-executive director over the past 12 years.

Deloitte Top 200 judge Cathy Quinn says Dunphy is a strong, courageous chair "who has been willing to stand her ground in tough circumstances to hold to what she believes is right."

Dunphy says it is important the boards she leads operate as one team with management: "That is a philosophical preference for me."

Her current governance roles include chair of Transpower, Abano Healthcare, First Gas, and director of the Fonterra Shareholders' Fund.

The judges say Dunphy brings strong finance skills to all her governance roles — derived from her experience working in capital markets, banking, finance and investment management. She has had executive positions in Goldman Sachs JBWere, BNZ and Bankers Trust.

Dunphy says she encourages any director starting off to gain experience across a diverse range of industries: "I've been fortunate to have the range of opportunities I have had.

"Beyond that, I think the selection is really about the people you are working with. Initially it was the opportunity to work with people I respected as chairs and learn from them."

State-owned transmission company Transpower, a natural monopoly, is regulated by the Commerce Commission and Electricity Authority. Dunphy says this provides a very interesting perspective. "You always have to be mindful in that environment of your regulators and your obligations to your customers. In terms of the position in the industry that Transpower holds, that is always front of mind."

She was previous chair of state-owned enterprise Solid Energy, resigning in 2015, disagreeing with then-Finance Minister Bill English over whether the company, debt-laden from unrealised expansion plans, was salvageable. Following her departure it went on to being placed into voluntary administration.

She says Solid Energy provides the best illustration of the challenges of being an SOE director. "The Solid Energy experience was, to me, a question around judgement and decision making around going concern, which I feel very strongly is a director's prerogative," she says.

"It is really important for the shareholder of an SOE to respect the role of directors, and similarly for directors to be understanding of the shareholders," she says.

Dunphy says in chairing her diverse portfolio she has had a number of highlights over the past year:

"For Transpower it was the finalisation of our regulatory allowances and quality standards for our Individual Price Path (IPP) for the 2020-2025 period with relatively modest adjustments by the Commerce Commission in the process; for First Gas it was the highly commendable execution of the repairs to the Maui pipeline to repair damage; and for Abano it was finalising the expression of interest process which resulted in a take-over offer by way of a scheme of arrangement."

Sustainable Business Leadership *sponsored by MinterEllisonRuddWatts*

Air New Zealand —

Tim McCready

The Air New Zealand executive team identified "sustainability in the bloodstream" this year as a long-term organisation-wide strategic pillar.

The airline says it believes its success is inextricably linked to the success of New Zealand, reflected in its company purpose statement: "Supercharge New Zealand's success — socially, environmentally and economically."

"This means tackling highly visible challenges such as reducing our plastic usage, but also facing into climate change (our most material sustainability challenge), supporting local communities, helping Kiwi businesses take their products to the world, and being a diverse and inclusive employer," says Air New Zealand's Head of Sustainability Lisa Daniell.

"Sustainability is an integral part of who we are and what we do, so much so that Sustainability in our Bloodstream has recently become one of seven long-term organisation-wide strategic pillars at Air New Zealand," she says.

The Deloitte Top 200 judges commend the airline's efforts in sustainability in an industry that contributes between two and four per cent of global emissions, and the transparency with which it reports on it through its sustainability report, released each year prominently alongside the more conventional financial reports.

The MinterEllisonRuddWatts Sustainable Business Leadership award is new to the Deloitte Top 200 Awards this year, recognising businesses that are working toward creation of long-term environmental, social and economic value.

The judging criteria considers governance, leadership and accountability, long-term perspective and purpose, explicit integration of environment, social and governance considerations, along with investments, programmes and projects to support sustainable development.

"Air New Zealand is showing strong leadership in diversity and inclusion as well as other social and governance aspects of this category," says Deloitte Top 200 judge Cathy Quinn.

While the judges acknowledge the airline's environmental impact, they applaud it for introducing measures in areas where it can and having a strong impact in social and governance aspects of this category.

"Governance and strategic management are advanced, with systems in place, targets set and being measured with both good and bad news reported, covering a comprehensive range of sustainability issues. There is a sense that there is a strong focus on solutions," says Quinn.

The airline has improved its aviation fuel efficiency by more than 20 per cent over the past decade, through a combination of more fuel-efficient aircraft and more efficient flight operations.

Air New Zealand's Airbus neo aircraft — with new generation engines, fuel efficient wingtip devices and more seats — are expected to deliver fuel savings of at least 15 per cent compared with the aircraft they are replacing. Other emission-reduction initiatives include implementing more efficient departure climb profiles and approach-path efficiencies.

Air New Zealand has moved to use electricity to power aircraft while at the gate whenever available, shifting away from consuming jet fuel and generating carbon dioxide emissions. It is also removing unnecessary weight from its domestic jet aircraft such as carrying less portable water on each flight and has removed or replaced nearly 55 million plastic items with lower-impact alternatives.

"The scale of our network and fleet means that any savings we make are substantial, and if we think about the influence we can have across our 4500 suppliers, or the likes of the Climate Leaders Coalition in New Zealand, that's also really material," says Daniell.

Air New Zealand's sustainability report acknowledges that it emits around 3.5 million tonnes of carbon dioxide annually — making it one of New Zealand's biggest carbon emitters.

The airline has been encouraging passengers to offset their emissions through its FlyNeutral programme. Over the past year, retail customers have partially or fully offset more than 183,600 journeys — up 40 per cent since the previous year. It has also seen a rise in the number of corporate and government customers joining the programme.

But Air New Zealand acknowledges further improvements will become tougher, and the industry now needs 'to grow in a different way'.

It says: "While we are delivering such benefits and working to minimise our carbon emissions, until aviation biofuels are readily available in New Zealand or there are significant technology breakthroughs such as electric aircraft, we are unlikely to deliver further significant carbon emissions reductions through our own operations."

Air New Zealand has joined with Z Energy, Refining NZ, Scion and Auckland International Airport to investigate how to transition to biofuel, and whether a biofuel plant in New Zealand could work, but the sustainability report notes that: "the capital investment would be significant and it has not been achieved anywhere in the world without substantial government support to establish production and thereafter ensure fuel pricing remains economically viable."

It is also working with aircraft manufacturers to explore new propulsion technologies such as hybrid electric aircraft. It has partnered with Zephyr Airworks — the operator of Cora, the world's first autonomous air taxi.

In his introductory video, incoming chief executive Greg Foran suggests the airline will continue to lead in sustainability.

"My vision for Air New Zealand would be to make it something that other airlines aspire to be," he says.

"We need to be taking some positive steps around sustainability. There are a number of things that fit into sustainability — from carbon footprints driven by CO2 emissions, to social responsibility around sustainability.

"I think it is vitally important that we lead, not just in New Zealand, but actually around the world in terms of what we can accomplish."

Finalist: Z Energy

Z Energy says it stands for "an environmentally sustainable New Zealand that is an example to the rest of the world and an inspiration to Kiwis."

Chief executive Mike Bennetts says ultimately for Z, sustainability means balancing the needs of its people and customers now, with those of its people and customers of tomorrow.

"It means not taking more than we need now, so that those generations coming after us have enough. We do that across the three legs of our sustainability stool — economic, social and environmental," he says.

Z says it will move from being a part of the climate change problem to the heart of the solution: "We will be bold and provide leadership and a range of solutions to enable our customers, stakeholders and communities to join on the journey to a lower carbon future."

The Deloitte Top 200 judges recognise Z for leadership on climate when it could have been obstructive.

They also note Z Energy's excellent annual report: "It is readable, with key metrics throughout, integrated with business strategy," says Cathy Quinn. "It is an integrated report in its true sense, including both good and bad news and truly engaging its stakeholders."

Bennetts says Z is focusing on two key things: "maximising our impact on intervening in climate change, and ensuring we do what we said we would in terms of cleaning up our own back yard."

He explains that means delivering on its commitment to reduce its operational emissions by 30 per cent from a 2017 baseline, with the balance offset in permanent New Zealand forestry — a mix of natives and exotics.

"We have the opportunity to be right at the centre of the transport fuels solution but that will mean nothing if our responses lack integrity," he says. "We are up for the difficult conversations on how we intervene in climate change that provides harmony across environmental, social and economic sustainability."

Bennetts acknowledges the company's big issue is the products it sells, not what it does. But he says that is exactly why Z can have the biggest impact.

"Our intent is to lead and facilitate the much-needed transition to lower carbon transport fuels than default to being a barrier to change," he says. "The technology exists for lower carbon alternatives like biofuel and hydrogen, but our current challenge is finding a way to make that economically sustainable for our customers given the environmental and social

Z Energy's CEO Mike Bennetts.

Sustainable Business Leadership *sponsored by MinterEllisonRuddWatts*

Sustainability in the bloodstream

sustainability is obvious enough."

Bennetts says capital and innovation will come easily when the economics are better balanced, "especially when we price in the reality of social and environmental externalities."

Z has been investing in alternative, cleaner fuels and alternative mobility technologies, including nearly $30 million in building New Zealand's first commercial scale biodiesel plant, turning tallow — a by-product of the agricultural industry — into high quality biodiesel. It has also recognised electricity will be part of a clean energy future, investing a majority stake in Wellington-based retail electricity supplier Flick Electric.

At the time, Bennetts said "this is another step towards the long-term sustainability of Z, and the role we play in a lower carbon transport future."

Z was a founding member of the Climate Leaders Coalition, launched last year to promote business leadership and collective action on the issue of climate change. Bennetts is the convenor of the Coalition, which aims to "help New Zealand transition to a low emissions economy and, in doing so, create a positive future for New Zealanders, business, and the economy."

Finalist: Mercury

Mercury says sustainability is about delivering on its mission of energy freedom for New Zealand. "It's about NZ being stronger economically and more sustainable through better use of homegrown, renewable talent."

Mercury CEO Fraser Whineray.

The electricity generator-retailer says being sustainable is an essential element of the way it operates: "We consider long-term sustainability across all the areas that matter most for us using our pillars — customer, partnerships, kaitiakitanga, people and commercial. This framework means we assess value and make decisions in an integrated way that includes consideration of commercial, social and environmental factors."

The Deloitte Top 200 judges say that Mercury is in itself a sustainability solution — its contribution to New Zealand's zero-carbon goals are significant.

"It has a clear strategy on environmental sustainability and has been proactive in social issues and places a key focus on its relationship with Māori," says Cathy Quinn.

Mercury's energy generation comes from 100 per cent renewable sources. The move away from thermal generation has helped the energy company decrease total emissions by 36 per cent since 2015.

This year, it committed to the construction of a new $256m wind farm at Turitea, east of Palmerston North — and recently announced it will pour another $208m to complete the farm at its full scale.

This makes Mercury the only New Zealand energy company with what it describes as "the awesome foursome" of renewable energy in its portfolio; along with the wind farm it has nine hydro stations on the Waikato River, five geothermal stations throughout the central North Island and a solar farm.

"Key initiatives aligned with our strategy have not only lowered Mercury's carbon footprint, but they have been instrumental in materially reducing the nation's carbon footprint," says Mercury.

"We refer here to the transformation of the energy sector that was a consequence of the building, by Mercury and others, of significant geothermal generation capacity in the decade from 2003. Mercury's geothermal stations include stations run as innovative joint venture partnerships with Māori enterprises."

Mercury has been climate positive since 2017, with its carbon units exceeding the level of its emissions. It has achieved this through participation in the New Zealand emissions trading scheme, the careful measurement of its GHG emissions, and long-term partnerships with forest owners.

Natural resources and climate change are key focus areas for Mercury, it aspires to be recognised as a leader in the ultra-long-term management of both physical and natural assets by 2030.

For the last two years, Mercury has submitted information to the CDP (formerly the carbon disclosure project). The CDP runs the global disclosure system that enables organisations and government to measure and manage their environmental impacts. Mercury has been rated among New Zealand's top ten companies — and the only energy company — that made a submission.

Chief executive Fraser Whineray has been a long-time advocate of electric vehicles (EVs). He says with New Zealand generating more than 80 per cent of electrity from renewable sources it is logical to take advantage of that. "It's another step on what will be a long journey, but it's one that New Zealand will be in the box seat for with its renewable electricity system," says Whineray.

Mercury is encouraging New Zealanders to lower their own carbon footprint through the opportunity electric transport provides. It has done this through initiatives including promoting e-bikes and introducing Mercury Drive — an electric vehicle subscription service that launched a pilot this year and was heavily over-subscribed.

It has also reduced its emissions since 2016 by converting over 74 per cent of its fleet to electric vehicles or plug-in hybrid electric vehicles.

Most Improved Performance

sponsored by OneRoof.co.nz

The Warehouse

Everyone gets a bargain through innovation

Graham Skellern

The big "red sheds" of The Warehouse have become an integral, even iconic, part of the New Zealand retail landscape. But within the stores there's been plenty of change to keep ahead of the pack in the highly competitive general merchandise sector.

Chief executive of The Warehouse Group, British-born Nick Grayston who spent 20 years in United States retail said: "I've been in the role for four years. In that time, I have noted the incredibly fast-changing pace of global competition and digital disruption.

"It is fair to say New Zealand retailing is also bearing the brunt of globalism. With this in mind, we knew we couldn't continue with the status quo and we have had to make bold decisions to effectively compete and deliver to our ever-changing customer expectation and shopping habits. These changes have really begun to reap reward," he said.

The Warehouse, established in 1982, increased its net profit 25.6 per cent to $74.1 million for the year ending July on revenue of $3.1 billion. Group online sales rose 18 per cent to $239.2m. Warehouse Stationery achieved a record operating profit of $16.7m and Noel Leeming sales were up 5 per cent, resulting in a record operating profit of $38.1m.

The Warehouse, which has more than 270 stores including Torpedo7 and employs 12,000 people, is in a good place and won the OneRoof.co.nz Most Improved category last night at the Deloitte Top 200 awards.

Judge Ross George, managing director of Direct Capital, said The Warehouse grew revenue, profits and gross margin significantly in the 2019 financial year and the share price reflected that: up more than 30 per cent over the past 12 months.

"This performance is because of the successful execution of its business transformation programme, stripping out complexity and making it a more flexible operator.

"For 30 years The Warehouse has been an enduring New Zealand story," he said.

"The Warehouse has adapted to the changing and challenging retail environment and has seen continued improvement in its trading performance alongside a concurrent reduction in debt."

Grayston said there had been multiple initiatives, "some at brand level and others that leverage our capability as a group."

It introduced the concept of a store within a store by integrating some Warehouse and Warehouse Stationery operations to provide greater customer experience; its pricing strategy was based on Everyday Low Pricing; and the Noel Leeming stores practised smart home management technology and services.

The Warehouse implemented new warehouse management systems and modified its design and sourcing processes — with design handled in New Zealand and sourcing in China and the recently opened India office.

Grayston said having a second office in India improved the group's ability to source from a wider range of countries to deliver quality products from audited and ethically approved factories.

The Warehouse has become the third retailer in the world and the largest company in New Zealand to be carbon neutral and carboNZero certified.

And it has not only put a big effort into sustainability but also e-commerce.

The group launched TheMarket online shopping platform, offering a range of international, local and niche brands, to ward off entrants like Amazon. Subscription to TheMarket offers shoppers free delivery for orders over $45, exclusive deals and discounts, one and three months free trials for Sky Sports Now and Neon, and a $35 kickstart to investment scheme Hatch for $5.99 per month or $59 a year.

"We have invested in our e-commerce channels to enhance customer experience and fulfil orders, and we see significant opportunity in this area given the limited marketplaces existing in New Zealand," said Grayston.

"We could have easily driven profit through cost out and retrenching, but instead we took a longer view that recognised our role in our communities and the wide New Zealand landscape," he said.

Two million New Zealanders shop with The Warehouse every week.

Finalist: SkyCity Entertainment Group

Like The Warehouse, SkyCity Entertainment has established an iconic brand in New Zealand and it operates in a volatile environment.

SkyCity has some exciting projects in place and is producing a solid financial performance.

It is completing the ill-fated New Zealand International Conference Centre and Horizon Hotel in Auckland and the expansion of the Adelaide casino and hotel.

It has bought one hectare of lakefront land in Queenstown for a future hotel development and it is looking to develop its Hamilton Casino on the banks of the Waikato River. It launched an offshore online casino in August in partnership with Gaming Innovation Group.

SkyCity freed up $450 million by selling the Darwin Casino, the Auckland car park concession and Federal St car park.

Chairman Rob Campbell said in the group's annual report that the past year has been one of solid performance by SkyCity's ongoing business while progress has been made on major projects setting the stage for future improvement.

SkyCity is New Zealand's largest tourism, leisure and entertainment company, employing just over 5000 people. It has five casino licences, 3200 gaming machines, 580 table games and operates 635 hotel rooms as well as 40 bars and restaurants.

For the year ending June 30 SkyCity had a gain in its international business with turnover reaching $14.1 billion, up 19 per cent on the 2018 full year and increasing its share of the Australia and New Zealand VIP market. Auckland gaming machine revenue rose 7.4 per cent.

SkyCity had normalised earnings before interest, taxes, depreciation and amortisation (Ebitda) of $342.7m, up 1.3 per cent on the previous year and normalised net profit of $173m, up 1.9 per cent.

Top 200 judge Ross George said SkyCity's new strategy and organisation focuses on the creation of both sustainable shareholder returns and diversity issues. Its profit after tax has grown despite a more challenging operating environment and one-off impacts. "SkyCity is well-placed to be the leader in gaming, entertainment and hospitality in its communities," said George.

Finalist: WEL Networks

The Waikato electricity and broadband distributor WEL Networks operates in the shadow of the bigger listed energy companies. But that doesn't phase the regional group which has become a quiet achiever.

WEL Networks, serving the Waikato for 100 years, connects 91,458 homes and small businesses and 816 industrial sites. More than 60,000 of the company's smart meters have been installed in homes and businesses, and it maintains 6800kms of power lines. The group's total assets increased $91m to $1.2 billion.

Over the past year 1371 new customers connected to its electricity network, and it operates a 3000km ultrafast fibre network in Hamilton, Tauranga, Whanganui, New Plymouth, Hawera, Cambridge and Te Awamutu.

Work is underway to provide fibre to 27 more North Island towns and urban fringe areas.

Owned by the community through the WEL Energy Trust, WEL Networks had total revenue of $211m and net profit of $31m for the year ending March 31. The revenue was $35m ahead of the 2018 financial year as a result of the continued growth in electricity and broadband customers, including 22,600 subscribing to its ultrafast fibre offering.

WEL Networks reduced residential line charges by $6m, providing an average saving of $77 to residents and forecasting a further $70 in the current financial year.

Deloitte Top 200 award judge George said WEL Networks clearly understand its customers. It has delivered cheaper energy prices, reduced tariffs and increased investment in the Waikato.

As a result there are higher commercial lines consumption, customer growth across the fibre network and continued urban development in the region: "WEL Networks has had nearly 10 per cent annual growth rates over the last five years and has achieved large profit leaps as it continues to future-proof the region," he said.

Best Growth Strategy

sponsored by 2degrees

Keeping pace with the digital revolution

Datacom

Graham Skellern

Datacom Group has been around the scene for more than 50 years in various forms — and it has never been one to stand still in the highly-competitive information technology (IT) services sector.

Datacom, established in 1965, has continually re-defined its market and expanded its business, now employing more than 6200 people in 30 locations around the world. The group operates in New Zealand, Australia, Malaysia, the Philippines, the United States and Britain, and has become one of Asia Pacific's leading locally-owned IT service providers.

Last year Auckland-based Datacom successfully implemented a new business plan, including reorganising its structure and getting closer to its customers. The 'internal business transformation journey' touched every aspect of the company's operations.

Chief executive Craig Davidson said the market was now being driven by customer demand for digital strategy, transformation and disruption: "Our on-the-ground experience and deep domain expertise means we are starting to gain real traction as an active business partner with our customers, not just an outsourcing provider."

Datacom's longevity and dexterity was recognised last night when it won the 2degrees Best Growth Strategy at the Deloitte Top 200 awards. The group has accumulated an enviable record of having 21 years of continuous revenue growth and has just expanded into the United States and Britain.

One of the judges Ross George, managing director Direct Capital, said Datacom has thrived when 'on paper' it had no right to succeed given it competed with traditional global players, as well as many new ones with money to burn.

Datacom's reworked 'delivering for customers' business strategy has seen it undergo tremendous growth — largely attributable to strong performance in the important Australian market where it has impressive government agency contracts, he said.

For the year ending March 31 Datacom increased revenue by 17 per cent to $1.29 billion and its net profit soared 79 per cent to $42.02 million. Its gross profit was $61.88m, and capital expenditure increased to $67.82m, up from $55.4m in the 2018 financial year. Full-year operating cash inflow remained solid at $71.25m.

Datacom, which operates six data centres in New Zealand and Australia, designs, builds and runs IT systems and processes for businesses and organisations. Based on customer feedback, the group now provides five service offerings — modern workplace, cloud functions, modern outsourcing, application resiliency and networking, and security. The solutions range from payroll to customer experience.

In its reorganisation, Datacom developed 'four market-facing' divisions — Australia Commercial, New Zealand Commercial, Public Sector Australia and New Zealand, and International. Each of these operated alongside group-wide Connect, Operations, and Products and Marketing teams.

Davidson said the new structure best prepared the business to meet current and future customer demands, as well as supporting the existing portfolio and emerging growth areas.

This included an emphasis on new approaches to professional services including software development, digital transformation, infrastructure automation, data and artificial intelligence/machine learning, network design and deployment, and cybersecurity.

Datacom completed expansion of its New Zealand data centres to enhance cloud services opening a state-of-the-art customer care and IT hub in Adelaide, creating 700 new jobs.

Working with the Australian Organ Tissue Authority, Datacom developed a platform that determines the most appropriate organ match for transplant patients. The system is a world first, and the platform will support all solid organ transplant programmes.

Datacom established the GovNext-ICT programme with the Western Australia State Government to connect ICT systems — so far 11 government agencies have joined the programme for a total of 137 physical sites around the state.

Back in New Zealand, six local councils have adopted Datacom's Datascape cloud-based software solution aimed at bringing together a host of services and applications under one roof.

The group has also introduced Antenno, an app that enables councils and ratepayers to engage more directly with each other — the community can receive alerts and updates and let council know about issues that need immediate action.

Datacom is moving into containerisation — a cloud-based service for organisations with high-volume and complex security requirements. The group successfully migrated New Zealand Customs' border management system onto the service.

Finalist: Xero

Accounting software company Xero has been a share market darling for a decade, first in New Zealand and now Australia. It is riding high with its share price passing $A70 a share as it continues to gain customers globally and enter profit territory.

Xero reported operating revenue of $338.7 million for the six months ending September 30, up 32 per cent for the same period in 2018 and on track to topple $600m in its latest financial year. Its net profit was $1.3m compared with a loss of $28.5m in the previous corresponding period. There was a 30 per cent increase in annualised monthly recurring revenue to $764.1m.

Best of all, Xero's subscribers — mainly small and medium-sized businesses — reached 2m, up from 1.58m in 2018.

Xero chief executive Steve Vamos said it took more than a decade to reach the first million subscribers and only two and a half years to add the next million, demonstrating the pace of Xero's adoption across a number of markets.

Judge Ross George said Xero's strategy continued to deliver global growth with strong financial indicators. Its business case was aided by the increased use of cloud technology by small to medium businesses and the digitalisation of tax and compliance systems. "Xero is a great innovation helping to reshape the financial services sector," George said.

All Xero's main markets continue to grow: Australian subscribers are up by 28 per cent to 840,000 compared with the first half of the 2018 financial year; Britain's increased 51 per cent to 536,000; New Zealand's up 13 per cent to 367,000, and North America's rising 21 per cent to 215,000.

The rest of the world has 99,000 subscribers, up 52 per cent, with South Africa leading the way and further progress in Hong Kong and Singapore.

Founded in 2006 and listed a year ago, Xero is one of the fastest Software as a Service companies globally.

Vamos said Xero continued to focus on growing its global small business platform and maintain a preference for reinvesting cash generated, subject to investment criteria and market conditions, to drive long-term shareholder value.

Xero's cloud-based, single unified ledger allows users to work in the same set of books regardless of location or operating system. Its key features include automatic bank feeds, invoicing, accounts payable, expense claims, fixed asset depreciation, purchase orders, bank reconciliations, and standard business and management reporting.

Xero has more than 200 secure connections with banks and financial service partners around the world.

Finalist: Scales Corporation

Christchurch-based Scales Corporation has been providing essential services to the NZ primary sector for more than 100 years and has developed a diversified portfolio across horticulture, storage and logistics, and food ingredients.

Its Mr Apple brand, nurtured in Hawke's Bay, has become the shining star. Scales refreshed its growth strategy in late 2017 to focus purely on agribusiness and set a target of producing 4 million TCEs (tray carton equivalent; the measure of apple and pear weight, or 18kg) of its own-grown apples. It has already reached 3.8m TCEs in its total sales of 5.8m TCEs.

Managing director Andy Borland announcing the interim result said that the horticulture division has delivered an excellent outcome with apple volumes significantly ahead of forecasts. Total export volumes are likely to be consistent with the record 2018 crop, notwithstanding significant orchard redevelopment in the intervening period. "Our performance in Asia and near markets continues to validate our strategy towards premium varieties targeted to those markets," Borland said.

Mr Apple New Zealand, which has 1160 hectares of its own planted orchards, has developed two new varieties Dazzle and Posy to add to its portfolio of 12 including old favourites Royal Gala, Red Delicious, Braeburn and Granny Smith.

The new varieties are specifically targeted for the Asian market with Dazzle producing high colour, sweet taste and big size, and Posy being a pinky-red, sweet apple harvested at the beginning of the season.

Mr Apple is New Zealand's largest fully-integrated grower, packer and marketer of apples which are sent to 170 customers in 40 countries. In the six months ending June 30, Scales reported an increased net profit of $121.8m compared with $34.8m in the previous corresponding period, although this included gains of $93.2m from selling storage businesses Polarcold and Liqueo.

Scales formed a joint venture with Alliance Group for its Meateor New Zealand pet food business then bought a controlling 60 per cent stake in American processor Shelby Foods to improve its supply of raw materials.

Judge Ross George said Scales' growth in its core apple business was the result of a significant strategy call — to graft sweet red apples on to sour green root stock and change the destination from predominantly Europe to Asia.

"Scales' strategic shift from a commodity supplier to a premium fruit exporter has resulted in higher exports and lower carbon emissions. Its revenue grew 20 per cent on last year to $400m," George said.

Diversity and Inclusion Leadership

Downer
Te Ara Whanake

Natalia Rimell

Downer's continued commitment to the Te Ara Whanake programme has seen it awarded the Deloitte Top 200 Diversity and Inclusion Leadership award this year.

The programme's aim is to enable Māori to rise through the ranks within the company and place them in key leadership roles.

The infrastructure and integrated facilities services group has shown strength in the undertaking of the initiative, with it growing year-on-year with proven results.

Downer's 12,000 strong workforce is comprised of over 24 per cent Māori, with some business units and locations as high as 38 per cent.

Downer has expressed its intent over the past five years to increase diversity throughout the company, setting out to "create an environment where Māori culture is recognised and celebrated" and reporting a "significant change in our Downer culture, from the executive team through to our front-line employees".

The programme, created in 2014 and partnered with Te Puni Kōkiri, has been the catalyst for firm-wide cultural awareness and competence which has "subsequently evolved through the development of several initiatives that have firmly established the company as a leader in this area".

A total of 197 Downer employees have completed the Te Ara Whanake programme and a further 97 nominations were received for this year's programme — with 66 employees scheduled to take part.

Downer's EGM people & culture Jan O'Neill says the programme is ultimately about "inclusive knowledge and understanding, so we can be better partners for iwi and be a better member of New Zealand society that reflects the whole diversity of New Zealand".

The Deloitte Top 200 judges were impressed with the approaches taken to get to this point using pilot schemes before implementing the tried and tested programmes into the greater workspace.

"It is clear Downer has good D&I capability, having started the initial pilot in 2014. Although the work uses 'tried and true' models, they have articulated how they've tested different approaches through pilots, before then moving to the next iteration or activity. This is how innovation works — you try something and either build on success or try something different. A progression is evident in this entry."

O'Neill says: "For us, to be recognised that we are that people-centric business, that wants to recognise and develop the whole person, that's very important to us, it's very core to who we are as an organisation".

As the schemes have grown and to ensure alignment across the company, the Māori development advisory board Ngā Kaitiaki o Te Ara Whanake was created in 2016 for governance across all diversity and inclusion initiatives.

The board meets on a regular basis and comprises three executives alongside two participants from the pilot Te Ara Whanake programme.

One member of Ngā Kaitiaki o Te Ara Whanake is the company's kaumātua, Gabe Moana, who has been an employee at Downer for 40 years.

Learnings have been absorbed into everyday culture throughout Downer — te reo is now used more widely, meetings are opened with mihi, Māori blessings and other cultural practices are "becoming part of Downer's DNA".

"What we do at Downer has support from the very top of the organisation all the way through, it operates at all levels and I think that's our strength," says O'Neill.

During last year's senior leadership conference Te Ara Whanake alumni led a three-hour session to teach senior leaders the significance of tikanga, discuss the future of Māori in New Zealand along with mau rākau and waiata.

Downer says: "These cultural experiences have led participants to become active proponents of celebrating cultural diversity. It also created demand from non-Māori leaders to learn more which resulted in the creation of a new programme Te Ara Māramatanga".

This latest initiative from the company is a two-day marae-based immersion programme designed and facilitated by Downer's employees and "allows participants to experience Māori culture through living in this environment."

Due to the increase in initiatives a full-time role was created to support them — the position was taken up by Jarrod Telford, one of the first graduates of Te Ara Whanake in 2014.

Out of the first programme, nine of the 15 graduates were promoted within six months of the programme's completion, and there have been similar figures for subsequent programmes.

Downer says it strives "to build an engaged and productive workforce, providing an environment where people can bring their whole selves to work and differences are embraced".

The result of the initiative is "our Māori employees feel acknowledged and valued for who they are and are more confident to step up into leadership roles".

Winner and finalists: Downer's winning Te Ara Whanake programme in action; Stuff's cafe; Spark's MHAS logo.

Finalist: Spark

The Mental Health at Spark (MHAS) advocacy group is staff-led and began in November 2017 when a handful of the team got together wanting to create a more mentally healthy workplace.

This small group of like-minded individuals soon grew into a community of hundreds throughout the Spark workforce, with more than 650 people now involved and over half of Spark's 5000-strong team using the community's mental health content.

The group has six mental health champions who meet regularly to plan and undertake specific initiatives. One of the founding members, Grant Pritchard, says one of the big changes the organisation has seen is an openness among different teams and departments where they now feel more able to speak plainly.

But it's not just inside the organisation that MHAS is making a change — the positive impact of the group has spread externally. "We've had people reconnect with parents who are long estranged that had been AWOL since they were 5," says Pritchard.

Another example was an individual who was able to help a friend in a difficult situation: "that staff member was able to use some of the simple skills that we shared during our session to keep that person safe for now, so that they're here to recover," he says.

"They're not just leaving the door and going home and thinking about it, they're actually helping them with their families, helping them with their friends and their communities outside of Spark which we never could have foreseen."

The MHAS team are sharing learnings with the wider business community, working with other companies to help enable them to be a more open workplace when it comes to mental health and wellbeing.

This was commended by the judges: "They have also shared widely how they build that kind of community within the organisation."

The judges also praised the company for their "impressive" efforts towards creating a mentally healthy working environment, and the engagement level throughout the organisation where mental health is often "not easy to talk about in a workplace environment".

Asked what other organisations can do to open up the conversation around mental health, Pritchard says: "If you're not sure where to start, start by asking two questions: what are we saying about mental health and what are we doing about it?

"And if you don't like the answer to that, what are you going to do about it? It just takes a handful of people in an organisation and you don't need to be the head of HR, you don't need to be the health and safety leader, you don't need to be the CEO — although you can be. Just start a workplace leaning forward to a more mentally healthy future."

Pritchard says being recognised by the awards as finalist meant a great deal to the company, himself, and the team and the 60 volunteers who freely give up their time and energy to create events around mental health awareness:

"It's really heartening to see just the level of feedback I'm getting from people saying 'well done, you're doing the right thing'."

On being a finalist, he adds: "awards like this, they're not the cake. They're maybe not even the icing on the cake. Maybe only the dusting on the icing on the cake – because the number one thing is doing good things for our people in the space and helping them to thrive."

Finalist: Stuff

New Zealand media company Stuff has this year been recognised as a finalist in the Diversity and Inclusion Leadership award for their initiative, The Immersion Project.

The project sets out to "flip our prejudices and unconscious biases when it comes to employing — and deploying — people with disabilities or those perceived as different".

The programme was born seven years ago with the pilot initiative Creative Spirit, with an aim to focus on people's abilities, rather than their disabilities.

The Creative Spirit initially welcomed two team members to fill roles, born from the frustration of basic administrative and office-keeping duties being ignored. The programme "tapped into a ready, willing and able network of individuals who wanted to do those jobs".

Research within the organisation found a quarter of the New Zealand population lives with a disability but the employment rate for people with a disability is less than one-third of the rate of the "able-bodied".

The company says it is "duty-bound" to improve the level of diversity and inclusiveness in the workplace with the mission statement "helping Kiwis to connect and thrive in their communities.

Annamarie Jamieson, the group's people and culture director and founder of the project said the initiative's ultimate goal "is to have all our businesses reflect the diverse communities we serve."

The Immersion Project covers a range of internal initiatives, such as the Coffee Co-op, which opened in 2017 and is staffed by deaf baristas based in the company's Auckland office where customers use New Zealand sign language to place their orders. Other initiatives include the use of te reo throughout Stuff, and using a data-tracking system to ensure women are given the same promotional pathways as men.

There are now 100 people employed under the company's dedication to the Creative Spirit programme, including a deaf team member in the communications office, and one who uses a wheelchair in the Auckland-based newsroom.

Stuff says it "saw that by embracing our differences we gained a superpower to do things we'd never considered and to achieve outcomes we'd never anticipated."

The judges were impressed with the company's initiatives in this area — one that they noted "is often forgotten". They say Stuff regularly shares its learnings with other businesses, having shared the Creative Spirit template with more than 40 other organisations who in turn have employed around 50 workers through the scheme.

The judges also praised the group for "walking the talk in terms of mainstreaming the facility" and "the amount of work, time and energy they have been investing into building this into a programme to support nearly 40 other organisations".

Jamieson says Stuff hopes other business will follow their lead and "look honestly at their own workforce and ask the question 'how diverse are we, really?' And then get their creative juices flowing, think outside the square just a little, say yes instead of no."

Young Executive of the Year *sponsored by Eagle Technology*

James David — Datacom following a less traditional path

Natalia Rimell

James (Hemi) David was named Eagle Technology Young Executive of the Year due to his "huge vision, passion and outstanding leadership potential".

The judges were impressed by David's dedication to his career and corporate leadership, achieved by following a less traditional career path and admire the example he sets "integrating and celebrating his Māori culture within the corporate world".

David's career began following his completion of a conjoint degree in commerce and arts with quadruple majors in history, politics, management and international business, whilst also working full time as a customer retention team manager in order to fund his post-graduate masters in history. His dedication and focus earned him a first-class masters in 2011.

Just eight years on and David is the enterprise portfolio manager of Datacom.

In this short time, he has been in the roles of client executive and New Zealand channel leader at MessageMedia as well as cloud client executive and associate director for sales at Datacom. In each of these positions David expanded his teams and repeatedly exceeded targets.

David has consistently maintained his position as the premier account director in the Datacom New Zealand commercial sales organisation and for the fourth year running has exceeded his own personal targets by 150 per cent.

His position within the company allows him to help define strategy, build capability and deliver results that make a material difference to the global-reaching New Zealand technology firm.

David shows clear ambition for both his personal accomplishments and that of his teams, stating that "enabling and empowering others is incredibly rewarding".

He has been instrumental in the installation of the design and delivery of a targeted account planning process to the wider sales organisation across the country which has seen an uplift in personal results for all team members across the country, as well as increased collaboration and enhanced team culture.

Aiding the team to grow from three to 30 over the past three years has enabled and contributed to the growth of contracts from $25m a year to over $150m.

Alongside this he has doubled the company's pipeline growth from $300m to $600m in the past 12 months which support many lines of business reaching 6500 employees across New Zealand.

Streamlining service processes to customers has been high on David's agenda, allowing the end user to receive a more consistent experience than historically provided.

Another initiative David had a hand in was their annual "hackathon" event — previously an insular event, he increased its customer involvement across Australia and New Zealand close to four-fold, resulting in a service offering not provided elsewhere in the market by the corporation's competitors.

Bringing cultural changes into the workplace has also been key to David over the course of his employment with Datacom, having established changes including creating a platform for difficult discussions, creating data

to support metrics enabling the removal of "emotions" from the analysis.

On cultural shift throughout business in New Zealand, he says he'd "probably like to see more, to see diversity in all its forms," saying gender equality in the IT sector is improving: "it's not as good as it should be, but it's getting better.",

He says that getting Māori, Pacific Island and also other "diverse people of different ages" into different roles helps to "encourage different thoughts and ideas just to come to the fore." The principle of this is to allow for learning from failures and successes to be shared throughout the wider group.

David believes strongly in allowing individuals to create and exceed their own goals and has been a proponent of reverse mentoring, allowing everyone's voices to be heard, not just the top performers.

Family is an important catalyst to the way David perceives his role in the workplace and shows compassion to his team's own personal needs and family provisions outside of the business, noting "family and building a strong future for my children is central to my purpose."

"A big part of my own belief system is driving social equality both in the workplace and in the community more generally. I am incredibly passionate about helping minorities, including gender and cultural, have a voice and an opportunity to contribute."

He admits challenges within his role. At 31, he is the youngest in the team and one of a few with Māori heritage within the organisation, but says despite these factors — or maybe because — he feels ultimately they have served to allow him to "empower and encourage senior members in the team to deliver in a way that suits them but drives the outcomes that I want."

This passion for merging corporate and personal culture played a key part in the judges' decision: "Hemi provides a great example, integrating and celebrating his Māori culture within the corporate world. He is confident moving in both worlds and very focused on bridging that cultural divide to change the country for the better," said Liam Dann.

Finalist: James Magill, Genesis Energy

Executive general manager of retail markets for Genesis Energy, James Magill, joined the New Zealand-based energy firm nearly three years ago "setting off an extraordinary journey with many highs and lows," he says.

Successes include a 10 per cent lift in retail profit, a further reduction in customer turnover and the company's recent announcement it is investing in an electric car start-up.

McGill's graduated from Aston University in the UK in 2006 and was accepted into the general management graduate programme at Centrica, a global energy utility and parent of British Gas. This was a formative period covering sales, operations and mergers and acquisitions

both in the UK and North America.

Magill completed a corporate finance diploma and spent three years as a commercial analyst and business development manager at British Gas, leading to a role in Centrica as the corporate development manager. He travelled to Spain to complete his master of business administration, achieving the dean's list for his academic ranking.

He then moved to Australia where he transitioned from corporate finance and strategy to immerse himself in building businesses with a focus on lean product design and customer experience.

Magill says having the opportunity to study and work in other countries has been one of the most rewarding aspects of his career: "It's fun to get to know different customs, people and understand how the same thing can be achieved in different ways."

At Genesis, he leads the corporations product development, digital innovation and architecture, sales, brand and marketing teams with the aim of re-imagining energy for customers.

Magill's contributions at Genesis include aiding the development of Energy IQ (a web and mobile experience giving customers insights on their energy usage), the development of Genesis Power Shout (where blocks of energy are gifted to customers) taken up 150,000 customers, a reduction in customer churn in the last 18 months as well as seeing growth in market share of targeted B2B sectors.

Magill says the challenges in his role and industry are balancing the need for performance while transforming: "I think the energy industry, like others, is ripe for disruption and I want to ensure Genesis is doing all that it can to disrupt itself."

The judges praised Magill on his integration of his "bigger picture roles into his business role", with Theresa Gattung summarising: "He is an articulate advocate for his company and his industry playing a transformational role in New Zealand and the world."

Finalist: Amelia Rentzios, OMV

Graduating with a bachelor of chemical and materials engineering in Auckland, Amelia Rentzios' career began with a whistle-stop tour of the world, starting first in the US, then continuing in the Netherlands before she returned and settled into her role as plant manager for OMV's Maui Production Station in Taranaki.

Back in 2005 Rentzios was selected for the L'Oreal Graduate Programme and worked in the New York head office developing new products for the Maybelline brand. From there she became the conglomerate's production planner and scheduler in one of their manufacturing plants, which provided an opportunity to assess and optimise performance of the production lines.

In 2009 Rentzios joined the Shell Graduate Programme in the Netherlands and chose Production Operations as her future career path.

She overcame challenges that came with being the only foreigner, woman and one of the youngest in the 200-strong team, gaining credibility and trust by learning to speak and write in the local dialect which ultimately led to her having the opportunity to lead a team of her own. She said this was imperative to enabling her to build relationships and trust within her team: "because it was ops and because I was in leadership, I had to be able to build relationships, I had to be able to communicate and it helps learning the language."

By 2013 she had become Shell's senior operations team lead following a year in the role of production programmer.

In this new role she was responsible for the highest producing cluster of facilities in the asset which included five gas processing facilities and 15 satellites facilities.

Ten years after her career began, Rentzios was seconded into the business improvement team to develop and work on a portfolio of initiatives for the asset which contributed to significant cost savings.

Rentzios said working overseas in different cultures and environments helped shape her leadership style.

"To be able to lead effectively in different work environments and different cultures, you have to be able

to communicate effectively and build relationships, be adaptable."

Now at OMV — New Zealand's second largest supplier of gas — she is accountable for the delivery of the plant, execution of maintenance and project work and the development of the team. She says her biggest challenge is "running the plant in in a safe and cost-efficient way".

Rentzios has overseen the company's backlog of safety-critical maintenance jobs reduced from 47 in January 2019 to zero by August 2019, established a maintenance and inspection co-ordinator role and implemented a new initiative around behavioural safety.

She is "committed to promoting a culture of care and our goal is zero harm to people or environment.

"The way I develop strategy for the longer term, the sustainability of Maui, that's defined by the environment around me."

She keeps the Māori proverb 'Whatungarongaro te tangata, toitū te whenua' at the fore: "it basically says 'if a man disappears from sight, the land remains': that's a perspective I absolutely have in life and career."

With few women in her industry, Rentzios created the Young Energy Professionals Network which enables like-minded women to share their experiences while supporting and encouraging one another.

The judges commend Rentzios on her passion "working within the industry to deal with demise of carbon-based energy while also advocating for her industry" as well as "working actively to broaden the role of women within the industry, maintaining internal networking group for female employees".

Rentzios says her primary goal is to "establish myself in the energy industry as a future leader and voice on our pathway in the energy transition" coining the term "energy influencer" and wants to "shape the energy transition in New Zealand."

Visionary leader — *sponsored by NZ Herald Premium*

Dame Fran Wilde

Graham Skellern

In a colourful political and business career, Dame Fran Wilde displayed an unrelenting attitude to getting things done and making a difference.

Wilde, the former Labour Cabinet Minister and Wellington Mayor, couldn't be pigeonholed. She fought for an improvement in social wellbeing and she pushed for development of much-needed infrastructure. She wanted to improve the country's tourism image.

She saw opportunities — taking on tough issues — rather than carrying out an engrained personal agenda. Wilde was passionate and energetic, and she wanted to make her hometown Wellington and the country a better place.

"Her big ideas didn't always succeed. Her drive for local government reform in the Wellington region is a case in point.

Wilde once said: "I've never had the motivation to end up the Prime Minister or anything for the sake of it. I just do stuff that needs to be done."

Her varied work and accomplishments were rewarded when she was named the NZ Herald Premium Visionary Leader in the Deloitte Top 200 awards last night.

Judge Dame Alison Paterson said Wilde was a remarkable woman. "She's strategic and clear-sighted, she is highly intelligent and motivated to do things for her community which is Wellington. She has succeeded at a whole variety of levels — political, national, local body and governance. She is not self-interested and doesn't do everything for money.

"She does things that are worthwhile. She sees opportunities that are good for the country and the community and is prepared to invest time and effort to help out, paid or unpaid.

"Fran is nowhere near retirement — she is still very active (she's chair of Te Papa) and New Zealand and Wellington is lucky to have someone with so much energy."

Paterson said Wilde had contributed substantially to the nation over a long period and her damehood (in 2017) was late in coming.

"I think the totality of her contribution over four decades has been under-rated and it's great to celebrate Fran who has been a visionary and hasn't been truly acknowledged.

"She has been absolutely instrumental in leading the country's course with her tremendous vision, bold leadership and proven ability to get things done."

Wilde, who started her career as a journalist and became the MP for Wellington Central from 1981 to 1992, shot to national prominence when in 1985 she introduced her private member's bill to reform and decriminalise New Zealand's homosexual law.

The move ignited 16 months of fiery debate. She had hate mail and death threats. Wilde recalled: "The opposition to it was rabid. There were demonstrations on the street, there were rallies, they preached from church pulpits. There were letters — I had thousands of letters — and I replied to every single last one of them."

On the night of July 9, 1986, the public gallery of the House of Parliament was packed with pro-bill supporters and an anti-bill vigil was held outside as the MPs prepared to cast their conscience vote.

An 800,000-signature petition had been presented against the bill and the atmosphere in the House was tense as no one was sure of the outcome. The bill passed its final reading 49 votes to 44 and the Homosexual Law Reform Act came into effect on August 8, 1986.

The act decriminalised sexual relations between men aged 16 and over. No longer would men having consensual sex with each other be liable to prosecution and imprisonment.

Wilde justifiably felt a great sense of achievement in ridding the country of a cruel injustice. The reform movement pricked the issue of social discrimination.

The homosexual act was passed without the section to outlaw discrimination on the grounds of sexual orientation but that change was achieved in 1993 with the passing of the Human Rights Bill. In Parliament Wilde also campaigned for the recognition of rape within marriage, a nuclear-free New Zealand and successfully sponsored the Adult Adoption Information Bill that made it possible for adopted children and birth parents to contact each other.

Having adopted three children herself, Wilde thought it unfair the law blocked them from finding out more about their biological parents.

During the fourth Labour government's second term from 1987-90 Wilde was Minister for Disarmament and Arms Control — a tricky post given the party's nuclear free stance — and Associate Minister of Foreign Affairs and Trade.

She was also Minister of Tourism putting together a ground-breaking (for the time) marketing joint venture between the government and the large sector operators — which was the foundation for New Zealand's modern tourism campaigns.

She moved money within the portfolio to do something about the dismal service in the tourism sector and KiwiHost was born.

Changing face of Wellington

Wilde left Parliament to successfully stand as the first female Mayor of Wellington — and she didn't waste any time in changing the face of the capital city and its reputation of being dull and boring.

She broke Wellington City Council's 20-year impasse on a new sewage plant and signed up the first modern public-private partnership in local government to get it built.

She made sure the first district plan under the Resource Management Act opened up the inner city for residential development and brought life to the streets, such as Courtenay Place. She declared Wellington a Peace Capital in 1993.

She championed the waterfront development and later chaired the company that delivered the award-

FRAN WILDE IN PARLIAMENT: With women MPs after an anti-abortion bill is voted down in 1983; with new Lange cabinet members in 1984; congratulations after the passing of the Homosexual Law Reform Bill in 1986.

Wilde achievements

- MP for Wellington Central 1981-92
- Labour's junior Parliamentary Whip 1984-87; Minister of Tourism, Minister for Disarmament and Arms Control, Associate Minister of Foreign Affairs and Associate Minister of External Relations and Trade during 1987-1990 term; Labour spokesman for Foreign Affairs and Tourism 1990-92
- Successfully sponsored Homosexual Law Reform and Adult Adoption Information Bills in 1985
- First woman Mayor of Wellington 1992-95; pushed for development of Westpac Stadium, waterfront, city wastewater plant and renewal of core infrastructure (water and wastewater pipes); founded Tourism Wellington and introduced "Absolutely Positively Wellington" brand
- Chief executive New Zealand Trade Development Board 1997 to February 2003; leading a focus on efficiency and client satisfaction
- Chairperson of Greater Wellington Regional Council 2007-15; campaigned for a start of the Transmission Gully motorway (now being completed)
- Helped develop new-look Wellington Regional Policy Statement and initiated Te Upoko Taiao Natural Resource Plan Committee, a 50/50 partnership with regional iwi
- Chaired 2013 Ministerial Expert Advisory Group on Local Government Infrastructure
- New Zealand representative on APEC Business Advisory Committee for three years
- Chaired NZ Digital Development Council and Business Capability Partnership; director of Business Mentors NZ
- Chaired Regional Rights Resource Team (a human rights programme of the Pacific Community, established 1995 with funding from UK's International Development department)
- Chief Crown Negotiator for three Treaty of Waitangi claims, the latest one with Moriori (Chatham Islands)
- Previous boards as Chair — Housing New Zealand, NZ Food Safety Advisory Board, Wellington Waterfront, Wellington on a Plate, NZ International Arts Festival, Unicef NZ
- Previous boards as director: NZ Transport Agency, Natural Gas Corporation, The Lion Foundation, Brierley Investments, Humanware, NZ School of Music, Transit NZ
- Chair of Te Papa Tongarewa national museum, Remuneration Authority, Wellington's resilience planning group Lifelines, and KiwiCanDo initiative to place young people in construction industry; deputy chair Capital Coast District Health Board; director of Frequency, a specialist advisory and management consultancy
- BA in political science from Victoria University and started her career as a journalist
- Awarded New Zealand Suffrage Centennial Medal in 1993; appointed a Companion of the Queen's Service Order in 1996, a Companion of the New Zealand Order of Merit in 2012 New Year Honours for services to local body affairs and the community, and became Dame Companion in 2017 for services to the State and the community

Visionary Leader

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— a talent for getting things done

winning designs. She pushed for planning and delivery of the regional 34,500-seat Westpac Stadium – known as the 'cake tin' – behind the railway station. The elevated access to the stadium's entrance is known as the "Fran Wilde Walk".

Wilde founded Tourism Wellington and backed it up with other initiatives that literally transformed Wellington — not only in tourism but also underpining its emergence as a thriving cultural and innovative city especially in high tech.

Wilde encouraged the council to purchase and refurbish the St James Theatre to house the Royal New Zealand Ballet.

She might have a walk dedicated to her name but the now famous "Absolutely Positively Wellington" brand can also be attributed to her. Wilde decided to have only one term as mayor, but her fingerprints are all over the city.

After handing over the mayoral chains, Wilde entered the business world and became chief executive of New Zealand Trade Development Board, leading a focus on efficiency and client satisfaction.

She won a Baldrige Business Excellence Award for her work in promoting New Zealand exports. She represented the country on the APEC Business Advisory Council with former Cabinet Minister Philip Burdon and the late Sir Douglas Myers. She also chaired the APEC Food System Committee.

Wilde maintained her interest in human rights and chaired the Regional Rights Resource Team (RRRT) operating in the South Pacific. The human rights programme of the Pacific Community was established in Fiji in 1995.

Fighting for regional planning

Politics again called and Wilde was elected to the Wellington Regional Council in 2004, becoming chair for three years and signalling another tumultuous period.

She improved rail travel and she initiated the first regional natural resource plan in a 50/50 partnership with local iwi and supported by farmers. She championed the Transmission Gully motorway to bypass "the appalling State Highway 1 which could be taken by the sea at any time."

She regarded Transmission Gully as a critical resilience project for the region, and the new motorway is now being built.

She pushed for council amalgamation to create a Wellington Supercity and came unstuck. Like the homosexual law reform, it attracted much debate and the Local Government Commission rejected the proposal.

That decision encouraged fellow councillors to write a letter to Wilde asking her to stand down as chair – which she did at the end of June 2015. She stepped away from the regional council a year later.

In a letter to Wellingtonians published as an advertisement in the *DominionPost*, Wilde said: "As a strong advocate of regionwide decision-making in big issues such as infrastructure and planning, I felt it was important to fight for what I believed in, even when the odds were stacked against me. With my passion for Wellington and New Zealand undiminished, I am looking forward to life after local government. I want to continue to craft a better future for our community.

"There have been suggestions from some people that I should stay on or run for mayor. Thank you for your confidence but there is no going back, only forward to new challenges," said the former Wellingtonian of the Year.

Planting native trees as chair of the Greater Wellington Regional Council.

These challenges now include chairing the Remuneration Authority; the Wellington Lifelines group, which co-ordinates infrastructure planning and investment to improve resilience against earthquakes; and the Te Papa Tongarewa national museum.

The latter has gone a full circle because as MP 25 years ago she persuaded her caucus colleagues to support the idea of a new national museum and personally negotiated a waterfront site.

Wilde has been the Chief Crown negotiator for Treaty of Waitangi claims and she has just successfully completed her third – the Moriori (Chatham Islands). She is also deputy chair of the Capital Coast District Health Board; a director of Frequency specialist advisory and management consultancy with offices in Auckland, Tauranga, Wellington, Christchurch and Queenstown; and chair of KiwiCanDo. Her social conscious is operating again.

The government-funded KiwiCanDo programme offers a free training, recruitment and placement service particularly in the construction industry, which is suffering from a skills shortage.

Supported by Work and Income, the programme gets young people off the dole and into work. KiwiCanDo matches cadets with employers and stays in touch for three months – twice weekly in the first four weeks and monthly after that. The KiwCanDo courses deliver work ethic, employers' expectations of workers, importance of workplace communication and teamwork, and career pathway and qualifications.

Wilde, now 71, lives with her husband Chris Kelly, former chief executive of Landcorp, in Wellington and they spend much of their free time at their holiday home near Greytown in the Wairarapa. She is proud of her large vegetable and flower garden there.

Who knows what Dame Fran Wilde will do next? Whatever, it will be interesting – because throughout her career she has been at the forefront of national conversations as New Zealand's identity has evolved.

The Deloitte Top 200 judges


Liam Dann


Chris Moller


Theresa Gattung


Scott Pickering


Jo Cribb


Anne-Maree O'Connor

LIAM DANN
Young Executive of the Year Judge
Liam Dann is the Business Editor-at-Large for *The New Zealand Herald* and the host of *The Economy Hub*.
An award-winning business journalist, his passion is for markets and economics, because they are the engine of the New Zealand economy.

CHRIS MOLLER
Young Executive of the Year Judge
Chris Moller is a former chair of Meridian Energy and SkyCity Entertainment. He was QBE Insurance Chairperson of the Year at the 2016 Deloitte Top 200 awards. Prior to his governance career, he was CEO of the NZ Rugby Union.

THERESA GATTUNG CNZM
Young Executive of the Year Judge
Theresa Gattung is a leading NZ business personality, co-founder of My Food Bag and a former CEO of Telecom NZ.
In 2015 she was made a Companion of the New Zealand Order of Merit for services to business and philanthropy.

SCOTT PICKERING
Diversity & Inclusion Leadership Judge
Scott Pickering joined the Accident Compensation Corporation as chief executive in May 2013, following a 25-year career as a senior leader in the global insurance industry. He is also non-executive director for Chubb Insurance in Australia and NZ, and a shareholder director in Kiwibank. Scott's driving philosophy is to ensure the organisations he's involved with always deliver quality customer service and outcomes. That can only be achieved when a business is truly inclusive, champions accessibility, and recognises differences and diversity as a strength.

JO CRIBB
Diversity & Inclusion Leadership Judge
Jo Cribb is an experienced gender and leadership consultant who is regularly asked to facilitate strategy sessions with leadership teams. Recent assignments include working with the leadership team of the NZ Defence Force to develop strategies to increase the gender diversity of the forces, and completing a gender analysis of immigration policy.
Jo was formerly a chief executive of the Ministry for Women.

ANNE-MAREE O'CONNOR
Business Sustainability Leadership Advisor
Anne-Maree O'Connor is Head of Responsible Investment for the NZ Superannuation Fund. She is a board member of the RI Association Australasia and is a recipient of the Women of Influence 2017 award in the Board and Management category.
Anne-Maree has over 20 years of experience and has held senior roles in the RI and corporate responsibility field including MD of CoreRatings and Associate Director RI at Morley Fund Management.

"New developments in machine intelligence will make us far far smarter as a result, for everyone on the planet. It's because our smart phones are basically supercomputers."
Eric Schmidt — Google

"The benefits of getting women connected often outweigh the benefits of getting men connected because they will put their investments back into the education and health care of their children."
Sheryl Sandberg — Facebook

Another bumper year

New Zealand's Top 200 companies have performed strongly over the past year, with increasing revenues, profits and total assets, writes **Tim McCready**

DELOITTE TOP 200

The high-level view of the 2019 Deloitte Top 200 Index shows total revenues for Top 200 companies increasing from $185,580m in 2018 to $192,951m in 2019 – an increase of 4.0 per cent. This compares to a 4.5 per cent increase seen in the 2018 Index.

The increase in total revenues has also driven an increase in underlying earnings (EBITDA), from $26,192m in 2018 to $27,673m in 2019. This is an increase of 5.7 per cent, compared to a 5.8 per cent increase in 2018.

The EBITDA margin, an assessment of operating profitability as a percentage of total revenue (total EBITDA/total revenue), remained relatively constant between 2018 (14.1 per cent) and 2019 (14.3 per cent).

Total profits after tax have increased from $9,593m in 2018 to $10,198m in 2019. This is a 6.3 per cent increase year-on-year compared to a 7.2 per cent increase in 2018.

Net profit margin (profit after tax/total revenue) stayed relatively constant between 2018 (5.2 per cent) and 2019 (5.3 per cent).

Total Assets have increased from $232,324m in 2018 to $243,476 in 2019, which is a 4.8 per cent increase and compares to a 6.2 per cent increase in 2018.

The number one spot in the Top 200 Index has been held by Fonterra since its formation in the early 1990s. Its revenue declined by 1.6 per cent during the year to $20,114m. This slight decrease is mainly due to changes in Fonterra's product mix.

The 200th ranked entity on the Top 200 Index in 2019 is now Juken, with revenue of $206m. Last year's 200th ranked company, NZ Investment Holdings, missed the cut for 2019 with a revenue of $191m. This is a 7.9 per cent increase in revenue between the 200th ranked companies year-on-year.

Fonterra (1st) and Fletcher Building (2nd) have held the top two spots in the Deloitte Top 200 for the past four years. These two companies are ranked 199th and 11th, respectively, in terms of profit after tax after Fonterra made a loss of $605m and Fletcher Building has made a profit of $259m.

Fonterra's losses have largely been a result of asset write-downs of $826m, mainly on its offshore businesses. The write-downs include a $203m impairment of its China Farms investment and $237m on its New Zealand foods service business.

Fletcher Building returned to a profit due to the successful execution of the first year of its five-year strategy aimed to refocus and grow the business.

The revenue gap between these top two companies reduced slightly, as Fonterra's revenue decreased by 1.6 per cent while Fletcher Building's revenue increased by 1.2 per cent.

Woolworths moved to fourth place overall, trading places with Foodstuffs NI which is now in 12th place. In 2019, these companies reported revenue of $6,727m and $3,332m respectively. Foodstuffs NI dropped to 12th place as a result of the adoption of NZ IFRS 15 which changes the way revenue is recorded in the financial statements.

The top ten has remained quite consistent, with the only new entrant being Meridian Energy which has now claimed the tenth spot, replacing BP (which is now ranked eighth). Meridian Energy has reported revenue of $3,491m in the current year while BP has reported revenue of $3,699m. The rise in Meridian energy's revenue is primarily from strong hydro conditions and higher wholesale market prices.

The overall increase in revenue this year has been reflected in the Government's tax take from the companies that comprise the Top 200. Tax paid increased 6.0 per cent on last year's figure, from $3,563m to $3,777m - contributing to the coalition government's bumper surplus.

Deloitte Top 200 Index

	2019 $m	2018 $m	% change
Revenue	192,951	185,580	4.0
EBITDA	27,673	26,192	5.7
Tax paid	3,777	3,563	6.0
Profit after tax	10,198	9,593	6.3
Total assets	243,476	232,324	4.8
Total equity	110,898	106,118	4.5

Deloitte Top 30 Financial Institutions Index

	2019 $m	2018 $m	% change
Revenue	26,954	25,883	4.1
EBITDA	9,131	8,403	8.7
Tax paid	2,440	2,265	7.7
Profit after tax	6,210	5,734	8.3
Total assets	551,020	529,621	4.0
Total equity	46,117	44,987	2.5

Māori business growth continues

Growth in Māori business is good for all Aotearoa NZ says **Lee Gray**

Deloitte Top 10 Māori Business Index

	# 2019	# 2018	Name	Total assets $m	Total assets % change	Return on assets	Total equity $m	Return on equity	Profit after tax $m	Balance date
-	1	1	Ngāi Tahu	1,930	0.8	(0.8)	1,611	(1.0)	(16)	Jun-19
-	2	2	Waikato Tainui	1,446	5.6	3.5	1,246	4.0	49	Mar-19
-	3	3	Ngāti Whātua ki Ōrākei	1,189	9.5	7.1	934	9.0	81	Jun-18
-	4	4	Moana NZ	554	2.1	3.9	450	4.8	21	Sep-18
-	5	5	Tuhoe Te Uru Taumatua	365	4.8	4.2	360	4.3	15	Mar-18
-	6	6	Parininihi ki Waitotara (PKW)	316	(1.7)	4.7	257	6.0	15	Jun-19
▲	7	8	Pukeroa Oruawhata	281	23.5	11.5	159	20.2	29	Mar-18
▼	8	7	Ngāti Porou	243	4.7	5.1	223	5.6	12	Jun-18
-	9	9	Te Wānanga o Aotearoa	206	4.7	(2.4)	190	(2.7)	(5)	Dec-18
-	10	10	Toa Rangatira	202	8.9	7.7	200	7.8	15	Jun-18

The continued growth of the Māori asset base has a positive impact for all of Aotearoa New Zealand, and flows to our regions.

As part of our celebration of Aotearoa New Zealand's largest businesses, Deloitte recognises 10 prominent Māori organisations, based on total assets.

This year's Deloitte Top 10 Māori Business Index has shown a significant growth in assets across the organisations included.

Collectively, the top 10 now represents over $6.7 billion in assets, up from $6.4 billion in 2018. There has been minimal change in each organisation's individual ranking on the index this year, with Ngāi Tahu again coming out on top, falling just shy of the $2 billion mark at $1.9 million in assets.

The most significant growth this year came from Rotorua-based Pukeroa Oruawhata, which experienced a 23.5 per cent increase in assets and saw it move from 8th to 7th in the rankings. This was followed by Ngāti Whātua ki Ōrākei (9.5 per cent increase) and Ngāti Toa Rangatira (8.9 per cent increase).

Much of this growth is due to property. Pukeroa is seeing the benefits of completing its Kmart, Whare Aroha and Haupapa House projects, which have helped contribute to its substantial growth this year and will continue to garner considerable and sustainable returns in coming years.

Property values have also contributed to the growth of Ngāti Whātua ki Ōrākei's asset base, as has its entry into the tourism market. Projects such as Koi Café on Bastion Point has provided a solid basis for Ngāti Whātua's tourism efforts, and the sector presents an exciting opportunity for the organisation moving forward.

Finally, Ngāi Tahu is also feeling the positive effects of the property market, alongside a new aquaculture project.

Due to Māori organisations' focus on sustainability and social responsibility, the continued growth of the entities on the Deloitte Top 10 Māori Business Index therefore has strong positive outcomes for Aotearoa New Zealand.

All of the entities on our index pursue social responsibility initiatives for the benefit of their communities. Ngāti Porou in East Cape and Gisborne provides a range of social and community services for its members with the aim of socially and culturally empowering people living in the area. This includes Whānau Oranga, a social services group that aims to lift the quality of life and socio-cultural status of its whānau members. It does this by social workers in schools, running restorative justice and tiaki tangata (prisoner reintegration) programmes, offering counselling and one-to-one budget advice, as well as a number of other projects.

Meanwhile Pukeroa Oruawhata Group's contributions to Rotorua were acknowledged at this year's Westpac's Business Excellence awards, where the Group received the Rotorua Lakes Council's Outstanding Contribution to Rotorua Award. This demonstrates how strong partnerships with Iwi strengthen our communities.

Many of our Top 200 organisations are designing their businesses around long-term strategies that incorporate social and environmental goals. The inclusion of our new Sustainable Business Leadership award at the Top 200 Awards reflects this.

One of the Government's key priorities is to build a productive, sustainable and inclusive economy in Aotearoa New Zealand.

We can only do this with strong Aotearoa New Zealand-owned companies that are experiencing significant growth – the companies in the Māori business index are doing this. The result is positive effects not just for the economy, but for society and Aotearoa New Zealand as a whole.

DELOITTE TOP 200

Top profits

Shell (50th in the Top 200 Index) reported the top profit for 2019 at $1,397m, with its profit after tax up 273 per cent from $374m in FY18. This increase can be attributed to significantly lower depreciation, amortisation and taxation expense in the current year.

This $1,397m top profit compares to the 2018 figure of $650m from Auckland Airport – an increase of 114.9 per cent for top profit.

In line with this, the average profit after tax in the Top 200 Index has increased from $45.9m in FY18 to $51.0m in FY19 – an 11.1 per cent increase.

Kaingaroa Timberlands (66th) have retained second place in terms of profit from last year's Index.

Auckland Airport (60th), which achieved last year's top profit, ranked third in 2019. This is despite a 19.4 per cent decrease in profit after tax from $650m in 2018 to $524m in 2019, due to a significant gain arising from the sale of investments in North Queensland Airports in the prior year.

Spark (9th) ranked fourth in 2019, with profit after tax increasing by 12.1 per cent to $409m in 2019.

Mercury (22nd) jumped from 12th place in 2018 to fifth place in 2019. Its profit after tax increased by 52.6 per cent from $234m in 2018 to $357m in 2019.

Meridian Energy (10th) climbed from 13th place in 2018 to sixth place in this year's index, with profit increasing by 68.7 per cent from $201m to $339m.

#	Name	$m
1	Shell[2]	1,397
2	Kaingaroa Timberlands	584
3	Auckland Airport (NZX:AIA)[2]	524
4	Spark (NZX:SPK)[1,3]	409
5	Mercury (NZX:MCY)[1,3]	357
6	Meridian Energy (NZX:MEL)[2]	339
7	Ryman Healthcare (NZX:RYM)[2]	326
8	A2 Milk (NZX:ATM)[1]	288
9	Air NZ (NZX:AIR)[1]	270
10	Lotto NZ[3]	261
11	Fletcher Building (NZX:FBU)[1]	259
12	Transpower[1]	258
13	Matariki Forestry[1]	240
14	Taumata Plantations[2]	214
15	F&P Healthcare (NZX:FPH)[2]	209
16	Pacific Aluminium[2]	207
17	Z Energy (NZX:ZEL)[2]	186
18	Woolworths[2]	182
19	Zespri[2]	180
20	BP[2]	179

Biggest losses

The biggest loss for 2019 was reported by Sky Network TV (57th in the Top 200 Index), with a loss of $608m. This is a 152.3 per cent increase in its $241m loss in 2018, where they also reported the biggest loss among Top 200 companies.

This further loss for Sky TV is due to a decision to write off $670m in goodwill and the costs of an abandoned technology project. In addition, Spark is now competing with Sky TV, and bought broadcasting rights to a wide range of sports including this year's Rugby World Cup.

Fonterra (ranked first in the Top 200 Index) is the second biggest loss-maker this year, recording a loss of $605m. Fonterra was the third biggest los- maker in 2018, reporting a net loss of $196m. This loss is mainly due to writedowns which included a $203m impairment of its China Farms investment and $237m on its New Zealand food service business.

KiwiRail (61st) and NZ Post (48th) have the third and fourth biggest losses in 2019. KiwiRail reported a loss of $325m compared to a $236m loss in 2018, while NZ Post – a new entrant to the biggest losses index – reported a loss of $121m, compared to a $13m profit in 2018.

NZ Post's loss can be attributed to a continuing decline in letter volumes, along with several significant adverse adjustments in the current year. This includes a $51m write-down of mail assets, a $38m holiday pay remediation provision and derecognition of a deferred tax asset of $59m.

Fletcher Building (2nd) and Millstream Equities (163rd) no longer hold spots on the losses index.

In the current year, Fletcher Building has reported a profit of $259m while Millstream Equities has reported a profit of $10m.

#	Name	$m
1	Sky TV (NZX:SKT)[1]	(608)
2	Fonterra (NZX:FCG)[1]	(605)
3	Kiwirail[2]	(325)
4	NZ Post[2]	(121)
5	Stuff	(74)
6	Tegel[2]	(65)
7	Haier[1]	(55)
8	Xero (ASX:XRO)[1,3]	(27)
9	ANZCO Foods[2]	(27)
10	Kerbside Papers	(24)
11	Goodman Fielder[2]	(15)
12	Asaleo Care[2]	(11)
13	Landcorp[2]	(11)
14	Oceania Dairy[2]	(10)
15	Toll[2]	(10)
16	Mondelez[2]	(6)
17	Mediaworks[1]	(6)
18	Toyota[2]	(4)
19	City Care[2]	(1)
20	Emirates[2]	(0)

	# 2019	# 2018	Name	Revenue $m	Revenue % change	EBITDA $m	EBIT $m
-	1	1	Fonterra (NZX:FCG)[1]	20,114	(1.6)	1,115	(10)
-	2	2	Fletcher Building (NZX:FBU)[1]	8,308	1.2	647	445
-	3	3	EBOS Group (NZX:EBO)[1]	7,393	(2.5)	267	233
▲	4	5	Woolworths[2]	6,727	4.5	421	291
▼	5	6	Air NZ (NZX:AIR)[1]	5,785	5.3	968	405
▲	6	8	Z Energy (NZX:ZEL)[2]	5,405	18.9	374	252
-	7	7	Fulton Hogan[1]	4,674	(0.0)	368	256
▲	8	10	BP[2]	3,699	17.1	298	261
-	9	9	Spark (NZX:SPK)[1,3]	3,518	(0.1)	984	579
▲	10	13	Meridian Energy (NZX:MEL)[2]	3,491	26.4	836	555
▲	11	14	ExxonMobil[1]	3,371	25.7	107	93
▼	12	4	Foodstuffs NI[1]	3,332	n/a	n/a	153
▼	13	11	Foodstuffs SI[2]	3,136	2.1	n/a	18
▲	14	16	Zespri[2]	3,104	28.4	264	250
▼	15	12	Warehouse Group (NZX:WHS)[2]	3,071	2.6	169	103
▲	16	15	Mainfreight (NZX:MFT)[1]	2,953	12.9	256	199
▲	17	18	Genesis Energy (NZX:GNE)[1]	2,701	17.3	358	150
▲	18	20	Contact Energy (NZX:CEN)[1,3]	2,445	13.8	509	304
▼	19	19	Silver Fern Farms[2]	2,384	10.4	32	10
-	20	21	Downer Group	2,128	40.2	87	56
-	21	22	Vodafone[1]	1,962	(3.4)	361	45
-	22	23	Mercury (NZX:MCY)[1,3]	1,957	11.8	709	505
▲	23	25	Alliance Group	1,768	15.3	38	18
▲	24	27	ANZCO Foods[2]	1,653	13.8	(17)	(28)
▲	25	28	Toyota[2]	1,362	(2.9)	12	(0)
▼	26	24	Infratil (NZX:IFT)[1]	1,333	11.0	504	285
▲	27	33	Oji Fibre Solutions[2]	1,326	12.8	181	51
▲	28	30	Vector (NZX:VCT)[2,3]	1,319	(0.7)	540	258
▲	29	47	A2 Milk (NZX:ATM)[1]	1,304	41.4	416	412
-	30	31	Datacom[2]	1,293	2.2	92	61
▲	31	34	Bunnings	1,244	11.2	92	59
▲	32	37	Open Country Dairy	1,229	11.7	64	35
▲	33	36	T&G Global[1]	1,188	11.2	48	25
-	34	35	Haier[1]	1,173	4.6	78	12
▲	35	38	Bidfood[1]	1,161	5.6	87	74
▼	36	17	Farmlands[1,3]	1,148	3.2	22	10
-	37	-	Lotto NZ[3]	1,113	(5.7)	267	258
▲	38	42	F&P Healthcare (NZX:FPH)[2]	1,070	9.1	332	290
▲	39	46	Trustpower (NZX:TPW)[2]	1,030	8.8	216	158
▲	40	49	Synlait Milk (NZX:SML)[2]	1,024	16.5	150	123
▼	41	39	Transpower[1]	1,017	(5.0)	803	540
▲	42	44	Harvey Norman	1,002	5.1	n/a	54
▼	43	41	Chorus (NZX:CNU)[1,3]	970	(2.0)	658	240
▲	44	45	Goodman Fielder[2]	956	0.4	12	(7)
▲	45	55	Apple	917	13.0	37	37
▲	46	54	Ballance Agri-Nutrients[2]	910	10.3	54	18
▲	47	48	Colonial Motor (NZX:CMO)[2]	907	0.5	43	39
▲	48	50	NZ Post[2]	897	3.7	(5)	(90)
▲	49	51	Tasman Steel	881	(1.6)	158	111
▼	50	43	Shell[2]	866	(10.8)	1,498	1,425

Profit after tax				Total assets			Return on assets	Total equity		Return on equity	Debt to equity	Balance date
#	$m	%	% change	#	$m	% change		#	$m			
199	(605)	(3.0)	(208.7)	1	17,074	(5.7)	(3.4)	3	5,881	(9.9)	1.9	Jul-19
11	259	3.1	213.6	6	7,710	(9.8)	3.2	5	4,173	6.2	0.8	Jun-19
25	146	2.0	(3.5)	18	3,349	4.2	4.4	19	1,296	11.8	1.6	Jun-19
18	182	2.7	5.8	17	4,023	0.7	4.5	13	2,092	8.9	0.9	Jun-19
9	270	4.7	(30.8)	5	7,756	(1.1)	3.5	14	2,089	12.7	2.7	Jun-19
17	186	3.4	(29.3)	23	2,847	1.5	6.6	28	920	20.9	2.1	Mar-19
21	174	3.7	(3.6)	20	2,983	18.2	6.3	26	1,071	17.1	1.8	Jun-19
20	179	4.8	(26.2)	35	1,488	(18.5)	10.8	62	440	32.5	2.4	Dec-18
4	409	11.6	12.1	16	4,095	6.5	10.3	17	1,465	27.7	1.8	Jun-19
6	339	9.7	68.7	3	9,657	11.9	3.7	4	5,457	6.6	0.8	Jun-19
50	59	1.8	(59.4)	53	1,035	3.7	5.8	90	256	21.8	3.0	Dec-18
32	96	2.9	399.2	24	2,810	2.2	3.5	30	875	11.6	2.2	Mar-19
142	8	0.3	(8.1)	43	1,293	7.9	0.7	70	396	2.1	2.3	Feb-19
19	180	5.8	76.6	80	677	28.3	29.9	101	214	94.1	2.2	Mar-19
42	67	2.2	145.2	52	1,051	0.1	6.4	55	482	14.0	1.2	Jul-19
27	138	4.7	27.8	34	1,503	9.2	9.6	33	838	17.8	0.8	Mar-19
51	59	2.2	200.5	15	4,633	9.6	1.3	12	2,151	2.9	1.2	Jun-19
22	170	7.0	51.8	13	4,954	(6.7)	3.3	7	2,782	6.2	0.8	Jun-19
151	6	0.2	201.8	73	758	(2.9)	0.8	50	501	1.2	0.5	Dec-18
62	41	1.9	13.1	67	800	16.6	5.5	79	336	12.8	1.4	Jun-18
103	21	1.1	(46.6)	29	2,109	4.2	1.0	44	582	3.8	2.6	Mar-19
5	357	18.2	52.6	9	6,484	6.2	5.7	6	3,537	10.4	0.8	Jun-19
146	7	0.4	(54.2)	96	520	14.2	1.4	80	333	2.0	0.6	Sep-18
192	(27)	(1.6)	(36,501.4)	68	800	5.7	(3.5)	107	198	(12.6)	3.0	Dec-18
183	(4)	(0.3)	(117.1)	88	621	6.2	(0.6)	183	25	(8.3)	24.1	Mar-19
44	64	4.8	(58.0)	7	6,733	1.5	1.0	9	2,746	2.2	1.5	Mar-19
91	25	1.9	190.1	44	1,269	8.3	2.0	37	749	3.4	0.7	Dec-18
37	84	6.4	(43.9)	10	6,061	4.4	1.4	10	2,349	3.5	1.6	Jun-19
8	288	22.1	47.0	55	993	38.7	33.7	35	788	42.8	0.3	Jun-19
61	42	3.2	78.5	94	566	12.0	7.9	100	215	20.0	1.6	Mar-19
70	35	2.8	25.0	101	479	(16.6)	6.6	199	(13)	70.8	36.5	Jun-18
97	23	1.9	1.8	69	775	10.4	3.2	66	427	5.6	0.8	Sep-18
132	10	0.9	(74.2)	74	748	(6.3)	1.3	68	414	2.5	0.8	Dec-18
194	(55)	(4.7)	(1,439.9)	41	1,337	4.5	(4.2)	108	185	(26.5)	6.2	Dec-18
54	53	4.6	12.2	109	405	10.7	13.8	95	236	24.1	0.7	Jun-19
153	6	0.5	22.7	97	491	7.6	1.2	127	131	4.4	2.8	Jun-19
10	261	23.5	(7.7)	181	122	(11.2)	201.2	175	34	779.7	2.6	Jun-19
15	209	19.5	10.0	48	1,207	17.7	18.7	29	913	25.0	0.3	Mar-19
33	93	9.0	(18.7)	28	2,215	(4.9)	4.1	20	1,249	6.9	0.8	Mar-19
39	82	8.0	10.3	50	1,148	44.6	8.5	54	492	17.9	1.3	Jul-19
12	258	25.4	2.5	11	5,932	3.2	4.4	16	1,641	16.2	2.6	Jun-19
65	39	3.9	8.0	140	261	(3.4)	14.8	159	57	56.5	3.6	Jun-18
55	53	5.5	(37.6)	12	5,618	12.1	1.0	27	979	5.3	4.7	Jun-19
190	(15)	(1.5)	(128.1)	54	1,030	3.4	(1.4)	56	469	(3.1)	1.2	Dec-18
86	28	3.0	42.3	172	156	32.1	20.3	163	50	76.6	2.1	Sep-18
126	12	1.3	30.0	87	624	8.5	2.0	57	460	2.7	0.4	May-19
95	24	2.6	(11.6)	111	388	(0.4)	6.1	103	212	11.5	0.8	Jun-19
197	(121)	(13.5)	(1,030.8)	32	1,631	(9.4)	(7.1)	23	1,162	(9.9)	0.4	Jun-19
41	74	8.4	39.8	61	893	7.3	8.6	73	384	42.9	1.3	Jun-18
1	1,397	161.4	273.0	27	2,363	12.2	62.5	41	696	190.7	2.4	Dec-18

DELOITTE TOP 200

Most improved profit

Pacific Aluminium (ranked 51st in the Top 200 Index) recorded the most improved profit out of all the entities on the Top 200 Index, with a 1,236.6 per cent increase from -$18m in 2018 to $207m in 2019. This is due to aluminium prices being on average 23 per cent higher than the previous year.

Integrated facilities services provider Spotless (104th) has the second most improved profit, increasing 734.2 per cent from $0.5m in 2018 to $4.1m in 2019.

Scentre (120th), which owns and operates retail and shopping centre assets, holds third place for most improved profit with an increase of 669.5 per cent. In the current year, Scentre recorded a profit of $26.4m, compared to 2018's $3.4m. This is due to the increase in annual customer visits, increased in-store sales as well as escalations in contracted annual rent.

The most improved profit list features several farm and food companies — including Silver Fern Farms (meat production), Market Gardeners (fruit and vegetable production), and Foodstuffs NI (grocery distributor). It also includes two electricity suppliers Genesis Energy and PowerCo.

Shell is the only company to be included in the most improved profit table in both 2018 and 2019. In 2018, Shell held the third-place position with an increase in profit of 753.1 per cent. This year, Shell holds the ninth-place position with a 273 per cent increase in profit.

#	Name	%
1	Pacific Aluminium[2]	1,236.6
2	Spotless	734.2
3	Scentre[2]	669.5
4	OfficeMax[1]	618.8
5	Foodstuffs NI[1]	399.2
6	Singapore Airlines[2]	303.5
7	Sumitomo Chemical[2]	290.6
8	Honda[2]	286.4
9	Shell[2]	273.0
10	DHL[2,3]	265.1
11	Westcon[2]	214.5
12	Fletcher Building (NZX:FBU)[1]	213.6
13	Silver Fern Farms[2]	201.8
14	Genesis Energy (NZX:GNE)[1]	200.5
15	Broadspectrum[2]	198.6
16	Powerco[2,3]	194.2
17	Oji Fibre Solutions[2]	190.1
18	Market Gardeners[1]	188.0
19	Oceana Gold[1]	160.7
20	Ingram Micro[2]	148.3

Most improved revenue

Scentre (ranked 120th on the Top 200 Index), which owns and operates retail and shopping centre assets, reported the most improved revenue in 2019. Its revenue increased to $351m compared to $86m in 2018. This 308.4 per cent increase in revenue is due to the increase in annual customer visitation, increased in-store sales and the escalation of contracted annual rent.

Caltex (72nd) is ranked second for most improved revenue, with a 101.4 per cent increase on last year from $301m to $605m in 2019.

China Forestry (79th) has also seen a similar increase in revenue, reporting an increase of 91.7 per cent from $299m in 2018 to $574m in 2019. This is due to the increase in Chinese demand for New Zealand forestry products, supporting both continued high prices and record export volumes.

Scentre and Caltex are both new entrants to the Deloitte Top 200 Index in 2019. A2 Milk and Xero are the only companies to be included on the most improved revenue index for three years in a row.

China Forestry, CPB Contractors and Tetra Pak have been included on the most improved revenue index for two years in a row.

Xero held 10th place in 2018 (37.7 per cent), and holds 11th spot in 2019 with a revenue growth of 35.9 per cent. Xero has experienced increased revenue over the past three years mainly due to the increase in international subscribers, now exceeding those from New Zealand.

Scentre and Singapore Airlines are the only companies included in the most improved profit and most improved revenue index in 2019.

#	Name	%
1	Scentre[2]	308.4
2	Caltex[2]	101.4
3	China Forestry	91.7
4	Summit Forests[2]	58.2
5	CPB Contractors[1]	44.7
6	Singapore Airlines[2]	44.4
7	A2 Milk (NZX:ATM)[1]	41.4
8	Tetra Pak	41.1
9	Downer Group	40.2
10	John Deere	36.8
11	Xero (ASX:XRO)[1,3]	35.9
12	Glencore Agriculture[2]	33.9
13	Oregon Group[2]	33.0
14	Zespri[2]	28.4
15	Meridian Energy (NZX:MEL)[2]	26.4
16	ExxonMobil[1]	25.7
17	Nelson Forests[2]	22.5
18	Kaingaroa Timberlands	22.2
19	Wilmar Gavilon[2]	21.3
20	WEL Networks[1]	20.7

	#			Revenue		EBITDA	EBIT
	2019	2018	Name	$m	% change	$m	$m
▲	51	56	Pacific Aluminium[2]	856	7.6	287	275
▼	52	29	Methanex[2]	850	(38.0)	143	71
▲	53	57	Restaurant Brands (NZX:RBD)[1]	825	7.7	95	56
▲	54	58	Two Degrees[1]	806	10.0	130	41
▼	55	32	PGG Wrightson (NZX:PGW)[1]	804	(0.0)	19	4
▼	56	40	Skycity (NZX:SKC)[1]	802	(1.4)	298	218
▼	57	53	Sky TV (NZX:SKT)[1]	795	(6.8)	230	(571)
▲	58	61	Ravensdown[2]	750	10.7	47	21
▲	59	60	Heinz	749	10.2	105	76
▼	60	59	Auckland Airport (NZX:AIA)[2]	742	8.8	811	709
▲	61	71	Kiwirail[2]	683	10.9	170	(316)
▲	62	64	Coca-Cola[1]	681	7.1	160	130
▼	63	62	Westland Dairy	672	10.7	40	13
▲	64	66	Tegel[2]	644	4.6	11	(60)
▼	65	63	Ingram Micro[2]	643	(2.8)	19	17
▲	66	79	Kaingaroa Timberlands	636	22.2	752	749
▲	67	70	Briscoe Group (NZX:BGP)[1]	632	4.4	93	86
▼	68	65	Ford[2]	631	(0.9)	6	5
▲	69	94	CPB Contractors[1]	628	44.7	21	18
▼	70	67	Sime Darby Motor[2]	617	1.1	32	28
▲	71	72	Freightways (NZX:FRE)[2]	616	6.0	115	97
-	72	-	Caltex[2]	605	101.4	61	53
-	73	73	Taumata Plantations[2]	599	5.8	357	351
▼	74	68	Lion	596	(2.8)	75	47
▲	75	101	Oregon Group[2]	594	33.0	157	150
▲	76	77	Market Gardeners[1]	582	10.9	35	27
▼	77	76	Matariki Forestry[1]	575	7.6	340	327
▲	78	87	Samsung[2]	574	17.5	10	9
▲	79	132	China Forestry	574	91.7	17	17
▼	80	78	Green Cross Health (NZX:GXH)[1]	567	5.6	38	29
▼	81	74	Imperial Tobacco	553	(1.7)	49	44
▲	82	105	Xero (ASX:XRO)[1,3]	553	35.9	88	(13)
▼	83	75	Beca[2]	550	1.6	65	59
▼	84	69	Holden[2]	548	(9.4)	17	17
▼	85	84	Kathmandu (NZX:KMD)[1]	546	9.7	98	83
▼	86	82	Watercare	538	5.7	476	230
▼	87	81	DB Breweries[2]	537	4.6	55	40
▼	88	83	Oceana Gold[1]	535	7.1	277	132
▲	89	92	HEB Construction[2]	524	13.4	30	20
▼	90	80	Kmart	515	17.5	62	55
▼	91	89	Sanford (NZX:SAN)	515	7.7	91	68
▼	92	91	LWC	505	8.6	13	12
▼	93	88	Waste Management[2]	505	4.7	140	84
▼	94	86	Steel & Tube (NZX:STU)[2]	498	0.5	24	17
▼	95	90	Pan Pac Forest[1]	495	6.0	119	102
▲	96	98	Powerco[2,3]	492	4.2	297	198
▼	97	85	Broadspectrum[2]	473	(4.8)	31	27
▲	98	104	Asahi[2]	447	9.5	51	39
▼	99	95	Frucor Beverages[2]	447	3.5	24	6
▲	100	102	Nestle[2,3]	440	4.4	58	47

Profit after tax				Total assets			Return on assets	Total equity		Return on equity	Debt to equity	Balance date
#	$m	%	% change	#	$m	% change		#	$m			
16	207	24.2	1,236.6	56	980	54.4	25.7	49	508	51.3	0.9	Dec-18
77	30	3.5	(58.0)	72	770	3.5	3.9	141	100	35.1	6.7	Dec-18
69	36	4.3	0.8	105	460	1.6	7.8	98	225	16.8	1.0	Feb-19
108	20	2.4	3.0	81	673	13.5	3.1	110	179	11.8	2.8	Dec-18
163	4	0.5	(55.6)	93	566	(25.5)	0.6	69	398	1.2	0.4	Jun-19
23	161	20.0	1.3	25	2,552	0.3	6.3	24	1,156	13.9	1.2	Jun-19
200	(608)	(76.4)	(152.6)	71	771	(48.7)	(53.5)	77	352	(88.2)	1.2	Jun-19
119	13	1.7	68.6	86	641	6.1	2.1	59	451	3.0	0.4	May-19
49	59	7.9	(41.4)	57	971	20.5	6.7	43	645	9.6	0.5	Dec-18
3	524	70.6	(19.5)	4	8,697	6.1	6.2	2	6,033	8.9	0.4	Jun-19
198	(325)	(47.5)	(37.6)	38	1,397	12.6	(24.6)	31	873	(39.8)	0.6	Jun-19
34	89	13.1	26.4	63	813	5.6	11.3	71	385	26.2	1.1	Dec-18
173	1	0.1	(62.8)	91	588	3.4	0.1	130	123	0.4	3.8	Jul-18
195	(65)	(10.1)	(349.5)	76	730	(2.8)	(8.8)	67	425	(14.3)	0.7	Dec-18
141	8	1.3	148.3	148	233	(8.1)	3.4	116	156	11.0	0.5	Dec-18
2	584	91.9	3.8	14	4,731	17.5	13.3	8	2,774	24.0	0.7	Jun-18
45	63	10.0	3.4	117	365	7.9	18.0	88	274	24.3	0.3	Jan-19
161	4	0.7	(49.7)	157	201	28.1	2.3	168	40	9.4	4.0	Dec-18
120	13	2.1	97.9	119	354	78.3	4.7	200	(37)	1,069.1	10.5	Dec-18
111	18	3.0	5.9	132	283	3.8	6.6	142	88	23.4	2.2	Jun-18
46	63	10.3	2.0	92	585	4.3	11.1	87	274	23.8	1.1	Jun-19
71	33	5.5	97.1	110	405	(0.4)	8.2	113	168	19.5	1.4	Dec-18
14	214	35.8	(26.2)	26	2,367	4.6	9.3	46	574	45.7	3.1	Jun-19
84	28	4.7	(53.5)	49	1,195	(12.5)	2.2	40	697	4.1	0.7	Dec-18
29	107	18.0	(28.2)	33	1,610	0.6	6.7	25	1,090	10.1	0.5	Jun-19
113	17	2.9	188.0	134	279	7.2	6.4	125	134	14.2	1.1	Jun-19
13	240	41.7	1.3	36	1,476	21.0	17.8	21	1,181	22.0	0.2	Dec-18
145	7	1.2	(24.3)	178	131	14.8	5.8	166	43	17.9	2.0	Dec-18
164	4	0.7	(67.0)	136	272	15.0	1.5	154	70	5.7	2.9	Dec-18
106	20	3.5	(0.2)	139	265	3.7	7.7	126	134	15.5	1.0	Mar-19
85	28	5.1	(29.6)	150	227	9.0	12.9	164	50	51.4	3.6	Sep-18
193	(27)	(4.9)	(8.9)	58	970	176.7	(4.1)	76	353	(9.1)	1.7	Mar-19
59	44	8.0	(2.3)	152	220	(2.1)	19.9	139	106	42.0	1.1	Mar-19
123	12	2.2	(31.9)	159	197	(10.6)	5.9	145	86	14.9	1.3	Dec-18
52	58	10.6	13.7	90	595	(2.7)	9.6	60	442	13.4	0.3	Jul-19
28	108	20.0	97.7	2	10,392	3.0	1.1	1	7,074	1.6	0.5	Jun-19
82	29	5.4	(4.7)	116	366	(0.0)	7.9	132	112	25.9	2.3	Dec-18
36	84	15.7	160.7	102	472	(9.4)	16.9	190	14	786.5	33.4	Dec-18
117	15	2.9	29.2	171	158	19.8	10.3	182	26	95.2	5.0	Dec-18
63	40	7.8	(9.6)	138	266	(13.9)	14.0	114	159	21.8	0.7	Jun-18
60	42	8.2	12.9	65	809	(1.3)	5.2	45	582	7.3	0.4	Sep-18
147	6	1.3	3.7	175	149	30.5	4.9	179	28	24.4	4.2	Jun-18
125	12	2.4	(51.7)	42	1,308	1.9	0.9	84	290	4.2	3.5	Dec-18
131	10	2.1	132.5	124	326	(5.6)	3.1	91	254	4.9	0.3	Jun-19
40	75	15.2	(12.2)	51	1,092	9.8	7.2	32	849	9.3	0.3	Mar-19
92	25	5.1	194.2	21	2,974	7.1	0.9	105	207	12.8	13.4	Mar-19
115	16	3.4	198.6	146	247	(38.4)	4.9	150	73	23.7	2.4	Dec-18
102	22	4.9	(6.1)	123	329	2.4	6.8	104	212	17.4	0.6	Dec-18
152	6	1.3	118.7	79	682	4.3	0.9	53	497	1.2	0.4	Dec-18
73	32	7.2	(16.8)	161	181	10.7	18.4	195	1	566.6	163.4	Dec-18

DELOITTE TOP 200

Top return on assets

Return on Assets (ROA) provides an indication of how efficiently a company manages its assets in order to generate earnings. It is calculated by measuring profit against total assets reported.

As a measure, this number tends to be heavily influenced by the requirements of the industry in which the business operates. Agriculture and manufacturing businesses for example, requiring significant amounts of property, plant and equipment, will typically have a much lower return on assets percentage than a software company.

#	Name	%
1	Lotto NZ[3]	201.2
2	NZ Racing Board	109.4
3	Singapore Airlines[2]	105.5
4	Shell[2]	62.5
5	OfficeMax[1]	49.4
6	A2 Milk (NZX:ATM)[1]	33.7
7	Zespri[2]	29.9
8	Hallenstein Glasson (NZX:HLG)[1]	29.5
9	Pacific Aluminium[2]	25.7
10	Apple	20.3
11	Sumitomo Chemical[2]	20.0
12	Beca[2]	19.9
13	Kia Motors[2]	19.7
14	F&P Healthcare (NZX:FPH)[2]	18.7
15	Nestle[2,3]	18.4
16	McDonald's[2]	18.4
17	Briscoe Group (NZX:BGP)[1]	18.0
18	Matariki Forestry[1]	17.8
19	Oceana Gold[1]	16.9
20	Scentre[2]	15.7

Lotto NZ (a new entrant to the Deloitte Top 200 Index this year, ranked 37th) holds the top spot for return on assets. Its high ROA is driven by a decrease in total assets from $138m in 2018 to $122m in 2019, with a profit after tax of $261m in 2019.

Holding the second spot for ROA is NZ Racing Board (118th), another new entrant to the Index in 2019, increasing its ROA to 109.4 per cent from 105.4 per cent. This is driven by an increase in profit from $144m in 2018 to $146m in 2019, and a decrease in total assets from $137m in 2018 to $130m in 2019.

Third place is held by Singapore Airlines (153rd), which is another new entrant to the Index this year, with a ROA of 105.5 per cent – up from 33.4 per cent in 2018. The increase in ROA for Singapore Airlines is due to a substantial increase in profit, from $3.5m in 2018 to $13.9m in 2019 (a $10.5m increase) with only a slight increase in total assets from $11.5m in 2018 to $15m in 2019 (a $3.5m increase).

Shell (50th) placed fourth in terms of ROA, rising from 13th place in 2018. Shell's ROA increased from 17.6 per cent in 2018 to 62.5 per cent in 2019. This is due to net profit increasing from $374m in 2018 to $1,397m in 2019, with total assets only increasing slightly from $2,105m to $2363m.

Top return on equity

Return on Equity measures how effectively a company can generate income relative to the amount of money shareholders have invested in the firm. It's a useful tool for investors, particularly when comparing firms within the same industry and is calculated by measuring the revenue earned against the average equity held over the past two years – to prevent changes in shareholder contributions skewing the results.

#	Name	%
1	CPB Contractors[1]	1069.1
2	Oceana Gold[1]	786.5
3	Lotto NZ[3]	779.7
4	Nestle[2,3]	566.6
5	Singapore Airlines[2]	379.7
6	NZ Racing Board	237.8
7	Shell[2]	190.7
8	URC Holdings[2]	164.0
9	HEB Construction[2]	95.2
10	Zespri[2]	94.1
11	Scentre[2]	92.1
12	Apple	76.6
13	Bunnings	70.8
14	OfficeMax[1]	64.0
15	McDonald's[2]	61.9
16	Harvey Norman	56.5
17	Imperial Tobacco	51.4
18	Pacific Aluminium[2]	51.3
19	Kia Motors[2]	50.7
20	Taumata Plantations[2]	45.7

Construction company CPB Contractors (69th) has taken the top spot for return on equity, with a return on equity percentage of 1,069 per cent.

Mining company Oceana Gold (88th) retained second place with a return on equity of 786.5 per cent, an increase from last year's return on equity of 374.2 per cent.

Lotto NZ (a new entrant to the Deloitte Top 200 Index this year, ranked 37th) has replaced Nestlé for third place with a return on equity of 779.7 per cent.

Nestlé (100th) now holds the fourth-place spot with a return on equity of 566.6 per cent, compared to 296.6 per cent in 2018.

	# 2019	# 2018	Name	Revenue $m	Revenue % change	EBITDA $m	EBIT $m
▼	101	97	Mitsubishi Motors[2]	430	(0.2)	15	14
▼	102	99	Mazda[1]	426	0.2	7	5
▼	103	100	Tourism Holdings (NZX:THL)[2]	423	(0.7)	104	51
▼	104	96	Spotless	422	(2.2)	33	21
▲	105	109	Inghams	402	3.0	36	30
▲	106	108	Scales Corp (NZX:SCL)[1]	400	20.1	52	42
-	107	107	Toll[2]	398	(0.9)	(5)	(10)
▲	108	110	NZME (NZX:NZM)[2]	388	(0.6)	45	21
▲	109	113	CDC Pharma[2]	382	9.0	1	1
▲	110	116	Ryman Healthcare (NZX:RYM)[2]	381	11.9	368	345
-	111	-	Danone[2]	380	3.3	30	18
▼	112	106	OMV[1]	379	(6.1)	182	72
▼	113	111	Orora	377	3.9	64	54
▲	114	141	Glencore Agriculture[2]	374	33.9	19	18
-	115	115	Vocus	366	7.1	59	35
▲	116	123	Northpower[2]	361	11.2	54	39
▼	117	103	Refining NZ (NZX:NZR)[2]	359	(12.7)	152	56
-	118	-	NZ Racing Board	358	3.4	165	145
-	119	-	TIL Logistics (NZX: TLL)	355	9.1	25	11
-	120	-	Scentre[2]	351	308.4	36	35
-	121	121	Tatua Co-op Dairy[2]	349	6.4	25	11
-	122	122	Kura	344	5.7	59	45
▼	123	114	Bupa[2]	343	(0.5)	75	26
▲	124	165	Tetra Pak	343	41.1	13	11
-	125	125	DHL[2,3]	342	7.2	35	13
▼	126	119	Mercedes-Benz[2]	340	2.3	3	3
-	127	-	Emirates Airlines[2]	337	9.9	(0)	(0)
▲	128	130	GPC Asia Pacific[2]	327	6.1	27	22
▼	129	93	WSP Opus[2]	324	9.4	41	23
▼	130	124	Orion[1]	319	1.9	129	78
▼	131	117	Pact Group	319	(5.5)	73	61
▼	132	129	OfficeMax[1]	315	2.0	89	85
▲	133	137	Port of Tauranga (NZX:POT)[2]	313	10.4	181	153
▼	134	127	TVNZ[2]	311	(2.5)	192	4
▼	135	131	Mediaworks[1]	305	1.7	57	(7)
▼	136	120	Stuff	302	(8.2)	26	(103)
▼	137	128	City Care[2]	299	(4.4)	8	(1)
▲	138	144	Nissan[2]	298	7.6	14	13
▼	139	126	Wesfarmers Industrial	295	(7.5)	33	30
▲	140	145	CablePrice[2]	292	6.0	21	17
▲	141	142	Oceania Dairy[2]	289	4.0	14	(11)
▲	142	143	Hallenstein Glasson (NZX:HLG)[1]	288	3.4	48	39
▲	143	164	Mars NZ[2]	283	15.7	45	44
▼	144	136	C B Norwood[1,3]	281	4.5	7	3
▲	145	153	Abano Healthcare (NZX:ABA)[2]	279	11.6	33	18
▼	146	139	Turners Automotive (NZX:TRA)[2]	279	(0.3)	3	(5)
-	147	147	Delegat Group (NZX:DGL)[1]	278	8.7	94	78
▲	148	151	EnviroWaste[2]	277	5.7	64	38
▲	149	146	Allied Foods	277	1.4	34	25
▼	150	134	IBM[2]	276	(7.2)	28	16

Profit after tax				Total assets			Return on assets	Total equity		Return on equity	Debt to equity	Balance date
#	$m	%	% change	#	$m	% change		#	$m			
133	10	2.3	24.7	168	167	34.6	6.9	144	86	12.3	0.9	Mar-19
165	4	0.9	(62.6)	177	139	(18.0)	2.4	156	59	6.2	1.4	Mar-19
76	30	7.0	(52.3)	89	602	4.2	5.0	86	277	11.3	1.2	Jun-19
162	4	1.0	734.2	127	317	2.7	1.3	147	82	11.2	2.9	Jun-18
105	21	5.3	5.9	158	199	7.5	11.0	136	108	20.1	0.8	Jun-18
80	29	7.3	18.1	108	411	20.0	7.7	92	250	12.3	0.6	Dec-18
186	(10)	(2.5)	(322.5)	154	213	37.5	(5.4)	171	37	(23.9)	4.8	Mar-19
128	12	3.0	(44.6)	104	463	(1.1)	2.5	85	287	4.0	0.6	Dec-18
175	0	0.1	(38.8)	190	84	11.8	0.3	189	14	1.6	4.9	Mar-19
7	326	85.6	(16.0)	8	6,651	14.7	5.2	11	2,170	15.9	2.1	Mar-19
138	9	2.4	(22.3)	112	383	9.8	2.5	81	332	3.8	0.2	Dec-18
66	38	10.0	(43.3)	22	2,911	417.6	2.2	65	430	15.5	5.8	Dec-18
68	36	9.5	56.4	125	320	6.7	11.5	99	221	25.5	0.4	Jun-18
121	13	3.4	13.3	149	233	29.5	6.1	133	111	12.1	1.1	Dec-18
116	15	4.1	17.0	99	488	1.7	3.1	112	168	9.4	1.9	Jun-18
93	25	6.8	17.9	106	458	1.2	5.4	89	271	9.2	0.7	Mar-19
78	30	8.2	(62.3)	39	1,390	4.3	2.2	36	770	3.8	0.8	Dec-18
24	146	40.8	1.3	179	130	(4.8)	109.4	162	53	237.8	1.4	Jul-18
160	4	1.2	137.4	164	176	16.7	2.7	173	34	14.0	4.1	Jun-19
87	26	7.5	669.5	135	277	365.9	15.7	167	40	92.1	5.9	Dec-18
154	5	1.5	(3.3)	143	255	1.9	2.1	165	48	10.6	4.3	Jul-18
94	24	7.0	11.4	66	808	9.4	3.1	61	440	5.6	0.8	Sep-18
137	9	2.7	(79.1)	40	1,376	0.2	0.7	58	451	2.1	2.0	Dec-18
148	6	1.8	(24.3)	185	96	6.0	6.5	188	14	43.2	5.6	Dec-18
158	5	1.4	265.1	147	239	67.0	2.5	180	28	19.0	7.5	Dec-18
172	2	0.5	(72.5)	169	163	20.4	1.0	186	22	5.5	6.5	Dec-18
181	(0)	(0.1)	(108.4)	200	7	(29.6)	(5.9)	197	n/a	n/a	n/a	Mar-19
114	16	4.9	9.7	133	280	5.6	5.9	106	207	8.1	0.4	Dec-18
135	10	3.0	(41.5)	126	318	87.4	4.0	146	86	16.3	2.7	Dec-18
56	48	15.0	(10.2)	47	1,209	2.3	4.0	42	666	7.2	0.8	Mar-19
64	40	12.4	(14.6)	100	481	5.3	8.4	138	107	37.7	3.5	Jun-18
38	84	26.6	618.8	166	170	0.7	49.4	129	126	64.0	0.3	Dec-18
30	101	32.1	6.7	31	1,749	5.5	5.9	22	1,166	8.8	0.5	Jun-19
167	3	0.9	(43.5)	129	303	(4.0)	0.9	93	249	1.2	0.2	Jun-19
184	(6)	(1.8)	3.6	120	351	(1.5)	(1.6)	102	213	(2.6)	0.6	Dec-18
196	(74)	(24.5)	(562.5)	174	149	(45.3)	(35.2)	143	87	(53.3)	0.7	Jun-18
182	(1)	(0.2)	(62.7)	184	104	(8.5)	(0.7)	161	54	(1.3)	0.9	Jun-19
127	12	3.9	24.9	145	251	5.6	4.8	109	184	6.6	0.4	Mar-19
100	22	7.5	(0.2)	167	170	5.8	13.4	155	65	41.5	1.6	Jun-18
136	9	3.3	24.0	163	177	4.2	5.5	157	59	16.6	2.0	Mar-19
187	(10)	(3.6)	22.3	107	428	6.4	(2.5)	72	384	(2.8)	0.1	Dec-18
81	29	10.1	6.1	183	105	13.5	29.5	149	75	40.5	0.4	Aug-19
75	31	10.9	(8.8)	153	214	6.6	14.8	148	77	32.3	1.8	Dec-18
174	0	0.1	(93.0)	162	181	13.8	0.2	153	70	0.5	1.6	Dec-18
144	8	2.7	(40.3)	122	345	12.2	2.3	117	155	4.9	1.2	May-19
98	23	8.1	(2.7)	84	654	0.4	3.5	96	226	10.3	1.9	Mar-19
57	47	17.0	1.1	75	734	3.6	6.6	75	374	13.2	1.0	Jun-19
140	8	3.0	(16.2)	77	729	0.8	1.1	97	226	4.0	2.2	Dec-18
104	21	7.7	110.2	176	147	4.4	14.7	131	112	20.1	0.3	Sep-18
124	12	4.4	(54.9)	128	305	(29.3)	3.3	124	136	6.2	1.2	Dec-18

DELOITTE TOP 200

Newcomers

As usual, there are a number of companies making a debut on the Deloitte Top 200 Index, with 18 companies added in 2019.

Lotto NZ entered the Index at the highest rank (37th) with revenue of $1,113m. Caltex entered the Index at the second highest rank (72nd) with revenue of $605m. Danone came in ranked 111th, with revenue of $380m.

Following Danone was NZ Racing Board, TIL Logistics, and Scentre which are ranked 118th, 119th, and 120th, respectively.

The rest of the new entries were Emirates (127th), Singapore Airlines (153rd), Ixom Operations (164th), CDL Hotels (185th), Summit Forests (189th), AsureQuality (192nd), Westcon (193rd), John Deere (194th), Sumitomo Chemical (195th), WEL Networks (197th), Kia Motors (198th) and Wilmar Gavilon (199th).

Two of the new entrants operate in the airline industry, two in the food industry, two in the chemicals industry and another three in the logistics industry.

The remaining operate in the lottery, healthcare, racing, retail, hotel, forestry, IT, machinery, power distribution and automobile industries.

Lotto NZ, Caltex, Danone, NZ racing board, TIL Logistics, Scentre, Emirates Airlines, Singapore Airlines and Ixom Operations have been added to the Index as a result of the use of additional research methods to better automate the Top 200 company identification process. The use of these methods have expanded the breadth of the companies making the cut, and provided a richer data set for the Deloitte Top 200. The remaining companies have made it into the Index as their revenue has increased during the year to meet the required minimum threshold.

#	Name	$m
37	Lotto NZ³	1,113
72	Caltex²	605
111	Danone²	380
118	NZ Racing Board	358
119	TIL Logistics (NZX:TLL)	355
120	Scentre²	351
127	Emirates²	337
153	Singapore Airlines²	273
164	Ixom Operations	249
185	CDL Hotels²	219
189	Summit Forests²	216
192	AsureQuality	212
193	Westcon²	212
194	John Deere	210
195	Sumitomo Chemical²	209
197	WEL Networks¹	208
198	Kia Motors²	207
199	Wilmar Gavilon²	206

Just missed the cut

The 200th place in the 2019 Deloitte Top 200 is Juken, which recorded $206m in revenue. This compares to NZ Investment Holdings, which was last year's 200th-ranked company on the Index, with $191m in revenue in 2018.

Just missing the cut — by just $1 million — was Baxter Healthcare (201st), recording revenue of $205m.

Sistema (202nd), Seeka (203rd), Kordia (204th) and Mitre 10 (205th) were also close to breaking into the Top 200 Index in the current year, all achieving revenue around the $203m — $204m mark. Of these companies, Mitre 10 and Kordia have fallen out of the Top 200 in 2019, previously holding 52nd and 183rd place in 2018, respectively.

The significant drop in ranking for Mitre 10 can be attributed to the adoption of IFRS 15 as agent cost of goods sold are netted off revenue from sale of goods (with no impact to gross profit).

Other narrow misses include Kuehne + Nagel (206th), Progress Capital (207th) and Smiths City Group (208th), all with revenue around the $199m mark.

#	Name	$m
1	Baxter Healthcare	205
2	Sistema	204
3	Seeka (NZX:SEK)	204
4	Kordia	203
5	Mitre 10	203
6	Kuehne + Nagel	200
7	Progress Capital	199
8	Smiths City Group (NZX:SCY)	198
9	Ruralco	198
10	Rexel	196
11	Horizon Energy	195
12	Daiken	194
13	Sealed Air	194
14	OTPP NZ Forest	193
15	NZ Investment Holdings	192
16	McConnell Dowell	191
17	Bapcor	190
18	Huawei	189
19	Dulux	188
20	Burger King	188

	#			Revenue		EBITDA	EBIT
	2019	2018	Name	$m	% change	$m	$m
▼	151	150	Sumitomo Forestry¹	276	3.8	48	36
▲	152	177	Nelson Forests²	275	22.5	145	143
-	153	-	Singapore Airlines²	273	44.4	16	16
▼	154	148	Metro Glass (NZX:MPG)²	268	(0.2)	40	16
▼	155	140	AWF Madison (NZX:AWF)²	268	(4.1)	8	4
▼	156	26	British American Tobacco¹	263	(13.9)	43	43
▲	157	163	Martin-Brower Holdings¹	260	6.0	1	1
▼	158	154	Linde Holdings²	259	0.8	74	47
▼	159	155	APHG NZ Investments	259	1.4	64	52
▼	160	152	McDonald's²	252	(2.9)	114	101
▼	161	156	Electrix²	250	(2.1)	13	8
▼	162	159	Trade Me	250	6.6	164	138
▼	163	161	Millstream Equities	250	0.7	32	16
-	164	-	Ixom Operations	249	3.1	36	29
▼	165	162	Unison Networks²	247	0.0	89	58
▲	166	175	TR Group²	247	8.8	127	46
▼	167	169	LIC²	247	4.3	57	30
▼	168	167	Skellerup (NZX:SKL)²	246	2.2	49	41
▼	169	157	Nobilo²	246	(3.5)	68	53
▼	170	149	URC Holdings²	243	(8.8)	41	24
▲	171	172	Landcorp²	241	(2.5)	11	(3)
▼	172	160	Kiwi Property (NZX:KPG)²	237	(5.4)	n/a	200
▲	173	185	NZPM Group²	232	9.2	9	6
▼	174	171	JB Hi-Fi	232	(1.1)	1	(0)
▲	175	179	Bridgestone²	231	4.3	20	16
-	176	176	Skyline Enterprises²	231	(5.4)	102	77
▼	177	168	Ports of Auckland²	231	(2.4)	104	80
▼	178	170	Dairy Goat Co-op²	230	(2.1)	16	9
▲	179	194	Philip Morris¹	230	15.3	1	1
▲	180	184	Airways²	229	6.9	57	33
▲	181	190	Weyville Holdings	229	10.2	25	18
▼	182	166	Compass Group	228	(6.0)	15	10
▼	183	181	Freshmax	228	3.5	11	7
▲	184	196	Honda²	219	10.9	13	8
-	185	-	CDL Hotels²	219	16.9	91	83
▲	186	191	Kerbside Papers	218	5.1	(9)	(21)
▼	187	178	O-I Operations²	218	(2.7)	53	35
▲	188	189	Unilever²	217	4.4	14	12
-	189	-	Summit Forests²	216	58.2	34	32
▼	190	182	Asaleo Care²	213	(3.2)	19	(11)
▼	191	135	Mondelez²	212	(28.6)	(2)	(3)
-	192	-	AsureQuality	212	17.4	19	14
-	193	-	Westcon²	212	14.9	2	2
-	194	-	John Deere	210	36.8	(0)	(0)
-	195	-	Sumitomo Chemical²	209	10.4	69	59
▼	196	174	NZ Sugar²	209	(9.9)	34	26
-	197	-	WEL Networks¹	208	20.7	115	68
-	198	-	Kia Motors²	207	11.2	16	16
-	199	-	Wilmar Gavilon²	206	21.3	0	0
▼	200	180	Juken²	206	(7.1)	22	8

Profit after tax				Total assets			Return on assets	Total equity		Return on equity	Debt to equity	Balance date
#	$m	%	% change	#	$m	% change		#	$m			
90	25	9.2	(47.9)	95	532	(14.1)	4.4	52	498	4.7	0.1	Dec-18
35	85	31.0	(51.5)	46	1,211	14.4	7.5	51	499	17.3	1.4	Dec-18
118	14	5.1	303.5	199	15	30.1	105.5	193	3	379.7	3.3	Mar-19
157	5	1.9	(69.0)	130	289	(4.0)	1.7	115	157	3.2	0.8	Mar-19
170	2	0.8	(60.1)	186	96	(9.3)	2.0	172	35	5.6	1.7	Mar-19
88	26	10.0	69.2	70	772	4.1	3.5	121	140	19.6	4.5	Dec-18
177	0	0.0	(89.1)	195	55	(2.2)	0.2	191	9	0.9	5.3	Dec-18
83	29	11.1	(25.3)	85	648	(0.4)	4.4	74	376	7.5	0.7	Dec-18
67	36	14.0	17.5	131	285	(4.3)	12.5	94	237	14.8	0.2	Jun-18
43	66	26.3	(1.9)	118	354	(3.4)	18.4	123	138	61.9	1.6	Dec-18
149	6	2.4	(26.9)	189	84	(14.3)	6.5	169	38	15.2	1.2	Dec-18
31	97	38.6	2.3	59	924	2.5	10.6	38	747	13.1	0.2	Jun-18
134	10	4.0	107.3	78	717	3.1	1.4	47	561	1.8	0.3	Jun-18
112	17	6.9	60.2	156	204	3.6	8.6	151	72	27.1	1.8	Sep-18
72	32	13.0	(9.9)	62	834	5.0	3.9	63	432	7.6	0.9	Mar-19
109	19	7.8	(31.8)	83	656	17.0	3.2	122	140	14.4	3.7	Mar-19
101	22	9.0	139.3	113	381	11.4	6.1	83	291	8.3	0.3	May-19
79	29	11.8	6.5	142	257	2.0	11.4	111	178	16.6	0.4	Jun-19
89	26	10.4	(15.7)	82	666	5.6	3.9	78	347	7.6	0.9	Feb-19
156	5	2.1	21.2	64	811	(2.9)	0.6	198	(1)	164.0	1,329.0	Dec-18
188	(11)	(4.6)	(132.2)	30	1,782	(4.1)	(0.6)	18	1,428	(0.8)	0.2	Jun-19
26	138	58.1	15.0	19	3,236	4.9	4.4	15	2,051	6.8	0.6	Mar-19
168	3	1.2	37.1	188	90	14.0	3.3	187	20	14.7	3.4	Mar-19
180	(0)	(0.1)	98.7	197	53	(1.8)	(0.6)	177	30	(1.1)	0.7	Jun-18
122	12	5.3	0.7	173	150	1.0	8.2	137	108	11.7	0.4	Dec-18
48	60	25.8	46.4	98	489	7.5	12.7	64	432	14.5	0.1	Mar-19
53	54	23.4	(29.8)	37	1,431	12.4	4.0	34	800	6.9	0.8	Jun-19
150	6	2.6	(19.5)	141	261	13.2	2.4	176	33	6.2	6.8	May-19
176	0	0.1	(78.0)	196	55	(33.8)	0.2	196	1	15.1	63.7	Dec-18
96	24	10.3	(13.2)	144	254	10.0	9.7	120	144	17.1	0.8	Jun-19
130	10	4.6	(15.9)	155	211	(1.8)	4.9	135	111	9.1	0.9	Jun-18
143	8	3.4	23.4	191	81	(2.8)	9.4	170	38	19.8	1.1	Sep-18
169	2	1.0	38.6	182	119	1.6	2.0	181	27	9.2	3.5	Sep-18
159	4	2.0	286.4	170	162	4.0	2.8	140	101	4.5	0.6	Mar-19
47	62	28.2	11.3	60	898	8.4	7.2	39	723	8.9	0.2	Dec-18
191	(24)	(10.9)	(10,911.4)	115	370	9.7	(6.7)	194	1	(179.4)	271.2	Jun-18
99	23	10.4	17.2	114	371	16.4	6.5	134	111	22.3	2.3	Dec-18
155	5	2.4	(21.2)	187	95	20.5	6.0	160	56	9.2	0.7	Dec-18
107	20	9.3	43.0	121	347	27.2	6.5	128	130	16.7	1.7	Mar-19
189	(11)	(5.2)	(158.7)	151	222	(5.5)	(4.9)	152	72	(14.2)	2.1	Dec-18
185	(6)	(3.0)	36.6	160	182	(9.2)	(3.3)	192	5	(678.6)	33.0	Dec-18
139	8	4.0	59.0	180	126	12.3	7.1	158	58	15.6	1.2	Jun-19
171	2	0.8	214.5	193	72	21.2	2.5	184	24	7.0	2.0	Feb-19
179	(0)	(0.1)	(102.4)	198	46	10.3	(0.4)	178	30	(0.6)	0.5	Oct-18
58	45	21.6	290.6	137	267	43.2	20.0	119	150	37.5	0.8	Mar-19
110	19	9.0	(9.8)	165	175	2.1	10.8	118	152	12.5	0.2	Dec-18
74	31	15.1	134.2	45	1,242	7.9	2.6	48	555	5.8	1.2	Mar-19
129	11	5.4	12.4	194	60	11.7	19.7	185	23	50.7	1.6	Dec-18
178	0	0.0	39.0	192	74	39.1	0.1	174	34	0.2	1.2	Dec-18
166	3	1.7	110.8	103	463	3.8	0.8	82	302	1.2	0.5	Mar-19

Deloitte Top 200 Index

The Deloitte Top 200 Index consists of New Zealand's largest entities ranked by revenue. These include publicly-listed companies, large unlisted entities, NZ subsidiaries and branches of overseas companies and the commercial operations of Māori entities. It also includes producer boards, co-operatives, local authority trading enterprises and state-owned enterprises.

To be included in the Deloitte Top 200 Index or the Deloitte Top 30 Financial Institutions Index, entities must operate for a commercially determined profit and must be a for profit entity as defined by the External Reporting Board (XRB). The following general points apply to all the Deloitte Top 200 indices:

- The audited financial statements must be prepared as a going concern.
- The entities will generally but not always be liable for tax on earnings.
- Entities that have operated for less than 12 months are not included.
- Entities fully owned by another New Zealand entity are excluded if they are reported as a consolidated group.
- In some instances where it is believed the separate results are more meaningful because the entity in question is competing with other similar NZ entities, and where separate figures are available, these have been used and the holding entity results excluded.
- N/A is used where figures were not disclosed by the entity or could not be calculated from disclosed information.
- A "-" indicates the entity was not ranked last year.

Deloitte Top 200 Index

All figures are the latest available, verified and audited. We recognise that various entities evaluate their own performance using measures specific to their business. For comparability and simplicity we have adopted a relatively simple calculation methodology focusing on understood financial measures.

- Revenue: as disclosed in the entity's Statement of Comprehensive Income (excludes gross commission sales).
- EBITDA: earnings before net interest income/expense, tax, depreciation and amortisation and impairments of property, plant and equipment or intangible assets.
- EBIT: earnings before net interest income/expense and tax. Not shown for the financial institutions.
- Profit after tax: as disclosed in the Statement of Comprehensive Income.
- Profit after tax %: calculated as profit after tax divided by revenue.
- Total assets: as disclosed in the entity's Statement of Financial Position. Includes current and non-current assets, investments, tangible and intangible assets, deferred tax assets and goodwill.
- Return on assets (ROA): calculated as profit after tax divided by average total assets over the period. Average total assets are calculated by adding the total assets at the beginning of a period to the total assets at the end and dividing the result by two. For an entity that has operated for only one year the first year total assets figure is used as an approximate.
- Total equity: as disclosed in the entity's Statement of Financial Position including non-controlling (minority) interests. For New Zealand branches of overseas companies, the amount shown as owing to head office is deemed equity.
- Return on equity (ROE): calculated as profit after tax divided by average shareholder's equity over the period. Average shareholders' equity is calculated by adding the shareholders' equity at the beginning of a period to the shareholders' equity at the end and dividing the result by two. For an entity that has operated for only one year the first year total equity figure is used as an approximate.
- Debt to equity ratio: calculated as total liabilities divided by shareholder's equity as disclosed in the entity's Statement of Financial Position.

Deloitte Top 30 Financial Institutions Index

The Index consists of New Zealand's largest banks, finance and insurance companies ranked by total assets. These results are based on these entity's legal set of accounts and not those accounts which include funds under management (i.e. accounts which include assets that are not legally owned by that entity but administered by it).

Deloitte Top 10 Māori Business Index

The Deloitte Top 10 Māori Business Index consists of New Zealand's largest Māori entities ranked by total assets.

These results are for the ultimate holding entity, including both commercial and non-commercial operations and could be prepared under either 'for profit' or 'public benefit entity (PBE)' reporting regimes.

For an entity to qualify for the Deloitte Top 10 Māori Business Index, first the entity needs to identify themselves as Māori. Then we look more closely at four attributes; stakeholders, kaupapa, ownership and results – what we call the Māori business SKOR. What proportion of the entity's stakeholders are Māori? How does the entity demonstrate it follows Māori kaupapa? How much of the business is owned by Māori individuals, iwi and other Māori groups or entities? And are the results – the purpose and profits – of the entity predominantly to benefit or promote Māori initiatives? The answers to these questions collectively inform the extent to which a business is defined as Māori.

2019 data changes

In the current year, two new accounting standards had a major impact and, for some entities, the prior year figures.

NZ IFRS 15 Revenue from Contracts with Customers is effective for reporting periods beginning on or after 1 January 2018. It provides detailed guidance on the identification of specific obligations, within a contract and how revenue should be allocated and recognised for each obligation. This may result in substantial changes, in particular, to the timing of revenue recognition for some entities. The adoption of this accounting standard has material implications for certain industries where services and products are bundled.

NZ IFRS 16 Leases is effective for reporting periods beginning on or after 1 January 2019. The standard requires entities to bring their operating lease assets and liabilities on to the balance sheet where they were previously reflected as off balance sheet commitments. The impact of NZ IFRS 16 is to increase assets, liabilities, EBITDA and EBIT. Companies who have adopted one or both of these accounting standards have been indicated in the Top 200 indices based on the below:

1. Entity adopted NZ IFRS 15 during the year and the comparative numbers have been restated.
2. Entity adopted NZ IFRS 15, however, the comparative numbers have not been restated.
3. Entity adopted NZ IFRS 16 during the year which may have an impact on EBITDA calculation.


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TOP 30 FINANCIAL INSTITUTIONS INDEX

This year's Top 30 Financial Institutions Index sees the addition of three new financial entities: JPMorgan Chase Bank, Latitude Financial Services and Swiss Re Life & Health. Last year there were four new additions to the Index.

The Top 30 have once again grown their total asset bases – this year by $21,408, from $529,612m in 2018 to $551,020m in 2019. This is a 4.0 per cent increase compared to the 2.4 per cent increase seen from 2017 to 2018.

Once again, the top bank is ANZ, holding assets of $159,012m and outpacing all other banks in terms of profit and equity. ANZ has had a 3.3 per cent increase in total asset value from its 2018 result of $153,973m.

ANZ has had a difficult year – first falling foul of the regulator over its capital calculations and then the controversial departure of its long-standing chief executive David Hisco over issues with expenses. Its statutory profit for the year ended September was down 6.6 per cent to $1.825b from last year's record profit of nearly $2b (although this result isn't reflected in the Top 30 Financial Institutions Index this year as the result was reported after the finalisation of the tables).

ANZ sits comfortably at the top spot of the Financial Institutions Index with a $59,021m gap in total asset values between first and second place.

BNZ has overtaken Westpac to rank second this year, with total assets of $99,991. In last year's Financial Institutions Index BNZ ranked fourth. ASB and Westpac are right behind BNZ, with $98,467m and $89,871 of total assets respectively. All of the big four banks: ANZ, BNZ, ASB and Westpac have seen an increase in their total assets of 3.3 per cent, 4.9 per cent, 3.2 per cent and 1.4 per cent, respectively.

Of the big four banks, ASB has the highest return on assets and return on equity ratios, boasting an ROA of 1.3 and ROE of 16.3.

Kiwibank has once again retained its fifth-place spot with total assets of $22,734m. After a fairly stable result last year, Kiwibank's total assets this year have increased by 9.7 per cent from $20,715m.

Cumulative profits for the Top 30 financial institutions have increased by 8.3 per cent from $5,734m in 2018 to $6,210m in 2019.

All of the big four banks have seen an increase in profit in the current year. ANZ has increased profit from $1,765m to $1,953m (10.7 per cent), BNZ has increased profit from $937m to $1,029m (9.8 per cent), ASB has increased profit from $1,177m to $1,274m (8.2 per cent) and Westpac has increased profit from $909m to $936m (3.0 per cent). Cumulative equity has increased by 2.5 per cent from $44,987m in 2018 to $46,117m in 2019.

MUFG Bank has jumped from thirteenth place in 2018 to tenth place in 2019 due to a 32.7 per cent increase in total assets from $4,057m in 2018 to $5,383m in 2019. MUFG Bank is the only new entrant to the top ten financial institutions in 2019.

AMP life has increased total assets by 4.0 per cent, from $5,867m in 2018 to $6,100m, allowing the institution to claim eighth place after coming ninth in 2018. HSBC has fallen to ninth place after coming in eighth in 2018. This fall is due to a 5.9 per cent decrease in total assets. HSBC's total assets have decreased from $6,405m in 2018 to $6,030m in 2019. IAG has been pushed out of the top 10. After holding tenth place in 2018, it has fallen to 11th place as total assets have decreased by 2.0 per cent from $5,380m in 2018 to $5,271m in 2019.

	# 2019	# 2018	Name	Total assets $m	Total assets % change	Return on assets	Total equity $m	Return on equity	Profit after tax $m	Balance date
-	1	1	ANZ	159,012	3.3	1.2	13,109	15.1	1,953	Sep-18
▲	2	4	BNZ	99,991	4.9	1.1	7,379	14.4	1,029	Sep-18
-	3	3	ASB[2]	98,467	3.2	1.3	7,791	16.3	1,274	Jun-19
▼	4	2	Westpac	89,871	1.4	1.0	7,278	13.3	936	Sep-18
-	5	5	Kiwibank[2]	22,734	9.7	0.5	1,549	7.1	108	Jun-19
-	6	6	Rabobank[2]	11,977	5.8	0.9	1,579	6.8	103	Dec-18
-	7	7	TSB Bank[2]	7,819	5.4	0.6	653	7.1	45	Mar-19
▲	8	9	AMP Life[2]	6,100	4.0	1.8	810	12.2	107	Dec-18
▼	9	8	HSBC[2]	6,030	(5.9)	0.8	26	200.9	51	Dec-18
▲	10	13	MUFG Bank[2]	5,383	32.7	0.5	189	14.5	26	Mar-19
▼	11	10	IAG	5,271	(2.0)	1.4	712	10.6	77	Jun-18
▼	12	11	Heartland Bank (NZX:HBL)[1]	4,926	9.6	1.6	676	11.0	74	Jun-19
▼	13	12	SBS[2]	4,755	6.7	0.7	325	9.9	31	Mar-19
▲	14	15	AIA International NZ[2]	3,136	17.5	0.2	967	0.5	6	Dec-18
▼	15	14	Suncorp Group Holdings	2,824	(9.5)	3.6	531	19.5	108	Jun-18
-	16	16	Co-operative Bank[2]	2,786	6.0	0.4	198	5.0	10	Mar-19
-	17	17	Citibank[2]	2,156	5.3	0.8	182	8.8	16	Dec-18
▲	18	19	Bank of China[1]	2,137	28.3	0.4	219	3.2	7	Dec-18
▲	19	20	ICBC[2]	2,136	28.5	0.4	234	3.9	7	Dec-18
-	20	-	JPMorgan Chase Bank[2]	1,806	14.8	0.6	-	-	11	Dec-18
-	21	-	Latitude Financial Services[2]	1,804	9.9	0.7	27	53.6	13	Dec-18
▼	22	18	China Construction Bank[2]	1,556	(14.8)	0.7	216	5.8	12	Dec-18
▼	23	21	Toyota Finance[2]	1,321	(6.1)	1.5	179	12.5	20	Mar-19
▼	24	22	FlexiGroup	1,187	0.4	3.8	258	19.3	46	Jun-18
-	25	-	Swiss Re Life & Health[2]	1,156	350.9	2.2	116	10.4	15	Dec-18
▼	26	23	QBE Insurance[2]	1,046	(1.8)	4.9	294	19.3	52	Dec-18
▼	27	24	Pastel Holdings[1]	1,043	(0.7)	1.4	119	10.8	15	Dec-18
-	28	28	Partners Life[2,3]	882	19.8	6.6	440	13.6	53	Mar-19
▼	29	25	Deutsche Bank	880	(3.9)	-	3	-	-	Dec-18
-	30	30	Nelson Building Society[2]	829	14.6	0.7	58	10.5	6	Mar-19


Sanford chief executive Volker Kuntzsch networks at the lunch.


Deloitte chairman Ross Milne addresses the guests.

Elegant lunch celebrates 2019 finalists

The Deloitte Top 200 award finalists, sponsors and judges gathered for a glitzy lunch hosted by NZME at Auckland's SO/ Hotel Harbour Society restaurant to celebrate the awards' 30th year ahead of the ceremony on December 5.


NZME CEO Michael Boggs sits alongside Deloitte chair Ross Milne and MinterEllisonRuddWatts partner Sivana Schenone.


Managing editor of NZME Shayne Currie with Grant Pritchard, legal business partner at Spark.


Judging panel convenor Fran O'Sullivan chats with Mercury CEO Fraser Whineray.


Penelope Barr-Sellers of the University of Auckland Business School with Mainfreight's Don Braid.


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We still have plenty of space to grow without exceeding our current boundaries. We look forward to supporting New Zealand's importers and exporters in their future success.
Port of Tauranga congratulates all the finalists and winners in the Deloitte Top 200 Awards.
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