

# DYNAMIC BUSINESS



Exclusive report: **Deloitte TOP 200 AWARDS**  
Inside: **Winners and finalists for 2016**



**Company of the Year**  
Z Energy **D7**



**Chief Executive of the Year**  
Mike Bennetts,  
Z Energy **D8**

**Chairperson of the Year**  
Christopher Moller **D10**



## Banner year for Deloitte Top 200

**Ranjna Patel**  
Visionary leader



Z Energy takes out top honour at prestigious business awards

**2**016 is a banner year for the Deloitte Top 200 – New Zealand's most prestigious business awards.

Several Kiwi success stories have been honoured, along with a record number of women in the awards. The successes go beyond the winners.

The total profits for the Top 200 companies measured on the Deloitte Index are also up nearly 19 per cent.

The top honour was presented to Z Energy which progressed from a finalist in the 2015 awards to the standout winner in 2016 among the Top 200 companies.

The judges said Z Energy was a deserving winner of Company of the Year, citing its huge acquisition of Caltex which has delivered integration benefits which have exceeded expectations.

Importantly, the company had successfully evolved a Kiwi success story around the Z brand.

"This has resonated with New Zealanders and they have delivered on

their promise to the community," the judges added.

No surprise, then, that Z Energy CEO Mike Bennetts also takes the crown of Chief Executive of the Year for 2016.

Bennetts' "inclusive" leadership has seen Z Energy develop a respected and well known brand in a short period of time while, again, delivering commendable financial results for shareholders.

Spark was also a finalist for Company of the Year, while their managing director Simon Moutter was runner-up to Bennetts in the chief executive category. A year of successfully countering disruption, increasing market share against competitors, and, like Z Energy, bedding in a rebranding success after initial scepticism, was well-recognised.

The combination of company transformation and financial success also warranted recognition of Spark's Jolie Hodson as Chief Financial Officer of the Year.

At the governance end of town, the

Accident Compensation Corporation (ACC) was well represented.

ACC's turnaround in financial performance and public perception over recent years earned it the Excellence in Governance award; while deputy chair, Trevor Janes, was a finalist in Chairperson of the Year.

Christopher Moller, lauded for recent successes as chair of SkyCity Entertainment, Meridian Energy, and NZTA, won that category for his "courageous leadership".

Zespri Group had impressive revenue growth of 27.5 per cent – the highest in the top 50 ranked companies, and enough to pip Trade Me and Kathmandu to the Most Improved Performance award.

The David to Fonterra's Goliath, Synlait Milk, won Best Growth Strategy.

After a successful IPO in 2013, increased competitiveness internationally, and industry-leading profitability figures, the dairy

continued on D4



**James Bergin**  
ASB  
Young Executive of the Year



**Jolie Hodson**  
Spark  
Chief Financial Officer of the Year



**Mike Bennetts**  
Z Energy  
CEO of the Year

### This moment matters

Congratulations to this year's Deloitte Top 200 winners.

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# Inside Dynamic Business 2016

## Section One: Investing in the future

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## See the finalists

Meet the Deloitte Top 200 Chief Executive of the Year Mike Bennetts (left of picture) from Z Energy as he talks with *Herald* Business Editor-at-Large Liam Dann in our online video series. Also in the series, Deloitte's Thomas Pippos discusses the awards' theme 'Investing in the Future' with Liam Dann. All finalist videos are available to view at [nzherald.co.nz/business](http://nzherald.co.nz/business)

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# DELOITTE TOP 200

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CONGRATULATIONS TO THE  
WINNERS AND FINALISTS OF THE  
DELOITTE TOP 200 AWARDS

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The Deloitte Top 200 Awards

# Investing in NZ's future good for business

Forward looking companies are finding ways to address our biggest issues, writes **Thomas Pippos**

**F**ar removed from the tumult of Brexit, America's presidential race and the ongoing conflicts in the Middle East and elsewhere, our California-sized country at the bottom of the world is a relative bolthole of stability.

Since the turn of the century New Zealand has had just two prime ministers and two finance ministers. During the same time across the Ditch, Australia has had six prime ministers (although Kevin Rudd held the office twice) and five treasurers. Though the business landscape can be characterised as one of constant change and disruption, this political and policy stability provides our business leaders with a more certain regulatory foundation from which to address other changes. Political stability is generally good for business. This shows in this year's Deloitte Top 200 list where overall the profits of our top companies are up 19 per cent on last year.

But the relative stability and prosperity we have been enjoying could change for any number of reasons. As a small trading nation we are exposed to the vagaries of an international market that can shift materially due to circumstances far removed from what may be happening at home. At home, we face growing challenges from an increasingly diverse and ageing population, child poverty, high youth unemployment, the spiralling Auckland housing market and increased infrastructure demands on our cities.

Conventional wisdom says these



Business as usual is no longer sustainable and social innovation and investment offers a compelling extension to the status quo.

Thomas Pippos

periods of relative stability afford our largest corporates the opportunity to address more than just the bottom line. Sayings like "make hay when the sun shines" or "the best defence is a good offence" come to mind. Certainly our politicians have been running this line, focusing on paying down debt and keeping costs under control despite the encouraging economic statistics.

For our largest companies this is an opportune time to build strategies to invest in the future, not just for the success of their business but for society

in general. The reasons are clear, with Brexit and the US election showing us the importance of maintaining the confidence of the public in the establishment; including in the largest organisations that help define who we are. Forward-looking companies are finding ways to address our biggest issues through business-led ventures that go beyond traditional business as usual.

The reality is that business as usual is no longer sustainable and social innovation and investment offers a compelling extension to the status quo.

The growing majority of both consumers and talent favour transparency and socially responsible business practice and initiatives, moving social impact from a niche topic to a more mainstream discussion for the executive team and around the board table.

In fact, this topic also brings government and business closer together on how programmes are delivered. Applying business rigour around such programmes is critical and something that government is adopting to address some of our intractable social issues.

The social investment approach, which focuses on the quality of spending rather than just the quantity and justifying the spending through return on investment, is becoming more mainstream. Success requires taking calculated risks and learning from failures to adjust initiatives as necessary.

The benefits for companies who invest in the wider future of society can be greater employee engagement and retention. It can also be the basis for innovation within their own business, guarding against disruptive new entrants that are often "born social."

Greater collective investment in our future by our largest corporates can also build the intellectual and other property that we can trade on international markets. And it can help attract capital and labour, and maintain greater societal cohesion and stability.

In terms of this latter point, investing in the future and addressing some of our big challenges can help guard against the possibility of increased inequality at home. There's an ongoing argument about whether or not inequality is currently rising. But fact often loses out to emotion in this discussion.

The intense frustration people are feeling in other countries – the ones we often compare ourselves to – could easily take root here with the Top 200 corporates able to play a role in keeping it from our shores.

Thomas Pippos is the chief executive of Deloitte New Zealand

INSIGHT # 42

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## Investing in the Future

# No ordinary disruption

A handful of forces are shaping the future of what global business will look like

Tim McCready

**F**our global forces are breaking all the trends and shaping the future of what global business will look like: greater global interconnections, industrialisation and urbanisation in emerging economies, an ageing world and disruptive technologies.

These disruptive forces will clearly have an impact on the business environment and will have an impact on investing for the future.

Consulting firm McKinsey & Company outlines the four global forces in its presentation: 'No Ordinary Disruption'.

### Greater global interconnections

The world is becoming increasingly connected through trade and cross-border flows of capital, people and information. Since 1990, cross-border flows have increased five-fold. Data flows are surging and connecting more countries – in 2005, 4.7 terabits per second were transferred globally, growing 45 times larger by 2014 to 211.3 terabits per second.

Australia and New Zealand are noted as two particularly well-connected economies in all five types of cross-border flow (goods, services, finance, people and data). Relative to the size of the economies, Australia and New Zealand have more exchanges than most pairs of countries – people and data are rated particularly high, with 27 and 25 per cent share of total flows between the countries, respectively.

However, Australia and New Zealand rank lower in global connectedness – Australia is ranked 27th (down 10 places from last year) and New Zealand is ranked 48th (down five). This is in contrast to Singapore, the Netherlands and the United States who take out the top spots.

McKinsey & Company notes that the current slowdown masks digital transformation, but creates opportunities for smaller firms to participate. While Australia and New Zealand are strong together, it is important to acknowledge there is much more that can be done.

### Industrialisation and urbanisation in emerging economies

The rise of China, India and other emerging economies over the past 10 years has seen the global economic "centre of gravity" shift at an unpre-



cedented pace. Emerging markets are going through simultaneous industrial and urban revolutions. The acceleration of output per person is occurring at roughly 10 times the pace of that following Britain's Industrial Revolution and 300 times the scale – creating an economic force 3000 times as large.

McKinsey projects that by 2025, 46 of the global top 200 cities will be Chinese (in terms of 2025 GDP) and emerging regions of the world will be home to almost half of all Fortune Global 500 companies.

This massive scale and momentum means big shifts in economic power, but it is the mid-tier cities that are driving growth – not the megacities. Nearly three billion people will join the consuming class by 2025, bringing new consumers and competitors for businesses to consider.

### An ageing world

The population of advanced economies is ageing rapidly. There are currently three countries where one-fifth of the population has passed the age of 65 – Germany, Italy and Japan. By 2020, 13 countries will fit this profile.

By 2040, about one in four people in advanced economies and China will be 65 years old, or older.

Productivity, which is needed to meet the demands of an ageing population – and therefore becoming increasingly critical – is going the wrong way. This has implications for skill gaps and successions, and without an increase, a smaller workforce will constrain consumption and slow the overall rate of economic growth by up to 40 per cent over the next 50 years.

### Disruptive technologies

Mobile internet and advanced robotics have seen massive increases in development pace. It took 115 years to advance from the first phone call to the launch of the first website – and then 16 years until the first iPhone was launched in 2007.

We have all seen the statistics demonstrating how quickly the adoption of new technologies is accelerating. The amount of time taken to reach 50 million users has decreased from 38 years for the radio, 13 years for television, three years for the internet, nine months for Twitter, to an incredible 19 days for the 2016

mobile game phenomenon of Pokemon Go.

Despite these advances, McKinsey reports that digitisation is still in its early days, with advanced economies capturing only a fraction of their true digital potential.

Smaller firms and large sectors (such as agriculture, construction, hospitality, government and healthcare) remain laggards in technology adoption, and are still a long way away from achieving potential benefits.

Both New Zealand and Australia are currently lagging behind the OECD average in terms of STEM qualifications.

Of all graduates, 18 per cent in Australia graduate from across science, technology, engineering and mathematics. New Zealand is slightly higher at 21 per cent (up five per cent from last year), yet talent across these subjects will be critical in shaping the future of our economies.

**McKinsey and Company presented 'No Ordinary Disruption' at the Australia New Zealand leadership forum in Sydney in October.**



NZME's chief executive Michael Boggs is proud of the company's involvement in the Deloitte Top 200 awards.

## Sharing stories of success

NZME chief executive Michael Boggs says he is delighted to recognise all nominees and celebrate the winners in the 2016 Deloitte Top 200 awards.

"This event is the most prestigious business event of the year in New Zealand and this year's theme of 'Investing in the Future' focuses on the opportunity for businesses to create sustainable value today and for future generations," said Boggs.

"At NZME our focus is to create content and experiences that are at the centre of what New Zealanders want," adds Boggs.

"This includes investing in our people and our communities to

**The Deloitte Top 200 recognises those that have been bold through their leadership to innovate, embrace the power of diversity and achieve great success for their people, their communities and their businesses.**

Michael Boggs  
NZME chief executive

ensure all opportunities to become better, brighter and stronger together can be realised."

"We are excited about the potential for New Zealanders to lead at a local, national and global level and we celebrate these successes through our brands."

This is the third year of NZME's partnership with Deloitte in the Top 200 awards – the most prestigious business event in New Zealand.

There are 10 categories including chief executive and young executive of the year, company of the year, chairperson of the year and chief financial officer of the year.

"The Deloitte Top 200 recognises those that have been bold through their leadership to innovate, embrace the power of diversity and achieve great success for their people, their communities and their businesses," says Boggs.

"Being a part of this event enables us to showcase these success stories and inspire other business leaders to achieve great things."

## 2016 a banner year for Deloitte Top 200

continued from D1

processing company beat one of their competitors – and fellow finalists – to this award.

ASB's important initiatives with respect to inclusiveness (such as female representation on all interviewing panels and the introduction of a faith room at head office) were recognised with the bank's win in the Diversity Leadership category.

The Visionary Leader category is one that recognises the synthesis of business acumen and community mindedness.

Ranjna Patel, the category winner, embodied this spirit – providing low-cost healthcare in South Auckland through the Nirvana Health Group – along with domestic violence prevention in the Indian community.

Inspiring and motivating leader, James Bergin was the foremost "up-and-comer" in this year's awards.

Bergin, the Chief Architect in IT for ASB, was recognised among a strong pool of young business leaders as Young Executive of the Year.

In contrast to the glitz and glamour of the Top 200 awards event are the underlying numbers which the judging panel – NZME's Fran O'Sullivan (convenor), Neil Paviour-Smith, Sandy Maier, Jonathan Mason, Dame Alison Paterson and Cathy Quinn – pored over to assess the financial performance of our top companies.

The Top 200 list includes publicly listed and private companies. New Zealand subsidiaries of multinational companies, co-operatives, societies and state-owned enterprises.

O'Sullivan said the awards set a benchmark and are seen as a badge of honour in the business community. "Year on year we see an incredibly high level of top performing businesses and worthy individuals entering into the Deloitte Top 200."

The primary financial figures from our largest companies have been produced in full at the rear of this Dynamic Business 2016 report – showing revenue, profitability, efficiency and more.

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

The high level story for the Top 200 this year is consolidation. While total revenues fell by 0.7 per cent compared with the 2015 figure, underlying earnings (EBITDA) rose by 11.1 per cent. This indicates that Top 200 companies have done an impressive job of reducing costs by a greater degree than the fall in revenue.

Thirteen companies made their debut on the Top 200. Most notable was New Zealand's largest poultry producer, Tegel Foods. Having gone

public in the first IPO of 2016 it debuted at 59th place with revenue at \$582.6 million.

The A2 Milk company also entered the Top 200 ranked 97th, following a revenue of 127.5 per cent to \$353 million – the largest increase among all Top 200 companies.

Revenue for the Top 30 finance companies grew by 11.7 per cent – a noted improvement on last year's 8.5 per cent growth figure. Year on year asset growth for the Top 30 finance companies again outpaced last year's figures, growing 9.2 per cent to \$488.6 billion.

Despite continued competition among the big four banks, there has been no change in the rankings for another year.

With \$147.5 billion assets, ANZ continues to lead the way with its enormous asset base, holding \$58.7 billion more than Westpac, its closest competitor.

# We must plan ahead for our communities

Maintaining a balance between economic and social progress is a key part of investing in our country

James Penn and Tim McCready

**S**hould businesses provide more opportunities for employees to share in their firm's governance, and ensure communities benefit more from their profits? These ideas appeared briefly on the radar in Britain recently.

British Prime Minister Theresa May appeared to suggest employee representation on company boards may be mandated while campaigning for the Conservative leadership, and mooted the idea of lump sum payouts (thought to be up to £10,000 (\$17,746) per household) to communities affected by fracking.

The commercial end of town might also reconsider hiring policies.

Much resentment arises from a sense that upward mobility is limited for the working class. A significant driver of this is the growing norm that a university degree is essential to gain a corporate job. In the past, aspirational individuals from low income backgrounds could pursue an apprenticeship at prestigious firms in financial, administrative, or legal areas. Now they cannot without taking on three years (or more) of university fees and foregone income.

EY have already removed their GPA-threshold for screening university graduates in the UK, stating their research had "found no evidence to conclude that previous success in higher education correlated with future success in subsequent professional qualifications undertaken."

It would also be helpful – though, granted, high risk – for some businesses to enter the political sphere when it comes to issues that affect their bottom line and, in turn, their



**British PM Theresa May appeared to back employee representation on company boards recently.**

Picture / AP

workers. Being willing to more staunchly defend out-sourcing and its benefits – both to foreign workers and domestic consumers – would be helpful. Radio silence on globalisation implies shame about globalisation, and allows its opponents to steal the narrative.

This isn't limited to the Trans-Pacific Partnership (TPP) debate.

Before New Zealand signed the much lauded China free trade agreement in 2008, protests were held up and down New Zealand, with claims that "so-called free trade with China has cost tens of thousands of skilled jobs in New Zealand manufacturing

industries" and "under such an FTA the negative impacts will be felt by working New Zealanders and their families while the profits of transnational corporations will soar".

The outcome was benign. New Zealand's trade relationship with China has nearly tripled over the past decade. Two-way trade has risen from \$8.2 billion in the year ended June 2007 (the year before the free trade agreement was signed), to \$23 billion in the June 2016 year.

At Apec last month, New Zealand and China announced they will upgrade the historic agreement to ensure it remains one of the highest

standard agreements ever negotiated – particularly now that e-commerce has become increasingly significant for bilateral trade.

Like the Trans-Pacific Partnership, this deal received much support within the business community. Yet most businesses remain silent on why they think it is good for New Zealand. Some will argue it is for selfish reasons – that it allows the rich to get richer – but these arguments will be levelled by opponents regardless.

And very few business leaders actually made the argument for why the TPP could benefit their workers,

New Zealand consumers, and citizens overseas (who, yes, are deserving of our consideration).

This will become more important as the negotiation of the Regional Comprehensive Economic Partnership (an Asia-Pacific agreement that includes China instead of the US alongside a range of other countries), gathers momentum after the breakdown of TPP.

Opposition may become vehement, with widespread public scepticism of Chinese trade potentially dwarfing that of the US, making the political cost of New Zealand's participation high. Unless the success story of the China free trade agreement is told – and not just by politicians – our participation in this key part of the region's future trade architecture may be hindered.

It may also be prudent for businesses to bear the costs of retraining when jobs are displaced.

Maintaining a balance between economic and social progress is a key part of investing in the future. Building strategies to invest in society will create better, brighter and stronger communities. What's more, an investment in social change is difficult to reverse – once it takes root, it can only grow.

It is more important now than ever that New Zealand's top businesses take a serious role in this, and consider whether certain protection measures are necessary to minimise disruption. What these companies say and do could ultimately help – or hinder – New Zealand's ability to solve those issues that will impact the future of the country.

**The inequality paradigm D20**

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# The Deloitte Top 200 judges



**Fran O'Sullivan**

## Fran O'Sullivan (Judging Panel Convener)

Fran O'Sullivan is Editorial Director of Business for NZME and a high profile business columnist for the *New Zealand Herald*. She has a strong interest in New Zealand's business success and is a frequent TV commentator and public speaker. Fran is a member of both the NZ US Council and NZ China Council's Advisory Boards and is a committee member of the Pacific Economic Co-operation Council (NZ). She is also a regular participant in NZ's leadership forums with the United States, Australia and China. Fran is a former editor of *The National Business Review* and has an award-winning track record in business journalism.

## 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),



**Jonathan Mason**

and CFO of Carter Holt Harvey. Jonathan also served in senior financial management positions at US based International Paper from 1990-2000. Jonathan is currently a director of numerous large organisations and an Adjunct Professor of Management at the University of Auckland.

## 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 was previously awarded the QSO for services to the community. Dame Alison's experience spans a range of industries in both the public and private sector. She is recognised as being a trailblazer for women in governance roles. She is a chartered accountant who operated a sole farm accounting practice. Her first major board appointment was in 1976. Dame Alison served on the Reserve Bank board from 1996 to 2010 including as Chair of the audit committee and Deputy



**Dame Alison Paterson**

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. She 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.

## Sandy (Samford) Maier

Sandy serves, and has served, as Chairman or Director for numerous organisations in New Zealand. He has a wealth of experience in corporate governance and finance, having spent 15 years working in international commercial and investment banking, including as CEO of Citibank New Zealand. Sandy has lived and worked in New Zealand since 1986, serving on the board of the Bank of New Zealand and as the statutory manager of DFC New Zealand Limited for which he received a 1990 Commemoration Medal. For the past



**Sandy Maier**

25 years, Sandy has had his own international management consulting firm, specialising in strategic financial and human resource issues and has served as Chairman or Director of several New Zealand companies.

## Cathy Quinn

Cathy Quinn is the Chair of MinterEllisonRuddWatts, and a senior corporate and commercial lawyer who leads the firm's Mergers & Acquisitions and Private Equity teams. Cathy was made an officer of the New Zealand Order of Merit in 2016 for her contribution to the law and women. Cathy leads the firm's dedicated China practice. Her team has extensive experience in advising Chinese businesses investing in New Zealand, as well as New Zealand entities negotiating transactions with Chinese partners. Cathy is a board member of the NZ China Council. She was named the *Veuve Clicquot Business Woman Award Winner 2010 (NZ)* and awarded, in the 2013 *Euromoney Australia's Women in*



**Cathy Quinn**

*Business Law Awards, the Mergers and Acquisitions and Private Equity Award for Australasia.* She has recently been appointed to the Board of the NZ Treasury having served on the Commercial Advisory Board to the Treasury since its inception. Cathy is a former member of the Securities Commission and the Capital Markets Development Taskforce.

## 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 NZ sharebroking firm and investment bank. Neil is a Director of the New Zealand Exchange (NZX Limited) and Chartered Accountants Australia-NZ and Pro Chancellor of Victoria University. He is a Fellow of the Institute of Finance Professionals NZ, having been Chairman of the NZ Society of Investment Analysts 1999-2001. Neil was an inaugural recipient of a Sir Peter Blake Trust Leadership Award in 2005.



**Neil Paviour-Smith**

A STAR ALLIANCE MEMBER 
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## Here's to those who make the impossible happen

**where to next.nz**
Peter Beck from Rocket Lab, working on his Electron satellite launcher.



# Z Energy

## A Kiwi branding success story

**Z** Energy, named the Deloitte & AJ Park Company of the Year in this year's Top 200 awards represents one of New Zealand's remarkable listed company success stories.

The prospect of a locally owned and operated service station chain having the scale and reach that Z Energy has achieved would have seemed far fetched a decade ago.

The company was born out of the vision of Wellington investment firm Infratil and their leader the late Lloyd Morrison's unashamed belief in New Zealand's ability to own major strategic assets and control its own destiny.

Infratil, in partnership with the New Zealand Superfund, engineered the joint buyout of Shell NZ's retail assets in 2010 for \$696.5 million.

It quickly adopted a new name as Z Energy – a move that required the revamp of 226 service stations in one of the country's biggest rebranding exercises.

It was then floated on the NZX in 2013 raising \$860m on the sale of a 60 per cent stake – valuing the company at \$1.4 billion.

After the successful float, the story from there on was one of steady progress and successful execution of its strategy until it took another huge leap this year.

In May, Z Energy's acquisition of Caltex for \$758m took the company's market capitalisation to more than \$3 billion. In November, the company raised its first-half dividend as it posted a 22 per cent gain in earnings and a 57 per cent jump in fuel volumes following its acquisition of Chevron New Zealand's Caltex and Challenge brands.

Profit rose to \$82m in the six months ended September 30, from \$67m a year earlier, the Wellington-based company said. Sales climbed to \$1.66 billion from \$1.3b. It also lifted its earnings guidance for 2017, saying it was far enough into the integration to make a more accurate assessment.

The Deloitte Top 200 judges said Z Energy was a very deserving winner of

Company of the Year because it made a huge acquisition with the purchase of Caltex and has delivered integration benefits which have exceeded market expectations.

The judges also commended Z for being "incredibly transparent" and providing a monthly report on the integration process.

Importantly, the company had successfully evolved a Kiwi success story around the Z brand.

"This has resonated with New Zealanders and they have delivered on their promise to the community," they said.

"They are a highly transparent company in terms of their strategies and performance," added Top 200 judge Neil Paviour-Smith, managing director of Forsyth Barr. "They have outstanding leadership across the business and have maintained outstanding relationships with their stakeholders."

In the year under review, Z Energy have grown total shareholder returns by around 50 per cent; Z shares are up around 14 per cent this year and 60 per cent since the start of 2015.

The company was conceived by people taking a long term strategic view and it has certainly retained that focus on the future.

With the big merger largely completed by Christmas the focus will now go on to two different strategic plans, says CEO Mike Bennetts. "There's the work we need to do between now and the end of the decade for us to be returning to shareholders and having happy customers ... and that path way is pretty straightforward."

"But we're also doing a lot of work around what we call: 'What is Next?'"

What next, by Z's own admission, is some seriously large scale disruption for a petrol retailer – electric cars.

"What does the 2020 to 2030 period look like?" asks Bennetts.

"That's when you start to see a greater penetration of electric vehicles (EVs) and many of those pose threats to our business. So we're very much in

that space. The management of the company can take care of the next two to four years. It's the executive and the board that need to be thinking about the decade after that."

Z Energy has taken commendable approach to the disruption risk and Bennetts talks about needing to be clear of any potential "Kodak" moment.

"Global mass adoption of EVs is inevitable," Z Energy states in an October report.

Having honestly acknowledged this key point, the company is preparing itself to adapt based on several different scenarios for the uptake of EVs. The company already has six electric vehicle charging stations in Auckland, Wellington and Christchurch.

Z is "agnostic" about what sort of energy is flowing in the forefront, Bennetts told *Herald Energy* reporter Grant Bradley earlier this year.

"We're in the energy business so we're somewhat agnostic about what we sell. We don't go around drilling for oil and gas so we have no upstream investment."

The company is about to start producing commercial scale biodiesel, has tendered for a jet biofuel project for Air New Zealand, and dipped its toes in the EV charging market in a handful of sites.

As one of the top 10 largest fully listed local stocks on the NZX, it is now in many ways a different company to the one Bennetts took charge of in 2010. But the size doesn't bother him – "It's mostly adding extra zeros to the numbers you're dealing with anyway."

One of the biggest challenges is to stay grounded and customer and often focused in a world where bigger is often perceived as badder, Bennetts added.

### Finalist: Spark

Spark Managing director Simon Moutter says, "It's really great to have the business now, back in growth, with a fantastic network, performing strongly in the market and customers preferring our brands over others and that creates the possibility of us doing an even better job for all New Zea-

landers and making a really big contribution to the success of our country over the next few years."

The last financial year was a turning point for Spark as it continued to reposition and transform its business. The growing parts of its business (mobile and platform IT) are now bigger than the declining parts (fixed line voice and legacy data).

Total revenues of \$3.497 billion for the year ending June were slightly down, however after adjusting for the impact of prior year business sales, changes to Chorus charges, and acquisitions this year, Spark's total operating revenues and other gains were actually up 2.5 per cent on a like-for-like basis.

Says Moutter, "we're at the epicentre of digital disruption and technology change, from here forward we've got a job to do to leverage the platform we've created...to bring more capability to New Zealanders, more digital services that will help people live more amazing lives or help our business customers build better businesses and be more globally successful. We're determined to make a real contribution to the country and to make New Zealand a better place to live and work and build great future for our children."

Spark has clinched the leading market share in mobile revenue this year, achieving \$1.134b revenues for FY16, up 11.3 per cent for the full year, compared with Vodafone's recently published estimate of \$1.065 billion in revenues.

Moutter said the programme was completed on time and on budget, and it laid the platform for the delivery of excellent digital customer services.

In broadband, a focus on higher-value plans and adding customer value through digital services, such as Lightbox and smart living solution Morepork, has helped a 5.4 per cent growth in revenues.

The Deloitte Top 200 judges said Spark had clearly out-performed its

competitors. "It was delivering on its strategy and had executed a leadership transition late this year to position the company for its future."

### Finalist: Restaurant Brands

Restaurant Brands under CEO Russel Creedy's leadership continues to go from strength to strength in a "very tough and competitive market", say the Deloitte Top 200 judges.

Restaurant Brands NZ has had an outstanding year delivering great returns to shareholders based on the franchises that they operate," the judges said. "The company has expanded into Australia and has done that successfully."

"Their focus on excellence has shown through in all facets of their business and they have delivered outperformance in terms of returns to shareholders."

Restaurant Brands' store numbers now total 215, comprising 173 in New Zealand and a further 42 stores in Australia.

For the 28 weeks ending September 12, 2016, Restaurant Brands produced unaudited net profit after tax of \$13.5 million (13.3 cents per share), compared with NPAT of \$13.4m for the previous half year.

After allowing for the impact of non-trading items, the underlying net profit after tax was \$15.9m (15.7c per share), up \$2.8m or 21.7 per cent on prior year. The group posted total sales of \$256.2m, up \$46.2m or 22 per cent on the first half with the benefit of \$43.6m in sales from the recent KFC acquisition of QSR Pty in Australia.

New Zealand operations saw a strong performance from KFC (up \$4.2m) with newly-built Carl's Jr. stores assisting in delivering another \$1m in sales for that brand.

Total operating revenue was \$266.9m, up \$48.5m on prior year. Same store sales were up 1.4 per cent (rolling over plus 6.7 per cent from last year) with KFC, Pizza Hut and Starbucks Coffee all showing growth.

— Liam Dann

# Chief Executive of the Year



**B**y Christmas, Deloitte & Orbit World Travel Chief Executive of the Year Mike Bennetts will have wrapped one of the biggest corporate mergers of the decade.

The acquisition of Caltex for \$758 million in May took Z Energy's market capitalisation to more than \$3 billion.

It has been a rapid integration completed, Bennetts says, at least three months ahead of schedule.

"Pretty much by December we'll consider the integration to be largely complete, or the bits that aren't done will fall into a 'business as usual bucket'."

The Deloitte Top 200 judges were impressed, saying Bennetts was a "very deserving winner" of Chief Executive of the Year in the 2016 Top 200 awards and had "set the vision for what has been a great success story in the market for Z".

"He is an inclusive leader, leads from the front, and has delivered outstanding results for Z, not just in the last 12 months, but in prior years as well," added judge Neil Paviour-Smith, managing director of Forsyth Barr.

"In the year under review they have delivered significantly on the Caltex transaction which is transformative to Z and they have outperformed market expectations."

"He is an authentic leader, he is clear with his strategies and he is setting the company up for many successful years ahead."

The Caltex acquisition has been a huge success story by any measure, and one Bennetts is clearly proud to talk about. Take the switch to a single IT system for example.

"We completed a systems cut-over on the night of the transaction," he says. In other words Z took control and immediately moved to a single integrated IT system. It took some planning – some 200 people handling 5000 tasks across six countries, and over a one week period.

"Normally when you do an M&A deal you take months, if not years to put the two companies together into a common systems platform. So it was a risk. But it meant people didn't have to cope with two systems to run the company."

The speed of integration wasn't entirely a choice, Bennetts says. "There were some things we had no choice over because that was the way Chevron wanted to sell the business and we took this risk on. Z has a particular way of working. So we just challenged ourselves about what an extraordinary merger would look like. It wasn't that we were smarter than anyone else. We set ourselves one of those big hairy audacious goals and we figured out a way to get there."

Given the speed of the transition there have been some big financial wins too.

"From a nuts and bolts market perspective, synergy was originally disclosed to be savings of \$25-30 million a year and we've upped that to \$40-45 million based on what we've learned," he says.

"It's not often that you get to look at one of your competitors. They looked at us, we looked them, and we both discovered things that enable us to run the consolidated company in a more efficient and rewarding way."

The third success Bennetts is keen to emphasise, when asked about the "different" year he's had in 2016, is around the cultural integration of the



## Mike Bennetts – Z An authentic leader

two companies.

"We've been very mindful that the values of the company haven't changed ... the strategy hasn't changed. The people are largely the same. For many people we used to be the cute Kiwi company. Now we run the risk of being the big incumbent. Just keeping people humble and keeping their feet on the ground about that is a real area of focus for the past five months."

Bennetts notes that just four Caltex staff have opted not to come across onto Z Energy contracts. "We have put everyone from the Caltex heritage through a two day induction program about Z's values. I led that, that surprised a few people. They probably thought I'd do a 15 minute opening and leave them to it."

The workshops were designed to give everyone in Caltex the opportunity to connect with Z on a human level, he says. "We've done quite a bit of work on culture to make sure we are sufficiently respectful of the heritage Caltex bring to the table. Because frankly we paid a lot of money for what are largely intangible assets. So it's really important that we don't alienate our Caltex heritage colleagues and we get the best out of them."

From there it was time for the company to start focusing on strategy. "We put the two companies together and got the obvious cost efficiencies out of that. Then what's now available to us in terms of strategic choice ... and we're working on that one now and we'll have that figured out by about the middle of next year."

The Deloitte Top 200 judges described Bennetts as inclusive leader who is well-respected and liked by his team. He presented a picture of how Z was going to improve, has executed his plan and delivered beyond expectations, they said.

Bennetts, who has been in charge of Z Energy for nearly seven years now, grew up in Howick and went to school in Manurewa. He got into the oil industry at Europa in the early 1980s after dropping out from Auckland University one year into a law degree. Europa was the last of New Zealand's indigenous oil companies and while owned by BP by the time Bennetts joined in the sales team, it

was run as a separate company.

It was there his potential was recognised by BP who later put him into a global elite of 150 staff with the most executive potential after serving in South Africa, and a stint back in New Zealand in the mid-1990s when he and his wife had two daughters.

After BP's "finishing school" which lasted 18 months in London, he was posted to Singapore as chief executive of the company's Integrated Supply and Trading business unit in the Eastern Hemisphere, an area covering Australasia, Asia, the Middle East and sub-Saharan Africa.

This business unit had annual revenue of US\$40 billion and 500 employees among 25 nationalities across nine offices. "It helped sharpen me up around risk management and finance," he told *Herald* energy reporter Grant Bradley in 2010.

Before he took the job, a subsidiary, China Aviation Oil, posted the single biggest trading loss out of Singapore since those that brought down Barings Bank in 1995.

Bennetts helped put together a rescue package where BP invested in the company and provided capability at the management level.

– Liam Dann

### Finalist: Simon Moutter

Chief Executive of the Year finalist

Simon Moutter says his leadership style is evolving as the company moves from a period of rapid change to more stable footing.

"For Spark it has been the year when the turn around in performance became a reality," he says. "First and foremost that shows up with the customers' view of us. That's seen us regain number one in market share in revenue in mobile, to gain leadership in market share in Cloud IT services and to retain and strengthen our leadership in data networking as well."

The company was also making

It wasn't that we were smarter than anyone else. We set ourselves one of those big hairy audacious goals and we figured out a way to get there.

strong progress internally with the culture, he says.

"Spark was a company on a slow-burning platform," Moutter says. It was starting to be affected by technological disruption at the same time as the existing model remained lucrative.

"So for us to break out of that mindset of defensiveness and move forward we had to adopt two mental stances," he says. "The first was: 'don't die wondering'. If you're going to change course in a big business you have to do several very bold things."

The second part of the mantra was "be, do, have", he adds.

"You have to be it in your mind." You have to believe you have ability to do these things, to make the changes to change the brand, he says.

"Do is you have to execute, do the work to make it happen. 'Have' is you get the results."

"We adopted those two lines of thinking and that meant we took on a lot. At one point we had two large scale initiatives being run in parallel to effect big far reaching change."

Moutter says his style has been very directional. "When you are in big change that translates, in some cases to a slightly directive set of decisions. That helps effect change because you give everyone clarity. They may not necessarily agree with every choice. But the choices are made clearly and the directions are set so accountability is easy to line up against that and you get a powerful execution."

People actually enjoy fast decision-making, he says. But as the pace of the change slows there is more time to be collaborative.

The judges said Moutter was a

finalist in this year's awards not simply because he was delivering results for Spark in a tough market, but also because he was contributing in a wider sense with NZ Inc and with a range of diversity initiatives.

"Spark operates in a highly competitive environment and Simon has maintained a highly disciplined and focused resolve on shareholders returns and has managed to claw back on market share with their competitors."

"There has also been a very successful rebranding from the old Telecom to the successful Spark business."

### Finalist: Patrick Davies

Ebos grew very quickly in the last full financial year. Growth was just under 20 per cent profit after tax and revenue

grew by \$1 billion, says Deloitte Top 200 Chief Executive of the Year finalist Patrick Davies.

"Consequently for shareholders there has been a big increase in dividends," he says.

"The year we are in now is continuing to track very well – we think our underlying profit will be in the 7-10 per cent range."

Davies was named a finalist in the Chief Executive category, because Ebos had posted another outstanding year delivering shareholder returns, said awards judge Neil Paviour-Smith. "Patrick follows on from one of NZ's great CEOs, Mark Waller, so he had very big shoes to fill, but he has taken the lead even further in terms of delivering great success in Australia as well as New Zealand."

"Ebos is now NZ's third largest company by revenue in the Top 200 list."

Davies says Ebos has been an acquisitive business for many years but it's also spending a lot of money internally, investing in world-leading technologies to move products around.

Davies oversees five standalone business units across Australasia and says he remains very focused on acquisitions.

Ebos did a billion-dollar deal to buy Symbion and move into Australia in 2013. The share price has doubled since that transaction.

But since that big one, the company has pushed on and had probably invested about \$200m more in various acquisitions in the past two years, he says.

"We're looking really actively. Behind the scenes we've probably got four or five investment opportunities we're looking at, at every board meeting we go to."

"The truth is that one or two a year might pop up so that means doing a lot of work that isn't seen by the external market."

Says Davies: "It's important just to be visible and friendly. I trust other people to get stuff done and I'm very, very proud of the company. I think if we get a culture where people are accountable, competitive and proud of the company, we'll keep growing."

– Liam Dann



Chief Financial Officer of the Year

# Jolie Hodson – Spark

## Responding to disruption



**J**olie Hodson has been instrumental in helping turn around not just the financials at Spark but in transforming the business to meet the new digital world. That's why the newly promoted head of digital has been named Massey Business School Chief Financial Officer of the year in this year's Deloitte Top 200 awards.

A runner-up in last year's awards, Hodson joined Spark in 2013 from Lion Nathan in Australia where she spent 12 years working her way up the finance ranks. Prior to that she spent eight years at Deloitte working as an auditor.

Hodson's arrival at Spark marked the end of a 10-year losing streak for the company. Since then her tenure has been notable for not only her sound financial performance, but her skill as a top leader within a large organisation.

Her leadership of Spark's business portfolio has been demonstrably sound.

She can count among her achievements the successful divestment of a number of businesses at excellent prices, including difficult-to-move entities such as AAPT.

Hodson also oversaw the Revera acquisition, a strong contributor to Spark's improving performance.

She is also credited with the development of Spark's Turnaround Programme, which has delivered cost reductions and cashflow improvements worth hundreds of millions of dollars to the company.

Jonathan Mason, a judge for the awards and former CFO of Fonterra and Carter Holt, said Hodson was respected by her peers, her CEO, the board and the market.

"As we all know, Spark has been in a very challenging space and has had a lot of disruption in its business model.

"Jolie has been an innovative member of the lead team, both in understanding financials but also in thinking about how to respond to disruption."

Mason said Hodson had helped lower the cost base at Spark which had been very well received by the market and had resulted in the company having a very strong share price.

In the last two years Spark's share price has risen from \$3.24 to \$3.43 (as of November 11).

Mason said all three of the finalists for the CFO of the Year category were strong contenders this year but Jolie had stood out as having had the most significant effect on company performance.

"Jolie, among all the candidates had the most significant effect on company performance and this was in her leadership in the transformation projects and it has been in place for the past three years.

"Spark has seen significant benefits in 2016 and rewarded in the share



**Andrew Carroll**

market with a superior performance and for that we gave Jolie the [title of] CFO of the Year."

Hodson has already been rewarded for her efforts at Spark with a promotion to chief executive of Spark Digital – a role she moved into as of last month.

It's her first chief executive role but isn't likely to be the last for Hodson who has set her sights on becoming a top leader.



**Gordon MacLeod**

Hodson is one of the few women at the top of New Zealand's publicly listed companies and is providing a strong role model for others looking to move into the executive.

As well as working hard on the business she has made time to work on her leadership skills and admits to using business coaches, both inside and outside the business, to help her identify and work on elements of her own leadership style.

Simon Moutter, Spark chief executive, says Hodson is an outstanding leader of herself and her people.

"She has strong values and combines these with a very authentic and powerful style, powerful intellect and a deep commitment to results."

**Finalist: Andrew Carroll**

Chorus CFO Andrew Carroll has helped steer the company through substantial regulatory challenges gaining the respect of the market and his fellow executives in doing so.

A finalist in last year's CFO award Carroll joined Chorus in 2011 after working for Telecom for nine years in a range of corporate finance roles.

Since joining Chorus he has led the organisation's finance team in developing an action plan to counter the prospect of a \$1 billion funding gap through to 2020.

Judge Jonathan Mason said Chorus had had a solid shareholding performance in 2016 and Carroll was very much part of that.

"Andrew is respected by the market, investment analysts and his peers and in 2016 specifically, he completed a successful refinancing for Chorus that has saved them money and positioned them well for the next stage of regulation which starts in 2020.

"He has not just been an excellent CFO but he has also driven value within the company."

**Finalist: Gordon MacLeod**

Ryman Healthcare's Gordon MacLeod has been at the financial helm of Ryman for nine years and has been a valued partner to the CEO in implementing the Ryman strategy that has created extraordinary value for shareholders over the past 10 years.

MacLeod is respected for his finance, accounting and strategic skills, and is respected as a leading CFO by his colleagues, the Ryman board, and financial markets.

In the past year, MacLeod and his team have been instrumental in Ryman's move into the Australian retirement home market.

Judge Jonathan Mason said Ryman had been a standout performer on the NZX for the past 10 years and MacLeod had been highly successful in understanding the financials at Ryman and being a partner to the CEO.

"Gordon is also highly respected by all the stakeholders of Ryman, the investment analysts, banks, the board, by his peers and the CEO."

– Tamsyn Parker

## Chairperson of the Year



# Christopher Moller

## Happy to make the hard decisions

**C**hristopher Moller has demonstrated courageous decision-making, flexibility and a broad skillset through his range of chairmanships over the years.

Presently the Chair of NZ Transport Agency (NZTA), Meridian Energy, and SkyCity Entertainment Group, and a director of Westpac, he is admired for the breadth of his contributions.

The Deloitte Top 200 judges noted Moller's willingness to lead from the front in the roles that he holds – an approach that earned him the QBE Insurance Chairperson of the Year award.

This is most notable in his time with SkyCity. Since becoming chair, Moller has overseen both a change of CEO and the international convention centre saga – which created challenges and controversy for the company and board.

Throughout, he retained a responsible focus on the interests of shareholders, ultimately delivering an outcome that extended SkyCity's casino licence and is set to deliver a world-class convention facility.

Alongside this, the company currently has a large-scale redevelopment project under way for the Adelaide Casino.

Since becoming Chair of Meridian, Moller has led the company's initial public offering, to much success. Since listing in October 2013, the company has delivered total share-

holder return of 118 per cent, and 33 per cent total shareholder return in 2016. Meridian is in its fourth year of net profit growth now, and Moller's leadership and experience has helped to facilitate this impressive performance.

Moller is also the Chair of NZTA, which manages some \$32.3 billion of net assets on behalf of the Government. Under his leadership, NZTA have been tasked with overseeing the Roads of National Significance and Accelerated Auckland Transport Programmes, among others.

The range of skills and experiences possessed by Moller are perhaps best exemplified through his involvement in sports governance alongside the above contributions to the business community. Most notably, he was the CEO of the New Zealand Rugby Union, including during the 2003 and 2007 Rugby World Cup. He co-led (alongside Jock Hobbs) New Zealand's bid to host Rugby World Cup 2011 and was then a Director of that event, leaving behind a lasting legacy.

He later served as Chair of New Zealand Cricket, and was a Director of the Cricket World Cup 2015.

Moller's experience was called upon during turbulent times for Swimming New Zealand, as he was appointed to lead a review into the state of the sport's organisation. The judges noted this courage and willingness to make controversial but important recommendations as a reflection of his strengths as a chairperson.

New Zealand's largest company has also benefited from Moller's expertise and insight over the years. Having spent almost 15 years in the dairy industry, he resigned as Deputy CEO of Fonterra in 2002, but returned this year to head up an independent expert panel to review the cooperative's governance structure. Once again, Moller was willing to make recommendations – such as changes to the system of voting for directors – that were inevitably going to be greeted with opposition from farmers, but which his experience informed him were important to the effective governance of the company.

The judges were also impressed with his mentorship of other young directors in the business community.

### Finalist: Trevor Janes

Trevor Janes is recognised as a finalist in the Chairperson of the Year category primarily for his service to shareholders during the recent takeover of Abano Healthcare and the acumen he has displayed in a range of Government-appointed roles.

Like the winner of this award, he is commended for his courageousness when important but contro-

versial decisions are confronted.

The chairman of Abano since 2011 and a director since 2005, Janes faced significant external pressures during the takeover of Abano Healthcare this year, and maintained poise and purpose throughout.

Observers commend him for upholding his core responsibility to act in the interests of shareholders throughout.

It is also noted that Janes is held in high standing by the Crown. He is Deputy Chair of ACC, contributing to the successful oversight that saw the board recognised as the winners of this year's Excellence in Governance award.

He was appointed Chair of Kiwirail in September of this year.

At the time, State Owned Enterprises Minister Todd McClay said: "He brings business experience, financial expertise and a collaborative leadership style to the position."

The judges considered that Janes is someone the Government, and others, turn to when times are tough. His temperament in difficult circumstances is also reflected in his membership of the NZ Markets Disciplinary Tribunal.

Janes is also the Chair of Certus Solutions, a Director of ProCare Health, a member of the NZ Post Network Access Committee, and a member of the International Development Advisory and Selection Panel for the Ministry of Foreign Affairs and Trade.

### Finalist: Rob Campbell

Rob Campbell is regarded as a chairman who provides effective strategic input and direction to the companies he chairs.

Those companies are Tourism Holdings and Summerset Group Holdings.

Campbell's contributions are widely regarded as setting the strategic direction managers can then implement, to the ultimate benefit of these companies. He is also a Director of Precinct Properties and Turners and Growers, and a director of a number of private companies in Australia and New Zealand. Like fellow finalist Janes, the judges noted Campbell's contributions in mentoring younger business leaders.

The chief executives at Tourism Holdings and Summerset – Grant Webster and Julian Cook respectively – are both relatively young as CEOs, and Campbell's guidance has been observed as an important contribution to their growth.

He calls it as he sees it and is unafraid to take a stand on controversial governance issues and is seen as a great promoter of women in the business community, appointing a number of women to his boards.

– James Penn



# Excellence in Governance

MinterEllison  
RuddWatts



The ACC board, clockwise from top left: Anita Mazzoleni, Professor Des Gorman, Professor Gregor Coster, Gillian Spooner, Kristy McDonald QC, Trevor James (Deputy Chair), Dame Paula Rebstock (Chair), James Miller.

**T**he ACC Board receives the MinterEllisonRuddWatts Excellence in Governance award in 2016 in recognition of a clear turnaround in performance and perception – all in the interests of the New Zealand taxpayer.

The judges noted that the award is a reflection of the work done by both the current board led by Dame Paula Rebstock, and the previous board, led by John Judge. Where the latter is widely credited with turning around the financial performance of ACC, the current board has significantly improved the relationship between ACC and the Government, providing a strong framework for improvements in the organisation's performance.

One example of the improvements is the introduction of a new funding policy for ACC. Working with the Government, the board helped usher in a more transparent framework for the setting of ACC levies. There is also an expectation that the changes will result in less volatile levies by adopting a longer horizon over which surpluses and deficits can be smoothed, and reducing the frequency of levy setting from an annual to a biennial review.

"This is about reducing bureaucracy and giving greater stability and certainty around levy rates," said Acting ACC Minister Nathan Guy in September.

On the financial side, performance in 2016 has been impressive. The 2015-16 financial year saw a return on ACC's sizeable investment fund of 10.22 per cent (0.55 points above the industry benchmark). This has generated \$3.3 billion in investment income, under the stewardship of Trevor James, Chair of the ACC Board Investment Committee and Deputy Chair of the Board as a whole.

The Deloitte Top 200 judges also noted that the board has taken a more proactive approach in managing public health. Writing in this year's ACC Annual Report, Guy said: "The board implemented a strategy which has

# ACC

## Increasing its public support



John Judge

clear priorities to drive reductions in the incidence and severity of injuries. ACC increased its injury prevention spend from \$30 million last year to \$50m this year."

The renewed focus on injury prevention appears to be paying off, with a return on investment in the injury prevention portfolio of 1.61 in 2015/16, compared with a target of 1.21.

The leadership of Rebstock has been widely commended and described as highly strategic.

Rebstock's strong track record in public sector-related organisations is also seen as instrumental in her successful leadership of the ACC Board since 2012.

Rebstock has previously been the Chair of the Commerce Commission,

is currently the Deputy Chair of KiwiRail, and is a lead reviewer for the Performance Improvement Framework for the State Services Commission.

There has been a marked uptick in the organisation's relationship with the New Zealand public, as well. After high-profile incidents in the past relating to privacy breaches, the current board has done a commendable job in driving improvements in this regard. ACC now reports a rolling average of 20 breaches per month – which the board say is still above its target level – but this has been reduced from 68 per month at June 2012.

This, along with other work in injury prevention and reducing average time to payment by 10 per cent in 2015-16, has seen public perception indicators improve markedly. A survey by Research New Zealand showed 63 per cent of those surveyed in the 12 months to June 2016 have full trust and confidence in ACC – the highest measure for the organisation since 2008.

The board has also continued to support the Shaping Our Future programme, designed to upgrade IT systems and internal organisation design. A Shaping Our Future standing committee, led by James Miller (also Chair of NZX), has been formed to provide governance to the programme.

It is thought that the uptick in public perception may be partly attributed to the improvements made to workflow systems via investment in Shaping Our Future.

### Finalist: Nuplex

The Nuplex Board's recognition as a finalist is the result of shrewd and shareholder-focused governance throughout a takeover period in 2015-16.

After initially being approached by global equity firm Advent International Corporation to combine Nuplex with Allnex Belgium, a leading global coating resins producer, the Nuplex directors engaged in confidential discussions for a series of months. During that time the board made a number of headstrong decisions, rejecting three separate offers put forward by Advent. This ultimately led to a final offer, which was presented to and accepted by shareholders, and which represented a premium of 44 per cent over Nuplex's trading price on the last trading day before the proposal was announced.

Where often others may be somewhat unwelcoming of a takeover offer, the judges considered that the Nuplex directors played an impressive role in constructively engaging with the eventual buyers to deliver the best possible return for shareholders.

Also worthy of note is Nuplex's strong performance after challenging times during the global financial crisis. After becoming the subject of inquiry by the Securities Commission



Peter Springford  
Nuplex chair

and falling out of favour with investors, the board implemented changes in management that ultimately saw a reversal of fortunes.

### Finalist: Lester Levy

Lester Levy holds a plethora of governance roles in the New Zealand business community, with a particular focus on leadership and healthcare. Levy is the Chief Executive of the New Zealand Leadership Institute and sits on the Sir Peter Blake Leadership Panel. He is an Adjunct Professor of Leadership at the University of Auckland Business School.

Perhaps Levy's greatest contributions can be found in the health sector. He is currently Chair of New Zealand's two largest District Health Boards by revenue and population served – Auckland and Waitemata and it has been announced that he will now also chair the Manukau DHB. Cumulatively, those boards account for over 17,000 full time equivalent workers and serve 1.19 million people.

The judges were impressed by the performance of both District Health Boards under Levy's leadership, having achieved break-even positions over the last four years when over half the nation's DHBs fell into deficit. The balancing of commercial constraints and the performance in health outcomes is seen as a strength over this period.

Reflecting the true breadth of Levy's service and skillset, he is also the Chair of Auckland Transport and Chair of Tonkin + Taylor, an environmental and engineering consultancy.

Leading organisations across the private and public sectors and in a range of industries, Levy's sustained success is to be commended.

– James Penn



Lester Levy

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**C**anterbury dairy processing company Synlait Milk has a simple philosophy. It is dedicated to making more (added value) from milk.

Leveraging that philosophy has earned Synlait the title of Best Growth Strategy in the Deloitte Top 200 awards.

Synlait has developed a range of nutritional milk products that provide genuine benefits for health and well-being. It wants to be a world leader in the manufacture of specialised milk powders for infant formula, base paediatric powders for blending into finished infant formula, and for its own finished infant formula products.

Synlait's strategy is to supply leading global food companies that own great brands.

The strategy targets the highest returning markets, customers and products available to New Zealand dairy or expected growth. During the 2016 financial year, Synlait made "credible progress" along that path. It developed closer partnerships with several key customers.

The Top 200 judges described Synlait as a "huge success story" in a very tough environment over many years, and paid tribute to the leadership of managing director John Penno who had the driving vision for the company.

"Synlait has gone through tough times and turned itself around. It's had a successful IPO, successful capital raising and successfully located external investors and has industry leading profitability measures.

"Synlait is the winner because the judges found its growth strategy based on selling selected products to leading

brands around the world. The company has developed close relationships with food manufacturers around the world in international markets to the extent that they call themselves co-dependent with their customers.

"It's interesting to note Synlait has announced a six-year partnership with another finalist, A2.

"Synlait is known for its innovative pricing and payment mechanisms for its suppliers, an important part of its New Zealand presence. Synlait's revenues following this strategy have reached \$546 million, up 22 per cent on last year. Its profitability is \$34 million, up 324 per cent on last year."

"It's hard to argue with a growth strategy that produces those sort of numbers," says judge Sandy Maier who is a leading independent director.

Penno says "in addition to the increase in profit, it has also allowed us to increase investment in improving the business, and reaffirm our commitment to developing the same business to business strategy in our speciality ingredients and cream products categories".

During the 2016 financial year, Synlait completed a series of projects – a second large scale infant formula dryer, a large-scale infant formula consumer packaging facility, on-site warehousing, and a quality testing laboratory to ensure the company has the capability to continually monitor the hygiene of its processes, and test all the ingredients and finished products.

Over the past year sales of infant grade milk powder grew from 24,500 MT in 2015 to 27,000 MT, nutritional base powders from 4300 MT to 5400 MT, and canned infant formula pro-



**John Penno**

ducts increased from 4300 MT to 16,000 MT. Synlait expects to increase total production from 120,754 MT to 127,500 MT this financial year.

Synlait holds a current registration for manufacture for China, which is continuing to reform its infant formula regulatory framework. Synlait has entered a six-year partnership with fellow finalist, The A2 Milk Company, to develop and manufacture its A2 Platinum infant formula.

#### Finalist: The A2 Milk Company

The A2 Milk Company is concentrating on producing premium branded, nutritional dairy products for targeted markets in New Zealand, Australia, the US, China and Britain. The company is a pioneer in de-

veloping A1 protein-free products from naturally occurring cows' milk. All A2 branded products contain only A2 beta-casein protein rather than the A1 and A2 protein found in conventional cows' milk products.

Its Platinum infant formula has a compelling consumer proposition as the only infant formula that exclusively contains the A2 beta-casein protein. It is selling well in Australia and New Zealand and making strong inroads in the Chinese market.

The judges said A2 Milk Company was a finalist in the Best Growth Strategy category because it succeeded in setting out to produce, market and sell branded A1 protein-free dairy products in a global market.

Over the years it has grown from an IP portfolio into a group with substantial knowhow in sales and finally into a very sophisticated and successful global company.

A2 Milk Co reported a 127 per cent increase in total revenue for the 2016 financial year, jumping from \$155m to \$353m.

Infant formula accounted for 61 per cent or \$214m of that revenue – compared with \$42m in 2015. The net profit was \$30m in 2016, well ahead of the loss of \$2m in 2015. Following a capital raising during the first half of the 2016 financial year, A2 Milk Co had \$69m cash on hand.

#### Finalist: Ryman Healthcare

Ryman Healthcare is well-established in New Zealand, having built 30 retirement villages with five more under way, catering for a total of 10,000 residents.

Now Ryman is eyeing the Australian market. The company bought its third site in Melbourne during the 2016 financial year and is planning to secure two more sites over the next 12 months.

Managing director Simon Challies is confident of Ryman meeting a target of five villages open in Melbourne by 2020.

"We have also set ourselves a long-term target of matching our build rate in New Zealand over the Tasman."

"We see huge potential in Melbourne where the market is more than 20 per cent larger than our home market in New Zealand."

The judges selected Ryman as a finalist in the Best Growth Strategy category because of its "long, distinguished record of success".


Since first appearing in the Deloitte Top 200 in the year 2000, it has been nominated 13 times and won four different categories including Best Growth Strategy in 2011. Judge Sandy Maier said what stood out this year was Ryman's Australian growth strategy. Its operating cashflow grew 34 per cent to \$312 million for the year ending March 31, and its underlying profit was \$158m, up 16 per cent.

The company re-invested \$369m, and during the 2016 financial year built a record 900 units and beds. It completed the Weary Dunlop and Bruce McLaren villages in Melbourne and Auckland. Ryman is now a \$4.8 billion company by market cap.

● **Top 200 2016 rankings: Synlait 63, A2 Milk Company 92, Ryman Healthcare 113.**

— Graham Skellern

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# Diversity Leadership

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT  
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Matt Stanley and Tania Simpson were the members of the review panel for the Diversity Leadership Award.

ASB CEO Barbara Chapman says a diversity policy is producing benefits across the company.

## ASB: a clear vision and strategy

Inclusion is top of mind for ASB Bank's chief executive Barbara Chapman. She says diversity, ultimately, is about inclusion, and one of the bank's top priorities. She is proud of the work the bank is doing around diversity.

"For us diversity has grown across a whole range of things, not just focusing on one thing. I think it's the breadth of what we do that is being noticed. This approach to diversity is having great benefits, internally and externally.

"We've found by having a culture that focuses on inclusion, we're getting great team engagement scores, which shows when we're out with our customers – it ladders up into engagement and then out in to customer satisfaction."

Chapman is a former chair of the NZ Equal Opportunities Trust and has a long track record as an advocate for women's rights in the workplace.

She is also a member of Champions for Change, a group of New Zealand CEOs and chairs from across the public and private sectors who are committed to raise the value of diversity and inclusion within their organisations and implement strategies to actively promote the concept among peers.

ASB was named this year's winner of the Ministry of Business, Innovation and Employment (MBIE) Diversity Leadership Award.

The Deloitte Top 200 judges said ASB stood out from other finalists as being the most advanced in its Diversity and Inclusivity programme. "It has a clear D&I vision and strategy which was clearly linked to the bank's overall vision – unbeatable team, unbeatable customer experience.

"There is a strong and visible commitment from their senior leaders – the board, chief executive and the executive leadership," the judges said.

The bank had also achieved a good gender balance – 54 per cent women in the organisation; 50 per cent women on the board; 29 per cent women in senior executive positions including their CEO.

So what is ASB doing that sets it apart? Chapman believes workplace diversity is about the sense of belonging and says ASB aimed to embrace this through a number of different strategies.

Aside from being certified by Rainbow Tick as a LGBTI-friendly company, ASB is also a sponsor of the gay Falcons rugby team.

"We've actively gone looking for these opportunities where ASB can

*We always have to be talking about inclusion, and it has to be one of the values we care about, so keeping it alive as a topic inside the business is really critical.*

Barbara Chapman

embrace the community and actually be a part of what's going on around us – that sets us apart," she says.

"We've always made sure the policies we operate in this business are diversity-inclusive. All my leadership team are involved in one of the diversity groups around the organisation. For example, Unity, which is a LGBTI group."

Another example can be seen in the bank's recruitment department.

"We have a policy around hiring. At very senior levels we always make sure there is a man and a woman on the interviewing panel because we know that it makes women more comfortable."

Chapman also walks the talk: "When I'm talking with people around the business I tend to talk more about inclusion, because for me, from the perspective of a CEO working inside

a corporate, what I want to do is make sure the staff feel included in their teams and how we work in our strategy with our customers. The outcome of that inclusion is a good spread of diversity."

Recent examples of that inclusive approach are the introduction of Mx as a salutation option for customers, a faith-room at ASB head office, a corporate hijab, and a network group to advocate for families (Families@Work) within ASB.

Recognising that Maori representation within ASB (3 per cent identifying as Maori) falls below that of the New Zealand population (around 15 per cent), ASB launched their Whakateretia programme in 2014-15.

Whakateretia – meaning "acceleration" in Maori – is an accredited one-year programme aimed at accelerating the development of Maori people managers within the business by giving them practical skills in leading people, leading the business and leading themselves.

Chapman says there is no one main focus. "I think that what we're doing is being quite broad in our reach, in our approach to trying to move the dial in every one of those areas," she said.

The bank is actively on the hunt for new opportunities to illustrate its diversity.

"I think it's a subject, as a CEO, it's important to stay restless about. I don't think anybody can say 'Okay, we're now diverse; we can now take the focus off."

"For me it's something that always has to be on the agenda. We always have to be talking about inclusion and it has to be one of the values we care about, so keeping it alive as a topic inside the business is really critical," she says.

ASB actively measures its progress. ASB's People & Culture survey is administered by Kenexa, and creates a "Diversity Index" which measures the level of comfort speaking up, treating others with respect, leadership commitment to diversity, and promotion perceptions. ASB's

baseline metric is 89 per cent, and their target is to reach 90 per cent or above over the next three years.

Women in Leadership is a major metric the company tracks. ASB's target is 30 per cent by the end of June 2017; they are currently sitting at 28.5 per cent. When it comes to women in management roles, the figure is 37.5 per cent, with a target of 40 per cent. The judges said ASB had excellent data collection on diversity statistics, with a monthly D&A report that is widely reviewed and discussed across the business.

Says Chapman: "When you think about the market and the people we have the opportunity to work with and our team we employ, New Zealand is a very diverse country and we want to make sure our team reflects that diversity, and support a very diverse range of customers.

"It's about the sense of belonging – that everybody comes feels like this is the right place for them."

### Finalist: ANZ

ANZ's policy to remove bias in the progression of women in the bank was applauded by the Deloitte Top 200 judges.

They noted other strong initiatives such as flexible working and enhanced parental leave among the key factors that led to ANZ's selection as a finalist.

ANZ also celebrates a range of important dates across cultures, like the Diwali Festival of Lights.

ANZ general manager of human resources, Felicity Evans, says ANZ was thrilled to be named a finalist for the award.

"We've created an inclusive working environment with an emphasis on gender balance and diverse leadership and teams.

"This approach is underpinned by a supportive leadership team and strong systems, processes and policies that work to deliver on equality."

Compulsory representation of women on job shortlists and a range of support for employees on parental leave are some of the company's

practices supporting a diverse workplace. Impressive progress has been made in recent years. There has been a 15 per cent annual increase in disability recruits, a 15 per cent increase in Maori and Pacific Island recruits, and 50:50 gender-balanced candidate splits for all managerial roles.

### Finalist: IAG

IAG New Zealand chief executive Craig Olsen says a lot of work has been done to ensure there is a strong commitment to diversity within the company. "We see our commitment as a fundamental part of who we are and the recognition is a great encouragement as we seek to 'be the change we wish to see'," he says.

The judges said IAG was making "good progress" on gender balance in the workplace. "It has a mature approach and a D&I strategy which is linked to business goals.

"Commitment had been demonstrated at leadership and group level."

Olsen reinforces this, saying the company had achieved its targets of 40 per cent of senior roles being filled by women. IAG has a workforce made up of 60 per cent women.

"What I am most proud of, and what I hope they [judges] got a sense of is the combination of strong business-led decisions and strong people-led initiatives which help us connect better with the communities we serve and are a part of," says Olsen.

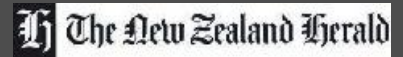
IAG also has a considerable focus on increasing the availability of flexible working arrangements, seen as a key enabler of workplace participation for all sectors.

Almost 10 per cent of IAG employees are in formalised part-time positions, and the firm has created a pilot programme to identify attitudes and barriers to flexible work arrangements.

● **The review panel for the Diversity Leadership Award were Matt Stanley, managing partner Proporo, and Tania Simpson, chief executive of Kowhai Consulting.**

– Aimee Shaw and James Penn

## Most Improved Performance



# Zespri: SunGold kiwifruit to the rescue

**T**he sun is shining on the kiwifruit orchards in Bay of Plenty and elsewhere. The ravages of Psa have almost become a distant memory – though growers have had to instigate strict orchard management systems to control the bacterial vine disease.

After the successful Gold variety was all but wiped out by Psa, the more tolerant SunGold has proved to be a very adequate substitute.

The bulk of the SunGold was planted more than three years ago, and the crop is reaching full production, providing a big boost to Zespri's overall performance.

Deloitte Top 200 judge Cathy Quinn said Zespri won the Most Improved Performance category because of the extent of its positive and dramatic turnaround following the Psa crisis, the way the crisis was managed, and the fantastic returns now being delivered to growers.

Along the way, Zespri has had to manage dissident voices and difficulties in China. "From the judges' perspective, it's a great New Zealand cooperative success story."

Quinn, who is chair of Minter Ellison, said Zespri and its growers were devastated back in 2010-11 when they were hit by Psa just as they were gaining traction with their new Gold16a variety.

"SunGold has achieved price premiums over gold and international competitors across the world ... on the back of these (latest) returns, orchard values have skyrocketed and in some cases well more than doubled," said Quinn.

During its 2015-16 financial year,

Zespri and the New Zealand kiwifruit industry achieved several records – the highest-ever Green return per hectare, the largest-ever volume of sales in a season, and the biggest-ever total return to growers.

The fruit and service payment for New Zealand-grown fruit, including the loyalty premium, was \$1143 billion, a 22 per cent increase on 2014-15. Zespri sold 117 million trays of New Zealand kiwifruit – nearly 22m trays more than the previous year.

The sales included 32.3m trays of SunGold, up 74 per cent from 18.6m in 2014-15, and 80m trays of Green, up from 69m. Zespri expects to sell 82m trays of Green and 47m trays of SunGold this season, and its total revenue will soar past \$2 billion.

In the 2015-16 financial year, Zespri also sold 14m trays of non-New Zealand kiwifruit, taking its global kiwifruit sales to a record 131m trays, a 21 per cent increase.

The upshot was Zespri recorded a strong net profit of \$35.8m, an increase of \$1.2m on the previous year. The average New Zealand-grown orchard gate return per hectare was \$60,758, up from \$57,369, and Green was a strong performer.

Zespri chief executive Lain Jager said earlier that New Zealand kiwifruit growers had responded to the challenge of growing in a Psa environment by improving orchard management practices.

"Psa is not holding the industry back and Hayward Green and SunGold are pretty tolerant.

The growers had no choice but to be proactive and they have been



Lain Jager

successful in managing Psa. As a result they have seen increased productivity from their orchards."

Zespri has set a bold target of selling 200m trays of New Zealand-grown and overseas-grown kiwifruit by 2025, producing global revenue of \$4.5 billion.

### Finalist: Kathmandu

New product, reduced inventory levels and careful management of promotional activity all contributed to an improved performance by retailer Kathmandu during its 2016 financial year ending July 31.

Kathmandu, which operates in New Zealand, Australia and Britain, increased sales by 4 per cent to \$425.6 million and recorded net profit of \$33.5m, an increase of 64 per cent on the \$20.4 million achieved for the 2015 financial year.

Kathmandu chief executive Xavier Simonet says the sales growth was achieved at higher gross margins as a result of product newness and careful management of promotional activities.

"Cost-efficiency and improved working capital management have also contributed to a successful year – the results exceeded expectations."

The Deloitte Top 200 judges felt Kathmandu had "been well-managed and the results have followed", including a significant lift in the dividend payout.

Simonet said the Just Enough forecasting and planning system, installed in the 2014 financial year, created more accurate buying to reflect store range differences and efficiencies in the company's supply chain. Five new stores, four in Australia and one in New Zealand, contributed to the sales growth – though sales in Britain declined with the closure of three stores during 2016. Total sales in Australia were \$278m and in New Zealand, \$142m.

Simonet said Kathmandu would strengthen the distinctiveness of its brand and open up opportunities in international markets as well as on social, digital and online channels.

### Finalist: Trade Me

Trade Me's significant investment over the past three years has resulted in revenue and earnings growth and created a positive momentum for the future. Trade Me strengthened its business by almost doubling staff numbers, increasing its marketing spend, improving its product offers in

the Marketplace and Classifieds businesses, and enhancing its sales capability.

One of the improved offers was the reviews and news sections for Trade Me Motors to assist car buyers with their research. During this period, Trade Me also improved its mobile offer as 60 per cent of total sessions are now conducted through this platform. The company released its new iOS app to all users in July this year, providing an updated Trade Me experience for both iPhone and iPad users.

For the full year ending June 2016, Trade Me's revenue climbed 9.2 per cent to a record \$218 million, driven mostly by a 13 per cent increase in revenues from the Classifieds businesses, Property, Motors and Jobs. The net operating profit was up 35 per cent to \$83m.

Trade Me expects total revenue to grow at a similar rate during the 2017 financial year – "we will continue to derive benefit from the investment we have made and we are better placed than ever to capitalise on the opportunities in front of us".

Judge Cathy Quinn said Trade Me had grown net revenue and profit after a period of flat market performance.

"It has invested and grown its core business in property, markets and cars, as well as investing in new areas. It has also introduced a mobile strategy recognising the number of transactions now conducted by mobile."

**Deloitte Top 200 2016 rankings: Zespri 21, Kathmandu 80, Trade Me 131.**

– Graham Skellern

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# James Bergin: ASB Bank

## A blend of inspiration and motivation

**J**ames Bergin has always shown strong leadership qualities throughout his career and has been named the IMNZ & Eagle Technology Young Executive of the Year for 2016.

The award, sponsored by the Institute of Management New Zealand (IMNZ) and Eagle Technology since 2005, celebrates executives up to the age of 38 who have had a role in influencing, growing and providing direction within an organisation.

It recognises rising stars, talented professionals and transformational leaders.

Bergin, who has worked for ASB Bank since January 2005 in a number of roles, is currently the Chief Architect of Architecture, Strategy and Innovation. He has been described by colleagues as "a gentleman and a scholar", and by ASB chief executive Barbara Chapman as an outstanding young leader.

"James is one of those exciting leaders who combines deep industry and technical expertise with the ability to inspire and motivate people through clear and compelling communication," Chapman said.

"During his time as ASB's Chief Architect he has played a key role in nurturing a culture of innovation right across the bank," she said. "He has a clear vision for the future of our business and industry along with an unwavering focus on leveraging technology to ensure we are providing unbeatable experiences for our customers."

Judges Gary Langford from Eagle Technology, Glenys Talival from Tower Insurance, Liam Dann from the Business Herald and Steven Naude from IMNZ said Bergin was a very articulate, clear thinker with a broad range of skills.

"He's an impressive young leader who transcends a wide skillset and is an excellent communicator," they said. "He is people and customer oriented, has the potential to grow and is a professional community contributor."

The judges were impressed with the Clever Kash money box programme which Bergin helped drive, and said his career progression was remarkable.

As well as his work with the bank, Bergin is involved with the Catholic church – he is a director of Icon Media which helps with communications for the church, and Mustard Seed Consultants providing IT services for the church.

Bergin said the most important quality of being a good leader was the ability to encourage and drive different thinking among his team, and push a strong vision and purpose for the business and its customers.

One of the biggest challenges he



said, was managing people. "In a strategic, future-oriented role, the biggest challenge is in leading a broad spectrum of people with different levels of understanding about where we are heading as an organisation and an industry – and what this means for them."

"Helping people understand complexities and adjusting messages accordingly to ensure they are understood at an authentic level is my biggest, and most exciting, challenge as a leader."

In his role with the bank, Bergin has been heavily involved in the innovation and technology side of the business as well as helping to build a strong culture among his team and across the wider business. He has also frequently presented on disruption and innovation – most notably at

TEDx Auckland earlier this year.

"James is someone who has both high IQ and high EQ," said ASB Senior Management for People and Culture, Helen Perry.

"By which I mean he can talk about really complex and difficult topics in a way which engages and excites his audience – be it one to one, or to a packed auditorium – and he connects with people and inspires them in a way which is seriously impressive."

When he's not at work, Bergin spends his time with his family, photography and the church.

One of his best pieces of advice is to work with a team that can help deal with problems from different angles, be supportive and celebrate with you when you succeed.

– Holly Ryan

### Michael Stribling

● **Position:** General Manager Strategy, Spark NZ

● **Judges' comments:** "Michael demonstrated strong strategic thinking, ability to engage and lead. He is an excellent communicator and influencer, and his leadership and operational experience suggest huge future potential. He has a strong strategic focus, has led major acquisitions and is a clear thinker. Michael also demonstrates good communication and coaching skills."



### Kimberley Bray

● **Position:** National Service Manager, Ravensdown

● **Judges' comments:** "Kimberley demonstrated good all-round capability. In her work she has achieved positive outcomes in call centres and stand-up meetings. She was continuously confident in her work."



### Andrew Slater

● **Position:** Chief Executive Officer, Homecare Medical/The National Telehealth Service

● **Judges' comments:** "Andrew is a future thinker and is passionate about social and health issues. He has a high level of achievement and responsibility, is customer focused and shows a balanced capability. The speed with which he establishes organisation and his clarity of vision are to be commended. Andrew's use of technology and negotiation of Plunket's memorandum of understanding highlighted his ability to negotiate health sector politics and his passion for better health sector outcomes."



### Sasha Lockley

● **Position:** Head of Operations, Avanti Finance

● **Judges' comments:** "Sasha is an outgoing, personable leader who is engaging and has a balance of people and commercial acumen. She is a passionate communicator and is confident and high energy. Sasha has excellent communication skills and is viewed as a change agent."



Gary Langford

## What the judges say

There were 21 entries for Young Executive of the Year in 2016 and five finalists were interviewed by the judging panel who said the quality of candidates was outstanding and represented a wide range of sectors with the finalists coming from the banking, finance, telecommunications, health and primary sectors.

IMNZ chief executive Steven Naude said the judges were very impressed by the calibre of entrants for this year's award. "We look for exceptional combinations of skills, experience and behaviour. Leadership is a multi-faceted beast and requires people to be competent in a range of skills that

are potentially contradictory. It is the deconvolution of the business games. Our finalists showed that they were fluent in a wide range of skills."

Naude said it is important to mention that the finalists work in organisations of varying sizes, from a SME to one of New Zealand's largest corporates. One organisation is more than 100 years old, one is less than two years old.

Clearly, the challenges of limited resources in a SME are obvious. Equally, though, the challenges of a huge hierarchy with rigid structures can be limiting to innovation, change and transformation.

"Each of them has made a remarkable change to their business. They have shown not only commercial savvy but a high degree of empathy for their staff and particularly for their customers. They have blended hard, technical expertise with soft, human-centred thoughtfulness to effect a fundamental shift in their organisation's performance," he said.

Eagle Technology CEO Gary Langford said the finalists were all inspirational leaders who had made significant impact. "That made it challenging for the judges," said Langford. "However the judges were unanimous in choosing the winner."



Steven Naude

*Visionary Leader*

# Ranjna Patel – successful

Ranjna Patel has developed a successful healthcare business, built a Hindu temple and created a groundbreaking domestic violence programme – all driven by determination and vision, writes **Graham Skellern**

**T**ake one look at Ranjna Patel's impressive CV and you are immediately intrigued as to how she's found the time to string together so many achievements.

She is an innovator and motivator with a heart of gold, she is a successful businesswoman and a proud grandmother of seven, and she is a very worthy winner of the Deloitte Top 200 Visionary Leader award for 2016.

Patel's leadership style doesn't come from any executive management course. It is based on gut instinct, caring and emphasising family values of rewards, discipline and recognising people for their own individual contribution.

Without formal business or financial management education, Patel married at 18 and worked as a receptionist in her husband Dr Kantilal Patel's GP practice in Otara. They took over the one-doctor East Tamaki Clinic in 1977, and expanded from there. They focused on helping lower socio-economic groups - adults were

**Ranjna Patel's achievements**

- Awarded Queen's Service Medal (QSM) 2009 for services to the Indian community
- In 2009 Supreme Business of the Year in the Indian New Zealand Business awards
- In 2011 Supreme winner of Westpac South Business awards, and Best Businesswoman of the Year in Indian Business awards
- In 2013, 2014 and 2015 Westpac Women of Influence finalist In 2016, Finalist in EY Entrepreneur of Year awards
- In 2014 inducted into the New Zealand Hall of Fame for Women Entrepreneurs
- Next year, one of 10 global attendees to the Indian Government's leadership advisory forum on making India a destination for holistic healthcare services
- Founding and Executive Trustee for Total Healthcare PHO
- Chairperson for NZ Central Indian Association (NZCIA) Women's Group
- Executive Committee Member (previously President) for Manukau Indian Association
- Board Member for Lottery Auckland Distribution Committee
- Member of Counties Manukau South Asian Police Advisory Board and NZ Police National Ethnic Forum
- Chair of MIT Indian Community Advisory Group and member of the NZ Asian Leaders Advisory Board
- Director of Bank of Baroda
- Board Member of Global Women, and Co.OfWomen

charged no more than \$10 for a visit to the doctor and children were free. Patel, a third-generation Kiwi Indian, made sure she got to know her customers and their situations and

needs. She knew some families were walking two to three kilometres to reach the clinic. She wanted to improve access to healthcare and wasn't afraid to open up more affordable

clinics in South Auckland, even if they were just 2km apart.

Some questioned the business model but Patel, the social entrepreneur, thrived on a challenge. East Tamaki Healthcare, founded by Patel and her husband, grew and grew.

Now renamed Nirvana Health Group, it operates 35 clinics, 29 pharmacies and a call centre, employs 1060 staff including 300 doctors and more than 200 nurses, and conducts 1.2 million consultations a year or up to 4000 consultations a day. It has a mental health team of 12. Nirvana is the largest independent primary healthcare group in New Zealand. Seventeen of its clinics are open seven days a week, four of them past 10pm, and two, Ascot and Henderson, operate 24/7. The group includes nine White Cross emergency clinics in Auckland, Whangarei and Palmerston North, bought from Elders eight years ago.

Nirvana has also invested in a Sydney-based healthcare business that has 27 clinics and more than 150 staff in New South Wales, Queensland and Victoria, and see a total of 2000 patients a day.

Currently, Nirvana's staff represents 40 different ethnic groups and more than 25 different languages are spoken, which ensures every patient understands their consultation and what their management plan is.

Nirvana's medical model, developed by the Patels, takes a "whole of

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# social entrepreneur

system" approach to meet the needs of patients and their families. The service delivery not only addresses immediate problems, but also it looks at prevention and self-management, and improving quality of life.

Nirvana works closely with the south Auckland community to better understand population needs and respond to them. It works with schools, churches and community groups, making presentations on health topics, answering service provision questions and delivering health message materials.

As the business grew, the Patels stuck to their values and principles of "creating patient satisfaction". All patients are seen on the day that they need, appointments are not necessary and no patient is denied service because they cannot afford the fee.

Patel's business philosophy was simple: "If we look after the patient,

If we look after the patient, then the business will take care of itself.

Ranjna Patel

then the business will take care of itself." She built an intimate knowledge of practice management, community services and need, and the funding environment in healthcare.

She was the driver in the human resources and business management aspects of the business. For the first 15 years of the business, she handled all the financial matters.

Now, Nirvana has a finance team of 12, and a management support office of more than 40 staff including six doctors who provide advice, professional development and risk assessments at the different clinics.

Patel worked tirelessly building the teams, adapting systems including online patients' records and creating a model of care. She still sits on the final interview for all new staff, except doctors.

She became known as a practical and cost-effective innovator in healthcare, and is a sounding board for Ministry of Health officials who may be faced with a stumbling block and are looking for a solution.

Son Rakesh Patel, who is managing director of Nirvana, says Patel never backed down on a challenge. "Mum's incredible. As soon as there's a challenge she jumps on it. She's great with people and always finds ways of doing more to help them.

"Some of the Pacific Island women in the business have been with her for 20 years. They started on \$9 an hour and are now in management earning good wages. They are absolutely the most successful within their wider family, and mum has been an inspiration for them."

Tony Ryall, former Minister of Health and a consultant to Nirvana, say Patel and her husband built a great business in some of the most challenging parts of Auckland.

"They have run a business with clever use of technology and smart use of workforce, and provided quality, affordable healthcare. Most of the customers pay no more than \$10 a visit. The Patels have developed a business model that works and what they have achieved is quite remarkable," says Ryall.

While she built the business, Patel found the time and energy to complete a wide range of community work – and be innovative.

She became a Justice of the Peace and marriage celebrant, and never charged for her services. She supported schools by funding books and sports gear for students.

She worked tirelessly for the Indian community and became



Looking after the customer comes first at the Takanini Medical Centre (above), part of the fast-growing Nirvana Health Group. Right: the interior of the ISSO Temple decked out for a wedding. Bottom, left-right: Sergeant Gurpreet Arora (Auckland District Ethnic Services Co-ordinator); Gurpreet Ranjna Patel and Inspector Rakesh Naidoo (now on secondment to the Human Rights Commission).



chairperson of the NZ Central Indian Association Women's Group, the first woman president of the Manukau Indian Association, and chair of the Manukau Institute of Technology (MIT) Indian community advisory group. She worked with the police and is a member of the Counties Manukau South Asian police advisory board and the NZ Police National Ethnic Forum.

## Hindu Temple

In 2008 Patel and her husband completed the construction of the International Swaminarayan Satsang Organisation (ISSO) Temple in Papatetoe. They funded the ornate Hindu

temple which has become a community meeting place for all sects.

Every Sunday Patel organises a team to prepare meals for up to 500 people at the temple. The evening starts with a prayer session and caters for recently-arrived Indian families who are having social acclimatisation problems.

Patel will conduct a marriage at the temple in front of up to 700 guests.

## Domestic Violence

In 2014 she established the Nirvana Foundation, the charitable arm of Nirvana Health Group, and is a trustee with her daughter-in-law, Nikki Patel.

The foundation's first project is the

## Judges' comments

Deloitte Top 200 judge Dame Alison Paterson said, "what's wonderful about Ranjna Patel is that she had no business experience and no tertiary education yet has achieved brilliant business success." "She certainly had the support of her husband, and she does acknowledge that," said Paterson, who is an independent director of a number of major New Zealand companies. "But she has contributed more than equally to the business they've built and to the wider community benefit that Nirvana delivers, and she probably has spearheaded." "So as a grandmother nearing 60, she's now on the board of a leading Indian bank, she has important appointments to positions where she really can add a lot of value." "I think that this award will be wonderful encouragement and recognition for her, and will help her in future years as she builds on what she has achieved to date. "She is raring to go and we wish her well."

nowhere to go, and they return more angry and aggressive, so the women don't ring the next time it happens.

"We established a home for the police to drop off the men, where social workers work with them and the next day another counsellor goes to the women and checks they are okay," explains Patel. "Most importantly [to me] is they talk to the children, counselling them that it's not okay for mum to be hit and it's not okay for dad to hit. I believe children learn and normalise what they see, and then the girls tolerate being victims and the boys think it's normal to hit. This is the long-term generational change we need."

Rakesh Patel says: "It's a new way of thinking. The victim is still faced with the same problem when the man come backs home. The re-offending rate is reducing. Some of the men have come to the [Otahuhu] house saying: 'I've been taught the trigger signs and I'm losing it.'"

Some 300 men have attended the counselling programme over the past 18 months, and a survey of the first 100 participants showed a 93 per cent success rate, proving early intervention can be successful and change men's behaviour.

Rakesh Patel says the Gandhi Nivas intervention programme is one of his mother's proudest achievements, and it can become a mainstream solution of police and communities.

Asked how his mother fits everything in, her son says: "We live next door to each other, and I wanted my children to spend time with her. She's out every night, either at the temple or one and another community activity. "Mum's got more energy than I ever imagined and she has patience. If people call her to do something, she does it. She's a good time manager and she just balances business with her charitable community work," he says.

Gandhi Nivas programme, which focuses on ending domestic violence, and is delivered by Sahaayta Counselling Services in conjunction with the police.

Four out of 14 women killed in New Zealand are Indian, and 55 per cent of breaches of domestic violence orders are by Indian men. Patel decided to turn an empty medical clinic in Otahuhu into early-intervention accommodation for perpetrators of domestic violence – men who have been issued protection orders.

She attended a family violence social worker/counselling course at MIT, and learned that when men are removed from the home they have



Donald Trump embodies the inequality that comes as a natural by-product of an economy that encourages entrepreneurship and growth. Picture / AP

# Is NZ having a 'Trump moment'?

Issues of social mobility rather than inequality may be to blame for the current rise in anti-establishment politics

Tim McCready and James Penn

**A**s anti-establishment politics continues its seemingly unassailable rise, the concept of 'inequality' is often invoked to explain it.

While there is no doubt inequality has driven many to the polling booths in support of Donald Trump, Brexit, Pauline Hanson and others, arguably what is at stake is more an issue of social mobility.

People will tolerate inequality. Many accept it as a natural by-product of an economy that encourages entrepreneurship and growth. Indeed, Americans have voted in as their president a man who embodies that inequality.

But that tolerance comes with hope; a hope that they, or their children or grandchildren, can reach the upper echelons of the economy if they continue to work hard, make prudent long-term decisions, and have a little bit of luck.

### Circuit breaker

Increasingly, Western economies have represented a closed circuit of economic enrichment.

Alan Krueger coined the term 'The Great Gatsby Curve' to describe the way inequality affects social mobility. As Krueger summarised in a Brookings Institution blog, "greater income inequality in one generation amplifies the consequences of having rich or poor parents for the economic status of the next generation".

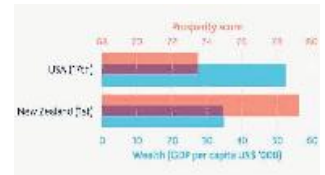
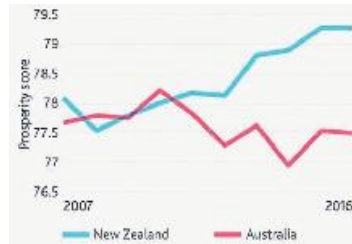
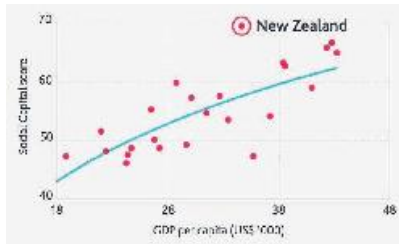
Once the working class gets the sense that their prospects of upward mobility are waning, they are willing to turn to a circuit breaker.

### The left

For decades, the left have adopted the rhetoric and policy that implies the economy is a 'zero-sum game'.

Specifically, the consistent premise of their arguments has been that something that benefits the rich must automatically, and equally, cost the poor. A gain to one is a loss to another, they argue.

This is simply not the case when it comes to economic growth. But that is beside the point in relation to the present climate. The bigger problem is that such a paradigm becomes easily transported to the flow of people. Priming voters to see the economy as a zero-sum game makes it very easy for the nationalist right



to argue that immigration is likewise a zero-sum game. It becomes difficult for the left to then argue that immigration is the one area where a benefit to one (the migrant) is not a cost to the other (the destination economy).

### Immigration

Perhaps that is why we are beginning to see some New Zealand's political parties tentatively embracing anti-immigration policy.

The Greens recently released a new, population-based immigration policy, stating they would cap overall net migration at one per cent of the population – including returning New Zealanders. "We know that immigration is becoming more of a concern for people and in my experience the vast majority of people aren't concerned about immigrants, they're concerned about the impact on house prices, and infrastructure," says James Shaw, Green Party co-leader.

"Others around the world think as New Zealand First does," said New Zealand First leader Winston Peters this year, at the party's 23rd anniversary. "They were tired of being fobbed off about issues like immigration."

Much has been made of a potential 'Trump moment' occurring in New Zealand in the future. Already, we may be falling into the same trap of the establishment in the US: being paralysed, fascinated even, by the phenomenon; musing over, sometimes analysing with impressive depth, its causes; but in doing so, failing to consider its remedies.

### Inequality

But viewing inequality through a predominantly economic lens – incomes – fails to account for all the other things that make for an upwardly mobile life.

Anxieties do not only stem from

income levels, but from not being able to get your child into a good state school, poor health, intolerance, a lack of social support, or few opportunities to progress.

Income is not everything. Indeed, it is everything aside from income that matters most for social mobility. From upward mobility, higher incomes follow.

### Flawed measures

This is partly the reason why existing measures of inequality are flawed.

The Gini coefficient is the most used measure of inequality and looks through the lens of wealth at the income distribution of a nation's residents. The number ranges from zero to one, where zero represents perfect equality – where everyone has the same income, and one represents perfect inequality. A higher Gini coefficient means greater inequality.

New Zealand's Gini coefficient of 0.33 ranks New Zealand at 22nd – below the Netherlands but ahead of Norway.

However, aside from the fact that the measure cannot tell the difference between a society where everyone is equally poor and a society where everyone is richer, but incomes are more unequal, it is also deeply flawed as it fails to reflect the fact that inequality is about far more than simply income.

If the measure cannot reflect differences in health and social support and education outcome and opportunity and job quality, it means that you miss the root malaise that is behind Brexit, and to a certain extent Trump.

### Prosperity

The Legatum Institute released its 10th annual global Prosperity Index last month – a huge study that measures the prosperity of 149

countries based not only on their wealth but also on a series of other factors including education, personal freedoms, how safe people feel and how strong community networks are.

This year, New Zealand topped the world for prosperity, and ranked first in the Index's measure of economic quality, first for social capital, second for business environment, second for governance and third for personal freedom.

Harriet Maltby, head of policy research at the London-based Institute's Prosperity Index team says that it is important to look at all inequalities combined, through one measure (prosperity), otherwise you miss the very reinforcing nature of deprivation.

"The problem is that traditionally, national success and related issues such as poverty and inequality, have been looked at from a purely economic perspective. While we recognise that wealth matters, so too does wellbeing.

"Income measures miss so much about what makes for a good life. That's why the Prosperity Index looks at wealth and wellbeing combined. "It is opportunity – real life chances – that drives prosperity, not money," says Maltby.

"This all feeds in ultimately to a country's long-term success, which matters to business."

Maltby, who is visiting New Zealand over January, explains that we need to shift our perceptions of what inequality looks like. "Making people richer in itself is not the answer," she says. "We need a measure like prosperity that can look at wealth alongside all the other things that matter in life, and make policy decisions based on that. The New Zealand Government is already thinking like this, and other countries should do the same."

"Britain is achieving what it achieves with a significant proportion of its population totally left behind in a whole load of dimensions. Imagine the potential and prospects for a nation if it could use and develop the talents of all?"

### Globalisation

While it is useful to analyse the impact of globalisation on America's rust belt, too much time spent examining the causes of those anxieties allows the establishment to feign intellectual interest in the winds of change, while making little or no progress in harnessing them for the good.

At last month's Apec leaders' summit in Lima, the leaders of the Pacific Rim pushed back against the creeping global protectionism, promising to continue to strengthen economic ties.

"If the United States doesn't want to participate in free trade, [president-elect] Trump needs to know that other countries will," said John Key at Apec.

"We hope he is part of the programme."

"But if not, we are going to continue doing things."

Meanwhile, Australian Prime Minister Malcolm Turnbull warned that protectionism is the way to poverty. "We have seen this film before, the world did this in the 1930s after the Great Depression and made it much worse," he said. "It's not only missing out on a positive but risking a very big negative in terms of destabilising the global trading and strategic system."

What is often overlooked is that businesses, particularly those that benefit most from a globalised world, can play an important role in helping to find the solutions, and will benefit from operating in a country that offers up the talents of all its people.

# A year of consolidation

Revenue down, but profits rise as high-level companies manage to 'do more with less' writes **Tim McCready**

**T**he high level story for the 2016 Top 200 Index is one of consolidation – and mightily effective consolidation at that.

All indicators showed an improvement on their 2015 figures aside from revenue, with profit after tax up an impressive 18.8 per cent. Among those doing the heavy lifting are notable Kiwi companies such as The Warehouse Group, Air New Zealand, and Z Energy.

While total revenues fell by 0.7 per cent compared with the 2015 figure, underlying earnings (EBITDA) rose by 11.1 per cent. This indicates that Top 200 companies have achieved a far greater reduction in costs than the fall in revenue.

The trend of doing more with less is reflected when one digs deeper too. Cumulative return on equity ticked up to 20.88 per cent this year, from 19.38 per cent in 2015.

At the high end of the Top 200, the revenue gap between Fonterra and the rest closed somewhat, as New Zealand's dairy co-operative saw an 8.7 per cent drop in revenue. However, after-tax profits rallied, increasing 64.8 per cent for Fonterra (a reflection of a move towards higher-value products) and 68.9 per cent for Fletcher Building (ranked second in terms of revenues and third in terms of after-tax profit).

The opposite is true for Woolworths New Zealand Group, who increased revenue by 6.6 per cent but saw after-tax profit fall 204.6 per cent, into negative territory (posting a loss of almost \$190 million).

Xero, after debuting on the Top 200 last year, once again performed strongly in terms of revenue, with 60.1 per cent growth. As expected, the company once more posted a loss, as it continues to spend on sales to gain market share throughout the US in particular.

Silver Fern Farms' profit growth has been particularly impressive. An increase from \$474,000 to \$24.9 million saw them ranked second in terms of percentage increase in profit – the result of a new value chain strategy that has improved returns.

A similar story of a company reaping the rewards of a highly strategic approach is that of the A2 Milk Company. They are a new entrant to the Top 200, ranking 97th in terms of overall revenue, and topped the list in terms of revenue growth.

One area where revenue certainly did increase was in the Government's tax take from the companies that comprise the Top 200.

Tax paid increased by 14 per cent, contributing to the much-vaunted Crown surplus increase announced in October.



## TOP 200 WRITERS



James Penn



Tim McCready

## TOP 200 COMPANIES

Category	2016 (\$000s)	2015 (\$000s)	% Change
Revenue	168,091,696	169,305,429	-0.7
Profit after tax	8,724,914	7,345,577	18.8
Tax Paid	2,430,138	2,131,386	14.0
EBITDA	23,926,579	21,537,637	11.1
Assets	247,858,709	240,945,590	2.9
Equity	114,566,390	111,156,358	3.1

## TOP 30 FINANCE COMPANIES

Category	2016 (\$000s)	2015 (\$000s)	% Change
Revenue	35,042,210	31,382,266	11.7
Profit after Tax	5,333,308	5,523,192	-3.4
Tax Paid	2,068,926	2,124,248	-2.6
EBITDA	21,516,933	20,772,235	3.6
Assets	488,551,005	447,557,204	9.2
Equity	43,511,259	38,554,392	12.9

# The kumara is still sweet

## Highlighting Maori success in the Deloitte Top 200

**Leon Wijohn**

We are pleased to present the third annual Deloitte Top 200 listing of the top Maori business entities.

At Deloitte we believe it is vitally important to celebrate business success in Aotearoa. This is still a challenge for New Zealanders, especially for Maori for whom the cultural norm is generally to refrain from talking about one's success. After all, as the proverb says, "Kaore te kumara e korero mo tona ake reka" (The kumara doesn't say how sweet it is).

Nevertheless, by recognising the success of Maori organisations and their people through the Deloitte Top 200 we are highlighting positive role models at the top end of town. We note, however, that around two-thirds of the Maori asset base of over \$40 billion is in small to medium enterprises (SME) and privately owned businesses. The success of these SME entities is covered by our Deloitte Fast 50 programme, where we are starting to see Maori businesses, like Auckland-based Whanau Tahī, showing impressive growth.

For our top 10, it is easiest to rank the Maori entities based on the reported book value of total assets. However, the commercial value of a lot of assets can be higher.

For example, I've seen presentations placing the commercial value of Tauhara North's assets at over \$500m

## MAORI BUSINESS TOP 10

Rank	Company Name	Assets (000)	Revenue (000)	EBITDA (000)	Total Equity (000)
1	Ngai Tahu	1,503,855	407,370	180,037	1,273,539
2	Waikato Tainui	1,224,610	111,320	98,759	939,882
3	Ngati Whata ki Orakei *	767,156	42,841	79,925	552,736
4	Moana New Zealand *	524,499	181,288	24,119	408,564
5	Tauhara North No.2 Trust *	330,019	52,625	24,499	136,683
6	Parinihni ki Waitotara	279,040	19,437	8,980	204,327
7	Ngati Porou *	223,993	27,433	14,305	200,852
8	Pukeroa Oruawhata *	182,932	13,528	11,119	104,716
9	Te Wananga o Aotearoa *	181,636	152,229	13,694	161,540
10	Athau-Whanganui Inc *	160,757	18,894	2,871	124,180

\* 2015 numbers used, as 2016 numbers were not publically released

We hope their leadership continues to inspire other Maori organisations to grow and make a difference.

Leon Wijohn



market ups and downs as they move towards diversifying their asset and income bases.

We appreciate that growing an asset base is not the most important metric to Maori organisations. How well they look after their people and others living in their rohe (region) is more important. This covers wellbeing in the areas of health, education, housing and improving the incomes of the people they serve. EBITDA (earnings before interest expense, taxes, depreciation, and amortisation) is one measure that shows how much funds are available each year to assist with social goals. Further benchmarking will be undertaken to compare assets and returns against total members.

We use what we call a Maori Business SKOR to decide if an entity is included in our Top 200 listing. This scores a Maori business against a number of measures including stakeholder make up, kaupapa, ownership and the purpose of returns and results.

We congratulate the 10 largest Maori organisations on the 2016 Deloitte Top 200 Maori list.

We hope their leadership continues to inspire other Maori organisations to grow and make a difference for their uri, Maori people and New Zealand as a whole.

Leon Wijohn is a Deloitte partner and national Maori business sector leader.

compared to the book value of \$330m (note the \$330m was last year's results as the current year's results were not publicly released when our numbers were finalised).

Generally, Maori organisations start with a high concentration of activity in the areas of property, agriculture, forestry and social services.

Those involved in property did well over the last year. Those involved in dairy had expected challenges. The strong balance sheets and low gearing in most Maori organisations puts them in a great position to ride out the



## Top Profits

Despite an 8.7 per cent fall in revenue and the challenge of low global dairy prices and a high New Zealand dollar, Fonterra topped the Deloitte Top 200 again this year for profit – increasing 65 per cent from \$506 million last year to \$834 million in 2016.

This increase has largely been driven by moving higher volumes of milk into higher-returning consumer and foodservice products, while securing sustainable ingredients margins over the Global Dairy Trade benchmarks.

Infrastructure investor firm, Infratil, retained second place, improving net profit from last year by 6.3 per cent to \$495.5 million. Infratil's financial results have been dominated by the company's divestment from Z Energy and iSite and its investment programmes at Trustpower and Wellington Airport.

An increase in residential and commercial construction activity levels in Australia and New Zealand was among the reasons that saw Fletcher Building jump from fifth to third place on the Top Profits list this year, lifting profits by 69 per cent to

Rank	Company	Profit (000's)
1	Fonterra Co-operative Group	834,000
2	Infratil	495,500
3	Fletcher Building	473,000
4	Air New Zealand	463,000
5	Spark New Zealand	370,000
6	British American Tobacco	344,360
7	Ryman Healthcare	305,423
8	Auckland International Airport	262,400
9	Kiwi Property Group	250,781
10	Goodman Property Trust	233,100
11	Meridian Energy	185,000
12	Genesis Energy	184,200
13	Transpower New Zealand	181,000
14	Ngai Tahu	168,732
15	Fulton Hogan	168,708
16	Housing New Zealand	163,000
17	Mercury NZ Limited	160,000
18	NZ Refining Company	150,931
19	Sky Network Television	147,123
20	SKYCITY Entertainment Group	145,672

\$473 million. The company also sold its operations in Rocla Quarry Products, resulting in an \$80 million gain.

Air New Zealand saw its profit increase 42 per cent to \$463 million, retaining fourth place on the top profit ranking. This has been driven by an increase in passenger revenue and lower fuel costs.

Also benefiting from an increase in passenger numbers, Auckland International Airport saw profits increase by 17.4 per cent to \$262 million, and retained its eighth place ranking.

## Biggest Losses

Woolworths New Zealand Group suffered the largest loss in this year's Top 200, with a 205 per cent drop from last year's \$178 million profit to a loss of \$190 million. This is largely due to a \$326 million impairment of its EziBUY operations, reflecting deteriorated trading of this part of the business and the strategic decision to separate EziBUY from Woolworths Australia's Big W.

Kiwirail has dropped to third place in the ranking from being the top loss-maker last year. This is partly because the table includes Kiwirail's last year's results as the 2016 results were not available at the data collection cut-off date.

Subsequently, the results for 2016 have been released and Kiwirail has made a higher loss than that presented in the table.

Losses continued for Xero, increasing 19 per cent from \$69.5 million last year to \$82.5 million. This reflects the company's

continued investment in scaling the business – specifically an increase of \$55 million in sales and marketing expenditure, a \$24 million increase in product design and development costs and a \$6.4 million increase in general and administration expenses.

This expenditure increase has been largely offset by an \$83 million in operating revenue due to subscriber growth across all markets.

Rank	Prev year	Name	Revenue (\$000s)	% change	Profit after tax (\$000)	Rank	% change
1	1	Fonterra	17,537,000	-8.7	834,000	1	64.8
2	2	Fletcher Building	9,017,000	3.8	473,000	3	68.9
3	4	Ebos Group	7,107,781	17.0	126,997	26	19.9
4	3	Foodstuffs North Island	6,645,425	3.2	10,536	122	-42.7
5	5	Woolworths NZ	6,398,456	6.6	-189,996	234	-204.6

6	6	Air New Zealand	5,304,000	7.0	463,000	4	41.6
7	7	Spark New Zealand	3,510,000	-0.4	370,000	5	-1.3
8	10	Fulton Hogan	3,095,601	6.1	168,708	16	11.3
9	12	Foodstuffs South Island	3,026,041	5.0	8,688	136	-53.8
10	14	The Warehouse Group	2,954,615	6.0	82,476	34	61.9

11	8	BP NZ	2,821,988	-14.6	128,201	25	322.7
12	9	Z Energy Ltd	2,570,000	-17.0	64,000	43	814.3
13	16	Silver Fern Farms	2,451,751	5.5	24,904	79	5154.0
14	13	ExxonMobil NZ	2,416,628	-14.5	-2,692	202	92.0
15	11	Meridian Energy	2,377,000	-18.4	185,000	12	-25.1

16	21	Mainfreight	2,284,807	11.2	87,604	30	6.3
17	15	Contact Energy	2,181,000	-10.2	-66,000	229	-149.6
18	17	New Zealand Post	2,118,000	-5.4	141,000	23	-1.4
19	18	Farmlands	2,105,119	-4.9	-7,861	210	-540.6
20	20	Genesis Energy	2,013,300	-4.1	184,200	13	75.8

21	22	Vodafone NZ	2,008,000	1.7	-18,300	217	84.8
22	26	ZESPRI Group	1,879,878	27.5	35,828	58	3.5
23	19	Infratil	1,836,600	-13.9	495,500	2	6.3
24	23	Mercury NZ Limited	1,570,000	-6.9	160,000	18	240.4
25	24	Nuplex Industries	1,514,700	0.0	73,600	39	0.0

26	30	ANZCO Foods	1,465,552	16.3	3,592	161	-40.3
27	28	Downer New Zealand	1,325,467	1.3	24,012	85	-33.3
28	31	British American Tobacco	1,312,409	6.4	344,360	6	172.3
29	25	Methanex New Zealand	1,221,129	-18.7	1,362	184	-98.7
30	32	Housing New Zealand	1,205,000	0.0	163,000	17	0.0

31	33	PGG Wrightson	1,182,211	-1.8	39,578	54	20.8
32	34	Haier New Zealand	1,160,628	2.5	-57,388	226	-357.1
33	29	Vector	1,149,733	-11.3	58,908	45	-60.6
34	36	Toyota New Zealand	1,084,798	5.6	18,311	99	36.5
35	40	Datacom Group	1,058,050	13.0	27,186	76	11.7

36	35	Transpower New Zealand	1,042,200	-0.3	181,000	14	59.8
37	38	TrustPower	1,036,972	4.3	89,845	29	-37.6
38	39	Tasman Steel Holdings	1,027,016	8.3	-46,874	222	-208.6
39	37	Chorus	1,015,000	0.1	91,000	28	0.0
40	42	Skycity Entertainment	1,000,232	8.9	145,672	21	13.1

41	41	Sky Network Television	928,895	0.1	147,123	20	-14.3
42	47	Bidvest New Zealand	924,234	11.3	30,202	71	21.4
43	48	Colonial Motor Co	867,237	9.9	20,313	93	8.6
44	46	Goodman Fielder	864,516	-0.6	12,642	115	109.5
45	45	Ballance Agri-Nutrients	840,165	-6.3	-14,144	213	-27.8

46	58	Fisher & Paykel Healthcare	823,594	26.9	143,425	22	26.7
47	53	T&G Global	821,615	11.9	19,450	97	17.0
48	49	Hellaby Holdings	797,979	2.4	19,644	95	-30.8
49	50	Kiwirail Holdings	769,300	0.0	-166,500	232	0.0
50	52	RTA Pacific	738,750	0.0	82,578	33	0.0

EBITDA (\$'000)	EBIT (\$'000)	% return on revenue	Total assets (\$'000)	Rank	% change in assets	% return on assets	Total equity (\$'000)	Rank	% return on equity	Proprietorship ratio (ave)	Balance date
1,961,000	1,366,000	7.8	17,118,000	3	-6.5	4.7	6,859,000	2	12.3	0.4	07/16
932,000	712,000	7.9	7,267,000	6	-3.1	6.4	3,713,000	6	12.7	0.5	06/16
227,978	203,288	2.9	3,192,896	20	25.2	4.4	1,087,277	27	11.9	0.4	06/16
N/D	86,704	1.3	2,585,603	23	-2.3	0.4	761,818	33	1.4	0.3	04/16
402,624	-67,220	-1.1	3,954,360	16	-11.7	-4.5	1,658,665	16	-10.7	0.4	06/16
1,229,000	763,000	14.4	7,251,000	7	7	6.6	2,108,000	11	22.7	0.3	06/16
1,013,000	558,000	15.9	3,237,000	19	1	11.5	1,684,000	15	21.4	0.5	06/16
338,901	253,240	8.2	1,867,878	30	8.9	9.4	761,283	34	23.3	0.4	06/16
N/D	17,747	0.6	1,046,817	50	3.6	0.8	356,127	64	2.5	0.3	02/16
184,477	124,817	4.2	1,242,888	41	3.7	6.8	512,908	46	15.6	0.4	07/16
228,945	196,637	7	1,238,167	42	-8.8	9.9	276,004	79	35.5	0.2	12/15
181,000	135,000	5.3	1,394,000	35	1.5	4.6	566,000	42	12	0.4	03/16
79,072	49,155	2	627,081	73	-17.6	3.6	347,381	65	7.5	0.5	09/15
40,821	28,002	1.2	1,120,541	47	4.6	-0.2	162,436	104	-2	0.1	12/15
568,000	336,000	14.1	8,538,000	5	11.4	2.3	5,050,000	4	3.8	0.6	06/16
172,720	133,400	5.8	1,278,577	39	13.7	7.3	583,709	40	16	0.5	03/16
482,000	-8,000	-0.4	5,652,000	12	-7.2	-1.1	2,823,000	9	-2.2	0.5	06/16
270,000	205,000	9.7	20,260,000	2	5.4	0.7	1,293,000	23	11.4	0.1	06/16
N/D	-6,300	-0.3	414,872	96	0.8	-1.9	118,354	123	-6.4	0.3	06/16
439,600	312,100	15.5	3,778,200	18	7.1	5	1,991,200	12	9.7	0.5	06/16
401,200	59,300	3	2,060,100	27	-7.1	-0.9	445,600	52	-6.1	0.2	03/16
55,827	46,688	2.5	437,904	95	-5.1	8	130,875	119	29.8	0.3	03/16
886,702	713,500	38.8	6,627,100	8	11.4	7.9	3,070,000	8	17.6	0.5	03/16
518,000	318,000	20.3	6,085,000	10	0.4	2.6	3,315,000	7	4.8	0.5	06/16
145,500	106,100	7	1,182,100	44	0	6.2	576,400	41	12.8	0.5	06/15
28,289	17,299	1.2	647,444	71	27.9	0.6	217,845	90	1.6	0.4	12/15
75,463	47,212	3.6	589,544	77	4.7	4.2	129,942	120	20.1	0.2	06/16
394,075	393,738	30	690,293	66	21.4	54.7	381,767	61	128.2	0.6	12/15
94,894	39,492	3.2	895,481	55	-11.4	0.1	149,819	113	0.6	0.2	12/15
536,001	321,000	26.6	21,816,000	1	0	0.7	17,622,000	1	0.9	0.8	06/15
66,010	55,560	4.7	687,216	68	5.2	5.9	274,299	80	14.6	0.4	06/16
47,159	-29,095	-2.5	1,911,958	29	4.8	-3.1	82,268	148	-118.1	0.0	12/15
531,698	267,320	23.3	5,602,958	13	-8.5	1	2,381,988	10	2.5	0.4	06/16
33,258	26,455	2.4	358,856	100	-4.6	5	64,178	164	29	0.2	03/16
79,062	44,663	4.2	445,423	93	16.2	6.6	184,904	98	15.4	0.4	03/16
722,900	471,100	45.2	5,827,600	11	1.8	3.1	1,379,500	20	13.1	0.2	06/16
323,811	203,163	19.6	3,816,461	17	6.6	2.4	1,843,265	13	4.9	0.5	03/16
21,661	-41,665	-4.1	1,236,994	43	3.3	-3.9	435,564	53	-8.8	0.4	06/15
592,000	265,000	26.1	4,094,000	14	6.6	2.3	871,000	30	10.8	0.2	06/16
336,165	232,095	23.2	2,354,918	25	22.3	6.8	1,113,042	26	15.1	0.5	06/16
323,384	223,143	24	1,943,564	28	0.1	7.6	1,329,708	21	11	0.7	06/16
57,361	44,599	4.8	287,840	116	14.3	11.2	155,601	110	20.8	0.6	06/16
37,381	32,999	3.8	300,918	114	6.6	7	163,822	103	13	0.6	06/16
85,002	51,638	6	1,107,136	48	1.3	1.1	402,855	57	3.2	0.4	12/15
27,908	-10,760	-1.3	504,359	87	-6.9	-2.7	406,552	56	-3.4	0.8	05/16
242,417	207,214	25.2	766,803	61	14.5	20	541,669	43	28.3	0.8	03/16
53,848	34,247	4.2	653,968	70	16.9	3.2	318,250	69	6.6	0.5	12/15
47,296	31,904	4	456,767	90	5.4	4.4	189,828	95	10	0.4	06/16
148,100	-145,400	-18.9	948,600	53	0	-17.6	520,400	45	-32	0.5	06/15
93,858	90,928	12.3	738,819	64	0	11.2	341,691	66	24.2	0.5	12/14



## Most Improved Profit

Abano Healthcare Group – an investor in and operator of healthcare and medical services businesses – outpaced the profit of all other Top 200 companies on a percentage basis, recording a mammoth 29,562 per cent increase in profit from \$96,000 to \$28.5 million.

This figure is impressive on first sight, but has been driven by contrasting one-off transactions. In the previous year, Abano sold certain business operations resulting in a loss on sale of \$9 million. In the current year, Abano entered into an agreement to sell its shareholding in Bay International Limited – resulting in a gain on sale of \$20.2 million. Adjusting for these one-off items, an adjusted profit result would have been \$9 million for 2015 compared to \$8.3m for 2016.

Silver Fern Farms ranked second in this category, with a 5154 per cent increase in profit – from \$474,000 to \$249 million.

This movement has been driven by an increase in sales and decrease

Rank	Company	%
1	Abano Healthcare Group	29,562
2	Silver Fern Farms	5,154
3	Northpower	2,241
4	Fernhoff	1,778
5	The A2 Milk Company	1,556
6	NZRefining Company	1,406
7	Z Energy Ltd	814
8	Bluebird Foods Limited	736
9	AgResearch	681
10	CDC Pharmaceuticals	589
11	OfficeMax Holdings	584
12	Nutricia Limited	422
13	Millstream Equities	392
14	Horizon Energy Distribution	323
15	BP NZ Holdings	323
16	Mercury NZ Limited	240
17	Synlait Milk	226
18	Ravensdown Fertiliser	188
19	Orora Packaging	188
20	Unilever New Zealand	185

in cost of goods sold, through a new "Plate to Pasture" value chain strategy aimed at achieving higher returns for their products. For the first time in four years, the company saw a profitable year for all three meat types – beef, venison, and sheep meat.

Z Energy, ranked 7th on this list, saw profits increase 814 per cent to \$64 million – driven by the reduction in crude prices globally, but offset by a decrease in revenue from fuel sales.

## Most improved revenue

Revenues for the A2 Milk Company have increased 127.5 per cent to \$353 million – the largest increase among all Top 200 companies. This increase is due to continued growth in the Australian, New Zealand, and Chinese markets, and further progress in targeted international markets.

A2 achieved exceptional growth in its infant formula products, continued steady volume growth in fresh milk, and introduced the sale of A2 Milk branded whole milk powder.

The underlying financial figures at Xero continue to improve year-on-year as the company reinvests into scaling the business, with the accounting company ranking third in the Deloitte Top 200 in terms of most improved revenue – up 60.1 per cent since last year to \$216 million.

Xero saw strong subscriber growth of 242,000 additional members in the current financial year, as well as good progress in the competitive United States market, where the accounting industry is at an early stage in its

Rank	Company	%
1	The A2 Milk Company	127.5
2	NZ Refining Company	92.7
3	Xero Ltd	60.1
4	Nutricia Limited	54.4
5	Two Degrees Mobile	42.9
6	Green Cross Health Limited	38.4
7	NZ Wool Services	38.4
8	Apple Sales New Zealand	28.7
9	ZESPRI Group	27.5
10	Fisher & Paykel Healthcare	26.9
11	Orion Health Group	25.4
12	Seeka Kiwifruit Industries	23
13	Horizon Energy Distribution	22.1
14	Synlait Milk	22.1
15	Comvita	20.5
16	Coles Group NZ	20.2
17	Oceana Gold Holdings	19.1
18	Scales Corporation	18.2
19	Tourism Holdings	17.4
20	Pan Pac Forest Products	17.3

migration to cloud technologies.

Two Degrees maintained strong fiscal growth, increasing 43 per cent to \$569 million.

The strong performance occurred in a year when 2degrees became a full-service telecommunications provider acquiring Snap (eight months of Snap operations occurred in the previous year) and made further significant investment in the network.

Rank	Prev year	Name	Revenue (\$000s)	% change	Profit after tax (\$000)	Rank	% change
51	62	Apple Sales New Zealand	733,355	28.7	17,771	100	17.4
52	43	Open Country Dairy	688,251	-24.3	34,435	59	15.5
53	54	H. J. Heinz Company	681,782	-5.7	79,596	36	16.5
54	57	Wilson & Horton	675,731	2.9	42,897	52	-16.1
55	55	Ravensdown Fertiliser	662,921	-7.9	10,132	126	188.2

56	59	Sime Darby Motor Group	659,856	2.2	15,639	106	0.9
57	(-)	NZ Aluminium Smelters	646,740	-0.6	72,525	40	-1.5
58	56	Westland Dairy	615,673	-7.7	-14,510	215	-174.8
59	(-)	Tegel Foods	582,590	3.5	11,311	119	29.5
60	66	Auckland Airport	573,900	10.2	262,400	8	17.4

61	85	Two Degrees Mobile	569,412	42.9	-33,112	220	1.5
62	68	Watercare Services	565,176	10.0	-67,187	230	-21.4
63	70	Briscoe Group	555,774	9.0	47,137	50	19.9
64	76	Imperial Tobacco	553,388	16.2	30,699	69	49.8
65	63	Ingram Micro	547,514	-2.6	-3,284	204	-192.7

66	79	Synlait Milk	547,420	22.1	34,383	60	225.8
67	64	Transfield Services	545,859	0.0	-12,551	212	0.0
68	75	Ford Motor Company	543,827	14.0	-3,674	205	-144.4
69	67	Oregon Group	543,700	5.0	103,012	27	127.8
70	72	Coca-Cola Holdings NZ	541,181	7.9	67,119	41	24.4

71	73	Holden NZ	533,199	7.5	14,953	111	-8.4
72	71	Steel & Tube Holdings	516,197	2.7	25,826	77	20.4
73	60	Hewlett-Packard NZ	509,263	-18.0	-61,628	228	-295.8
74	65	Opus International	506,176	-6.5	16,748	104	-36.2
75	74	Freightways	505,530	5.4	49,774	48	15.0

76	69	DB Breweries	493,856	-3.4	25,146	78	12.3
77	81	Beca Group	470,232	7.7	30,947	68	-9.8
78	80	Powerco	457,240	2.5	64,440	42	-12.5
79	78	Sanford	450,155	-1.8	24,443	81	9.3
80	100	Green Cross Health	449,154	38.4	21,048	89	11.4

81	134	NZ Refining Company	446,897	92.7	150,931	19	1405.8
82	77	Kura	432,195	-6.4	10,114	128	-60.1
83	82	Frucor Beverages	431,357	-0.2	15,296	107	-31.4
84	84	Kathmandu Holdings	425,619	3.6	33,521	62	64.2
85	91	Ngai Tahu	407,370	15.2	168,732	15	45.8

86	89	Restaurant Brands NZ	404,095	8.5	24,070	84	1.0
87	86	Nestle New Zealand	397,289	1.7	39,432	55	-9.6
88	87	Independent Liquor	396,542	4.6	200	195	100.4
89	83	Fairfax	390,615	-5.7	22,547	87	71.7
90	123	Nutricia	389,540	54.4	3,834	158	421.9

91	101	Oceana Gold Holdings	385,703	19.1	-22,358	218	41.0
92	99	Pan Pac Forest Products	382,678	17.3	85,722	31	63.7
93	(-)	Solid Energy NZ	380,500	-16.5	-176,700	233	2.9
94	92	Mitsubishi Motors	375,377	8.2	5,968	144	-30.1
95	88	Toll Group	361,094	-3.8	8,079	138	149.2

96	103	Orora Packaging	357,619	14.0	10,496	123	188.0
97	(-)	The A2 Milk Company	353,278	127.5	30,436	70	1555.6
98	93	Television New Zealand	344,488	0.0	28,115	74	0.0
99	98	Northpower	339,692	4.1	9,571	130	2241.2
100	94	Pact Group Holdings	334,928	-2.3	41,368	53	9.8

EBITDA (\$'000)	EBIT (\$'000)	%return on revenue	Total assets (\$'000)	Rank	% change in assets	% return on assets	Total equity (\$'000)	Rank	% return on equity	Proprietorship ratio (ave)	Balance date
26,796	26,650	3.6	148,003	162	15.9	12.9	29,060	193	88.3	0.2	09/15
76,685	56,525	8.2	591,299	75	10.8	6.1	318,826	68	11.4	0.6	09/15
149,528	121,886	17.9	582,836	79	-17.9	12.3	454,957	50	19.3	0.7	01/16
115,892	87,698	13	1,295,428	38	13.5	3.5	429,955	54	10.3	0.4	12/15
39,119	19,655	3	525,368	84	-1.5	1.9	385,380	58	2.7	0.7	05/16
29,806	24,519	3.7	280,987	117	-5.6	5.4	38,625	187	51.8	0.1	06/15
161,607	108,579	16.8	1,003,161	52	11.6	7.6	315,228	70	26	0.3	12/15
21,895	-8,280	-1.3	571,482	80	6.2	-2.6	242,019	84	-6.5	0.4	07/16
63,270	44,908	7.7	695,649	65	5.7	1.7	313,860	72	3.8	0.5	04/16
489,900	416,900	72.6	6,141,500	9	20.4	4.7	3,880,700	5	7.6	0.7	06/16
63,151	-7,692	-1.4	551,596	82	28.1	-6.7	93,677	138	-35.2	0.2	12/15
212,255	-4,283	-0.8	8,820,614	4	1.6	-0.8	5,833,890	3	-1.1	0.7	06/16
72,608	66,942	12	235,418	128	0.3	20.1	164,424	102	29.5	0.7	01/16
54,272	49,107	8.9	162,178	155	5	19.4	48,771	179	69.6	0.3	09/15
12,994	7,699	1.4	204,549	140	-12.9	-1.5	14,687	212	-20.1	0.1	12/15
83,749	62,879	11.5	590,456	76	1.8	5.9	256,843	83	16	0.4	07/16
-6,814	-16,518	-3	452,113	92	0	-2.8	154,700	111	-8.1	0.3	06/15
-4,907	-5,389	-1	159,672	157	22.4	-2.5	39	227	-14.6	0.0	12/15
188,985	163,355	30	1,530,829	33	14.1	7.2	907,492	28	12.4	0.6	06/16
132,086	105,015	19.4	772,387	60	10.4	9.1	295,380	75	21.5	0.4	12/15
21,303	21,214	4	189,421	144	5.5	8.1	51,912	177	27.5	0.3	12/15
43,243	36,889	7.1	330,440	106	14.8	8.4	180,245	99	14.9	0.6	06/16
-46,847	-53,872	-10.6	99,757	196	-39	-46.8	-210,246	235	N/A	-1.6	10/15
51,887	29,031	5.7	322,217	111	-8.3	5	150,950	112	11.1	0.4	12/15
91,387	78,941	15.6	478,832	89	-4	10.2	214,856	91	23.6	0.4	06/16
59,524	39,909	8.1	340,001	104	4.3	7.6	104,920	127	24.2	0.3	12/15
52,394	44,148	9.4	176,668	149	-1.1	17.4	84,644	145	33.6	0.5	03/16
241,130	164,232	35.9	2,173,321	26	5.8	3	540,618	44	12	0.3	03/16
76,563	46,375	10.3	745,340	63	-4.1	3.2	512,530	47	4.6	0.7	09/15
36,218	30,638	6.8	229,651	131	20.2	10	94,140	137	21.7	0.4	03/16
284,674	212,565	47.6	1,331,681	36	6.2	11.7	782,195	32	21.2	0.6	12/15
30,748	18,842	4.4	775,354	59	3.7	1.3	384,603	59	2.5	0.5	09/15
37,662	21,792	5.1	654,551	69	1.2	2.4	495,114	48	3.1	0.8	12/15
65,001	49,990	11.7	413,253	97	-4	7.9	309,133	73	10.8	0.7	07/16
180,037	178,831	43.9	1,503,855	34	17.7	12.1	1,273,539	24	14.5	0.9	06/16
52,548	34,067	8.4	138,797	170	-4	17	75,617	154	32.8	0.5	02/16
63,639	57,033	14.4	143,232	166	10.2	28.9	5,056	221	388.1	0.0	12/15
31,545	11,674	2.9	242,943	125	-47.2	0.1	813	226	17	0.0	12/15
63,237	45,025	11.5	372,722	98	-55.7	3.7	308,018	74	8.7	0.5	06/15
25,904	20,899	5.4	107,445	192	-14.7	3.3	12,198	216	37.3	0.1	12/15
104,410	-14,301	-3.7	606,716	74	72.6	-4.7	35,289	190	-48.1	0.1	12/15
135,443	119,051	31.1	790,633	58	11.9	11.5	600,786	39	15.4	0.8	03/16
-5,500	-297,400	-78.2	550,000	83	-13.5	-29.8	-94,600	234	N/A	-0.2	06/15
9,519	8,461	2.3	142,365	168	1.3	4.2	102,787	129	5.9	0.7	03/16
14,151	8,746	2.4	115,551	188	-2.5	6.9	56,391	169	13	0.5	06/15
32,113	22,363	6.3	300,490	115	23.7	3.9	57,959	167	8.6	0.2	06/15
55,078	52,336	14.8	210,152	137	136.5	20.4	133,078	116	31.8	0.9	06/16
51,283	36,742	10.7	270,658	120	0	10.4	204,277	93	13.8	0.8	06/15
36,470	17,410	5.1	455,701	91	2.9	2.1	257,931	82	3.8	0.6	03/16
78,471	67,333	20.1	356,392	101	2.1	11.7	96,838	135	41.6	0.3	06/15



## 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.

British American Tobacco Holdings jumped from third to first place on this list, increasing ROA from 22.8 per cent last year to 54.7 per cent – despite New Zealand making steady progress in reducing smoking rates and tobacco use.

This is explained by an increase in profit after tax of 172 per cent, whereas average total assets have

Rank	Company	Return %
1	British American Tobacco	54.7
2	Nestle New Zealand	28.9
3	Tetra Pak	28.2
4	Fernhoff	24.9
5	MARS New Zealand	22.2
6	The A2 Milk Company	20.4
7	Briscoe Group	20.1
8	Fisher & Paykel Healthcare	20
9	Imperial Tobacco NZ	19.4
10	ITW New Zealand	18.5
11	Beca Group	17.4
12	Restaurant Brands NZ	17
13	Hallenstein Glasson Holdings	16.6
14	Scales Corporation	16.1
15	Newmont Waihi Gold	15.1
16	Unilever New Zealand	14.6
17	Cerebos Gregg's Limited	13.7
18	Apple Sales New Zealand	12.9
19	Airways Corp of New Zealand	12.6
20	H. J. Heinz Company	12.3

increased by 14 per cent. The increased profit has been driven by a large gain made on the sale of trademarks and brand names to the entity's related UK company, British American Tobacco.

Nestle dropped from first place to second this year, decreasing 5.1 per cent to a 28.9 per cent ROA. This is due to a decrease in profit of 10 per cent and an offsetting increase in average total assets of 6 per cent.

## 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.

For the third year in a row, Nestle topped this category, increasing return on equity to 388.1 per cent – well ahead of last year's 221.4 per cent, and 2014's 140 per cent result.

This increase is due to average shareholder's equity decreasing by 48 per cent from last year compared to profit after tax which decreased by 10 per cent.

Both McDonald's and Restaurant Brands – which operates the local KFC, Pizza Hut, Carl's Jr and Starbucks – turned in strong performances for

Rank	Company	Return %
1	Nestle New Zealand	388.1
2	British American Tobacco	128.2
3	Fernhoff	88.4
4	Apple Sales New Zealand	88.3
5	Tetra Pak	70.9
6	Imperial Tobacco New Zealand	69.6
7	McDonald's Restaurants	59.4
8	Sime Darby Motor Group	51.8
9	MARS New Zealand	43.7
10	Pact Group Holdings	41.6
11	NZ Investment Holdings	39.5
12	Nutricia Limited	37.3
13	BP NZ Holdings	35.5
14	Beca Group	33.6
15	Restaurant Brands NZ	32.8
16	The A2 Milk Company	31.8
17	ZESPRI Group	29.8
18	Briscoe Group	29.5
19	Mondelez NZ Investments	29.3
20	Toyota New Zealand	29

the fast food sector.

McDonald's return on equity is up from last year's 52.7 per cent to 59.4 per cent. Restaurant Brands dropped slightly from 35.1 per cent last year to 32.8 per cent.

Both of the tobacco companies on the Top 200, British American Tobacco and Imperial Tobacco, continue to generate strong returns for their shareholders – appearing at second and sixth place respectively on this list this year.

Rank	Prev year	Name	Revenue (\$000s)	% change	Profit after tax (\$000)	Rank	% change
101	96	City Care Ltd	333,545	0.0	10,225	125	0.0
102	90	IBM New Zealand	333,432	-9.1	18,618	98	-52.8
103	102	DHL Holdings	332,715	3.4	-46,574	221	-748.2
104	117	Coles Group	319,365	20.2	33,937	61	20.4
105	95	OfficeMax Holdings	319,228	-4.4	10,059	129	583.8

106	109	CDC Pharmaceuticals	310,212	5.7	1,109	188	588.8
107	97	Market Gardeners	309,741	-7.1	5,806	145	-20.3
108	104	Orion Corporation	307,440	1.1	53,446	47	-35.3
109	120	Scales Corporation	306,600	18.2	38,935	56	111.9
110	118	Mazda Motors	305,910	15.7	10,624	121	32.0

111	148	NZ Wool Services	300,024	38.4	2,588	174	-41.1
112	110	Tetra Pak	296,320	5.6	24,133	83	111.7
113	107	Mondelez NZ	291,688	-2.9	9,236	133	73.3
114	115	Tatua Dairy	288,840	7.9	7,021	140	-43.7
115	129	Tourism Holdings	281,261	17.4	24,376	82	21.3

116	122	Mercedes-Benz NZ	277,406	8.7	15,220	108	-8.6
117	113	Bupa Care Services NZ	268,220	-1.7	31,663	66	-1.4
118	119	Unilever New Zealand	265,636	1.3	15,207	109	184.7
119	124	Dunedin City Holdings	261,693	5.4	20,309	94	56.8
120	136	Ryman Healthcare	261,070	15.0	305,423	7	26.3

121	111	Port of Tauranga	259,129	-7.3	77,314	37	-2.3
122	116	Allied Foods	258,401	-2.9	9,469	132	-27.4
123	127	GPC Asia Pacific	251,913	3.5	11,359	118	21.3
124	105	Kordia Group	248,961	-17.8	9,234	134	6.9
125	126	Linde Holdings	246,608	1.1	32,857	63	13.7

126	143	McDonald's	243,761	10.3	36,728	57	19.4
127	150	Delegat's Group	242,644	14.5	53,990	46	66.0
128	131	Dimension Data	237,300	0.1	-3,140	203	-881.3
129	135	Smiths City Group	232,300	0.2	5,600	148	-30.0
130	112	Visionstream	230,176	-16.9	-1,373	198	-106.4

131	(-)	Nobilo Holdings	229,910	0.4	31,048	67	-27.7
132	137	Millstream Equities	228,851	1.0	3,628	160	392.1
133	121	Weyville Holdings	227,784	-11.8	14,307	113	4.8
134	114	CB Norwood	227,057	-16.5	1,123	187	-84.5
135	106	Fuji Xerox NZ	226,936	-24.7	-31,537	219	-1263.5

136	140	Hallenstein Glasson	224,612	0.8	13,679	114	-21.3
137	147	Juken New Zealand	223,553	3.0	5,400	149	114.8
138	142	Newmont Waihi Gold	221,523	0.0	48,800	49	0.0
139	157	Trade Me Group	218,257	8.5	74,943	38	-6.5
140	139	Abano Healthcare	216,107	-3.2	28,475	73	29561.5

141	195	Xero Ltd	215,995	60.1	-82,464	231	-18.6
142	160	AWF Madison Group	214,624	8.6	5,202	152	-4.0
143	172	Orion Health Group	214,273	25.4	-54,400	225	10.5
144	152	Unison Networks	213,546	1.5	24,564	80	-10.7
145	128	Pumpkin Patch	212,560	-11.3	-15,547	216	-71.2

146	155	Skellerup Holdings	212,451	4.1	20,525	91	-6.4
147	144	Ports of Auckland	212,132	-3.7	83,996	32	32.9
148	149	Bridgestone NZ	211,477	-2.3	10,120	127	-0.2
149	151	JB Hi-Fi NZ	211,233	-0.1	1,245	186	-44.2
150	132	Livestock Imprvt	211,026	-9.4	-4,015	207	-129.4

EBITDA (\$'000)	EBIT (\$'000)	% return on revenue	Total assets (\$'000)	Rank	% change in assets	% return on assets	Total equity (\$'000)	Rank	%return on equity	Proprietorship ratio (ave)	Balance date
24,708	14,638	4.4	108,454	190	0	9.4	55,689	171	18.4	0.5	06/15
40,119	24,847	7.5	325,383	108	-3.1	5.6	200,661	94	9.7	0.6	12/15
-11,354	-50,982	-15.3	135,631	173	-15.5	-31.5	-3,578	229	-209.7	0.0	12/15
53,457	49,601	15.5	250,734	122	-26.5	11.5	131,956	117	15.8	0.4	06/15
19,007	14,044	4.4	242,332	126	4.3	4.2	187,128	97	5.5	0.8	12/15
2,577	2,134	0.7	64,052	209	1.1	1.7	12,949	215	8.8	0.2	03/16
13,899	10,350	3.3	197,369	141	9.5	3.1	103,194	128	5.9	0.5	06/16
132,885	82,862	27	1,121,958	46	3.5	4.8	660,140	37	7.5	0.6	03/16
66,035	55,897	18.2	256,455	121	13.3	16.1	161,026	106	25.3	0.7	12/15
17,558	14,755	4.8	99,905	195	24.8	11.8	52,928	175	21.3	0.6	03/16
8,418	6,967	2.3	91,352	199	-19.4	2.5	18,491	205	13.4	0.2	06/15
34,711	33,544	11.3	83,297	202	-5	28.2	40,644	186	70.9	0.5	12/15
29,262	21,514	7.4	226,535	134	-5.5	4	23,639	198	29.3	0.1	12/15
21,417	13,265	4.6	241,419	127	34.2	3.3	24,206	195	14.6	0.1	07/15
75,918	41,036	14.6	333,835	105	4.9	7.5	172,123	101	14.1	0.5	06/16
22,798	22,261	8	227,812	133	-33.3	5.3	68,536	159	25	0.2	12/15
71,190	54,188	20.2	1,102,524	49	14.1	3.1	320,600	67	10.7	0.3	12/15
22,610	18,035	6.8	98,778	197	-10.1	14.6	64,327	163	23.4	0.6	12/15
90,023	71,872	27.5	1,143,093	45	11	1.9	285,615	76	8.8	0.3	06/16
329,808	317,150	121.5	3,973,470	15	20	8.4	1,327,525	22	25.1	0.4	03/16
144,303	119,914	46.3	1,322,367	37	2	5.9	885,684	29	8.7	0.7	06/16
20,875	11,664	4.5	135,303	174	15.8	7.5	87,982	142	10.9	0.7	08/15
20,189	16,426	6.5	211,616	135	11.3	5.7	155,951	108	8.2	0.8	12/15
38,634	16,677	6.7	177,798	148	-18.3	4.7	90,703	140	10.8	0.5	06/15
77,100	53,687	21.8	646,989	72	2.4	5.1	384,231	60	8.7	0.6	12/15
77,939	63,947	26.2	359,392	99	9.1	10.7	65,258	162	59.4	0.2	12/15
96,542	85,016	35	687,922	67	22.8	8.7	313,885	71	18.4	0.5	06/16
793	-608	-0.3	160,049	156	0.1	-2	2,934	225	N/A	0.0	09/15
9,600	8,000	3.4	136,100	172	-9.1	3.9	52,700	176	10.9	0.4	04/16
6,736	4,626	2	39,526	220	-45.4	-2.5	21,424	202	-3.9	0.4	12/15
72,664	60,229	26.2	552,786	81	11.2	5.9	270,865	81	12.1	0.5	02/16
23,735	7,382	3.2	842,157	57	-1.6	0.4	680,238	36	0.5	0.8	06/16
27,213	19,627	8.6	211,181	136	-3.5	6.7	114,108	125	9.9	0.5	06/15
6,082	3,381	1.5	129,062	177	-5.7	0.8	70,343	157	1.6	0.5	12/15
-24,658	-35,027	-15.4	352,803	102	13	-9.5	-17,337	231	N/A	-0.1	03/16
26,573	19,061	8.5	78,628	205	-8.9	16.6	55,877	170	22.9	0.7	08/16
15,897	9,687	4.3	442,549	94	16.1	1.3	281,135	77	2.1	0.7	03/16
102,754	67,660	30.5	323,089	110	0	15.1	230,637	85	21.2	0.7	12/14
142,331	115,411	52.9	869,233	56	-2.2	8.5	700,546	35	10.8	0.8	06/16
47,888	38,074	17.6	273,653	118	23.8	11.5	115,028	124	27.7	0.5	05/16
-51,754	-80,897	-37.5	328,101	107	-13.3	-23.3	279,089	78	-26.4	0.8	03/16
11,745	8,973	4.2	77,924	206	-0.5	6.7	36,274	188	14.4	0.5	03/16
-45,111	-52,498	-24.5	157,381	159	-21.8	-30.3	61,858	165	-62.3	0.3	03/16
77,967	49,015	23	761,054	62	5.6	3.3	358,974	62	7	0.5	03/16
-1,898	-9,580	-4.5	88,832	200	-14.4	-16.1	7,947	219	-86.1	0.1	07/16
36,622	29,128	13.7	228,004	132	7.7	9.3	155,855	109	13	0.7	06/16
135,910	111,452	52.5	1,013,130	51	19.2	9	641,981	38	14.4	0.7	06/16
17,521	13,943	6.6	141,224	169	7.6	7.4	101,636	132	10.2	0.7	12/15
4,242	1,714	0.8	79,819	204	7.4	1.6	57,216	168	2.2	0.7	06/15
21,800	-2,792	-1.3	323,655	109	7.3	-1.3	210,957	92	-1.9	0.7	03/16



## The Newcomers

This year, thirteen companies made their debut on the Deloitte Top 200.

The New Zealand Automobile Association, better known to most as the AA, leaped 11 places from last year to make the Top 200 at 194th place, with revenue jumping 11.9 per cent to \$133.6 million.

Also making the list this year is Seeka Kiwifruit Industries at 190th, and Horizon Energy Distribution, Eastern Bay of Plenty's electricity distribution company, at 192nd – with revenues up 23 per cent and 22.1 per cent respectively.

After just missing the Top 200 for the past two years, the New Zealand arm of cloud and analytics giant SAP finished at 198th this year with revenue of \$130.7 million – up 4.9 per cent from last year.

Consumer goods company Reckitt Benckiser made a steady improve-

Rank 2016	Company Name
57	NZ Aluminium Smelters
59	Tegel Foods Limited
93	Solid Energy NZ
97	The A2 Milk Company
131	Nobilo Holdings
160	MetroGlass Ltd
182	Te Wananga o Aotearoa
190	Seeka Kiwifruit
192	Horizon Energy
193	Bluebird Foods Limited
194	Automobile Association
198	SAP
200	Reckitt Benckiser

ment, with revenue up 3.6 per cent on last year to \$127.8 million, enough to secure the last spot in the Top 200.

Tegel Foods, appeared in the Top 200 for the first time this year, having gone public in the first initial public offering of 2016. New Zealand's largest poultry producer, with revenue at \$582.6 million, ranked at 59th.

Bluebird Foods amalgamated with PepsiCo in 2015, making it onto the list this year at 193rd.

Rank	Prev year	Name	Revenue (000)	% change	Profit after tax (\$000)	Rank	% change
151	133	CablePrice	210,842	-9.5	1,715	180	-81.6
152	161	MARS New Zealand	210,466	7.8	28,875	72	35.5
153	138	Landcorp Farming	210,000	-6.3	11,500	116	157.5
154	153	Kiwi Property Group	208,816	1.0	250,781	9	117.7
155	164	Airways Corp	206,070	10.3	23,229	86	53.8

156	159	NZ Investment Holdings	199,311	0.5	17,030	103	-7.6
157	156	Sealed Air	195,527	-2.9	15,141	110	-10.9
158	141	NZ Sugar Company	194,493	-12.5	19,482	96	-15.5
159	145	Cavalier Corporation	192,641	-11.3	3,115	168	112.1
160	(-)	MetroGlass Holdings Ltd	188,247	9.1	20,495	92	42.9

161	185	Comvita	185,578	20.5	14,782	112	44.3
162	130	NZPM Group	183,777	-23.2	-6,657	208	-8.4
163	169	Moana New Zealand	181,288	3.4	15,963	105	-27.3
164	146	Fernhoff	181,263	-16.5	80,494	35	1778.0
165	154	ABB Limited	180,499	-11.6	10,352	124	-55.3

166	163	Bayer New Zealand	179,616	-4.2	-6,857	209	0.9
167	166	Wellington Electricity	175,803	-4.9	-3,914	206	-317.7
168	168	BMW New Zealand	173,936	-1.9	1,512	182	41.4
169	167	PMP	172,641	-6.3	10,951	120	131.5
170	171	Goodman Property Trust	172,100	-0.6	233,100	10	29.7

171	182	Compass Group	170,934	10.5	3,432	164	2.3
172	178	Honda NZ	169,165	5.5	5,768	147	149.3
173	184	Christchurch Airport	168,377	9.2	43,056	51	9.6
174	174	Fujitsu NZ	168,135	-0.8	2,811	172	-45.4
175	165	General Cable NZ	164,318	-11.7	-8,518	211	51.0

176	181	Cerebos Gregg's	160,537	2.9	17,490	101	78.0
177	179	ITW New Zealand	158,378	-0.4	32,312	65	22.8
178	196	Avis Rent A Car	156,019	16.0	11,416	117	-0.3
179	177	Avon Pacific Holdings	155,173	-3.4	5,232	150	-3.6
180	190	Flight Centre	154,860	9.3	21,796	88	180.6

181	188	Norske Skog Tasman	153,782	5.7	3,183	167	6.8
182	(-)	Te Wananga o Aotearoa	152,229	-1.6	5,068	154	-0.2
183	189	Schneider Electric	150,236	5.6	5,776	146	99.9
184	176	Alcatel-Lucent NZ	149,052	-8.5	8,118	137	20.3
185	183	AgResearch	146,612	-5.1	657	192	681.4

186	173	Precinct Properties NZ	146,200	-14.4	138,200	24	12.9
187	193	CDL Hotels Holdings NZ	143,480	3.2	32,738	64	34.2
188	187	NDA Group	143,194	-2.3	2,961	170	-26.8
189	186	Tru-Test Corporation	143,078	-4.9	-14,318	214	-438.9
190	(-)	Seeka Kiwifruit Industries	142,414	23.0	4,272	155	34.8

191	192	BCS Group	139,188	0.0	2,437	175	-47.6
192	(-)	Horizon Energy	137,462	22.1	17,344	102	322.9
193	(-)	Bluebird Foods	134,270	4.2	27,414	75	735.8
194	(-)	Automobile Association	133,635	11.9	21,043	90	20.2
195	197	Johnson & Johnson	133,411	0.0	8,072	139	30.6

196	198	Kimbyr Investments	132,270	0.1	8,991	135	61.6
197	200	Niwa	130,813	3.3	4,011	156	-30.3
198	(-)	SAP	130,658	4.9	9,569	131	6.9
199	175	Suzuki NZ	128,337	-22.4	3,335	165	11.6
200	(-)	Reckitt Benckiser	127,819	3.6	-48,831	224	-1870.5

## Missed the Cut

Orica Investments (NZ) fell from last year's ranking of 108th to 212th after a fall in revenue from \$294.9 million to \$100.4 million, mostly attributable to the sale of its chemical business to Blackstone Group.

Technology company Siemens fell outside the Top 200 this year at 218th, a 38 place drop from last year due to a fall in revenue from \$157.2 million to \$82.5 million.

Dow AgroSciences, specialising in agricultural chemicals, just missed the cut for the second year in a row, ranking 211th. Similarly, pharmaceuticals

company GlaxoSmithKline missed out on a ranking for the second year, falling nine places to 217th this year.

Other companies missed the cut due to ownership changes, or for not having financial statements available by the cut-off date and were therefore not eligible for inclusion this year.

Rakon fell 11 places to 205th this year after a revenue decrease from

Rank	Company Name
201	Blue Sky Meats
202	healthAlliance
203	New Zealand Oil and Gas
204	Alisco Investments NZ
205	Rakon
206	Lytelton Port Company
207	3M New Zealand Limited
208	Metlifecare
209	MetIVEN
210	Philips New Zealand
211	Dow AgroSciences
212	Orica Investments
213	Ashburton Trading Society
214	Spicers
215	The NZ King Salmon Company
216	Canon New Zealand
217	GlaxoSmithKline NZ
218	Siemens
219	DFS New Zealand
220	Sony New Zealand

\$140 million to \$114.7 million, due to declining revenue in the telecommunications market as equipment manufacturers reduced their spend.

Other narrow misses in the Top 200 include Blue Sky Meats (201), HealthAlliance (202), New Zealand Oil and Gas (203), Alisco Investments NZ (204), and Lyttelton Port Company (206).

EBITDA (\$'000)	EBIT (\$'000)	% return on revenue	Total assets (\$'000)	Rank	% change in assets	% return on assets	Total equity (\$'000)	Rank	%return on equity	Proprietorship ratio (ave)	Balance date
5,226	3,615	1.7	118,262	185	5.3	1.5	47,473	180	3.5	0.4	03/16
43,823	41,868	19.9	146,270	165	28.7	22.2	80,448	151	43.7	0.6	01/16
31,500	23,000	11	1,786,300	31	0.7	0.6	1,411,200	18	0.8	0.8	06/16
305,227	305,227	146.2	2,698,436	21	17.5	10	1,716,765	14	16.2	0.7	03/16
54,935	33,586	16.3	194,159	142	11.5	12.6	100,564	133	24.7	0.5	06/16
33,738	28,444	14.3	156,129	160	-4	10.7	42,382	185	39.5	0.3	12/15
24,958	21,593	11	231,841	129	10.1	6.8	187,403	96	8.5	0.8	12/15
34,424	27,543	14.2	164,122	153	5.8	12.2	134,357	115	15.3	0.8	12/15
14,324	8,788	4.6	147,376	163	-12.9	2	69,361	158	4.6	0.4	06/16
37,754	30,334	16.1	230,910	130	5.8	9.1	148,634	114	14.1	0.7	03/16
32,206	24,726	13.3	243,268	124	21.8	6.7	131,839	118	11.8	0.6	06/16
-1,237	-5,612	-3.1	76,891	207	-31	-7.1	13,336	214	-42.1	0.1	03/16
24,119	20,636	11.4	524,499	85	-1.5	3	408,564	55	3.9	0.8	09/15
111,616	83,643	46.1	312,765	113	-6.1	24.9	126,881	121	88.4	0.4	12/15
19,212	16,098	8.9	100,263	194	-15.9	9.4	47,406	181	19.1	0.4	12/15
4,151	-1,457	-0.8	163,778	154	9	-4.4	17,265	207	-32.6	0.1	12/15
78,072	47,521	27	920,936	54	2.9	-0.4	87,894	143	-4.2	0.1	12/15
2,911	2,493	1.4	62,948	210	-2.3	2.4	18,622	204	15.4	0.3	12/15
23,038	15,048	8.7	107,684	191	-10.7	9.6	77,370	153	14.2	0.7	06/15
270,400	270,400	157.1	2,475,500	24	13.7	10	1,536,200	17	16	0.7	03/16
7,232	5,439	3.2	66,438	208	27.5	5.8	29,259	192	12.5	0.5	09/15
18,051	8,826	5.2	152,611	161	-7.2	3.6	92,635	139	6.4	0.6	03/16
114,121	77,675	46.1	1,260,644	40	3.9	3.5	791,175	31	5.5	0.6	06/16
5,688	3,955	2.4	40,667	218	-20.4	6.1	23,967	196	12.5	0.5	03/16
-2,432	-5,721	-3.5	134,713	175	-13.4	-5.9	79,268	152	-10.2	0.5	12/15
23,112	20,162	12.6	124,064	179	-4.8	13.7	98,860	134	18.9	0.8	12/15
46,107	44,973	28.4	191,327	143	20.5	18.5	173,009	100	20.6	1.0	12/15
40,957	20,798	13.3	157,886	158	16.2	7.8	46,363	182	28.1	0.3	12/15
16,107	8,941	5.8	110,520	189	-1	4.7	66,645	160	8	0.6	06/15
33,506	30,564	19.7	206,334	138	24.7	11.7	81,954	149	28.7	0.4	06/16
21,177	9,657	6.3	172,923	150	-0.5	1.8	65,517	161	5	0.4	12/15
13,694	5,068	3.3	181,636	147	9.3	2.9	161,540	105	3.3	0.9	12/15
9,117	8,032	5.3	131,031	176	5.9	4.5	89,421	141	6.7	0.7	12/15
11,832	11,214	7.5	119,589	183	-4.7	6.6	36,002	189	25.4	0.3	12/15
9,273	-329	-0.2	271,892	119	0.6	0.2	227,372	86	0.3	0.8	06/16
156,700	156,700	107.2	1,738,600	32	-0.8	7.9	1,410,900	19	10.1	0.8	06/16
56,865	50,203	35	589,477	78	-24.2	4.8	446,471	51	6	0.7	12/15
10,643	8,415	5.9	185,862	145	-1.6	1.6	87,252	144	3.6	0.5	12/15
13,804	-11,193	-7.8	119,462	184	-11	-11.3	10,175	218	-73.6	0.1	03/16
15,153	7,208	5.1	164,318	152	49.7	3.1	70,819	156	6.4	0.5	12/15
4,312	3,419	2.5	47,006	217	-7.2	5	16,459	210	15.5	0.3	12/15
17,217	10,653	7.7	182,328	146	17.2	10.3	102,610	130	20.4	0.6	03/16
17,464	8,730	6.5	315,435	112	-0.9	8.6	220,158	89	18	0.7	12/15
25,482	21,043	15.7	204,897	139	12.9	10.9	156,624	107	14.4	0.8	06/15
14,829	11,051	8.3	120,875	182	3.2	6.8	95,711	136	8.9	0.8	12/15
16,264	13,406	10.1	85,427	201	15.3	11.3	53,025	174	18.5	0.7	07/15
20,344	5,525	4.2	147,114	164	8.8	2.8	109,337	126	3.7	0.8	06/16
10,438	9,589	7.3	100,283	193	-12.6	8.9	60,412	166	13.5	0.6	12/15
4,839	4,640	3.6	55,415	213	6.2	6.2	44,116	183	7.9	0.8	03/16
7,375	-44,534	-34.8	117,215	186	-46.6	-29	80,694	150	-70.6	0.5	12/15

# Deloitte Top 200 criteria

**T**he Deloitte Top 200 is a listing of New Zealand's largest organisations ranked by revenue.

This includes publicly-listed companies and larger unlisted entities which are required to disclose audited financial statements, including New Zealand subsidiaries and branches of overseas companies and the commercial operations of Maori organisations.

It also includes producer boards, co-operatives, local authority trading enterprises and state-owned enterprises.

To be included in the Top 200, organisations must operate for a commercially determined profit. They will generally, but not always, be liable for tax on earnings.

Companies fully owned by another New Zealand company are excluded if they are reported as a consolidated group.

In some instances where it is believed that the separate results are more meaningful because the company in question is competing with other similar NZ enterprises and where separate figures are available, these have been used in the tables and the holding company results excluded.

All figures are the latest available, verified and audited. We recognise that various organisations evaluate their own performance using measures specific to their business. For comparability and simplicity we have adopted a relatively simple calculation methodology.

● **Revenue:** as disclosed in the entity's Statement of Comprehensive Income or equivalent. Includes sales (excluding gross commission sales), rent, dividends, share of income from associated companies and interest received.



● **Profit After Tax:** includes equity accounted profit and profit attributable to non-controlling (minority) interests.

● **EBITDA:** earnings before interest expense, tax, depreciation and amortisation and impairments of property, plant and equipment or intangible assets.

● **EBIT:** earnings before interest expense and tax. Not shown for the financial institutions.

● **Return On Revenue:** calculated by profit before interest and tax divided by revenue. Where no profit figures are shown, this calculation is not applicable as indicated by N/A.

● **Total Assets:** as disclosed in the entity's financial statements. Includes current and non-current assets, investments, tangible and intangible assets, deferred tax assets and goodwill.

● **Total Equity:** as disclosed in the entity's financial statements 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 Total Equity/Total Assets:** calculated by profit after tax divided by average total equity/total assets over the past two years. Where an entity is in its first year of operation the current year total equity/total assets figure has been used as an approximate.

● **Proprietorship Ratio:** Total Equity (see above) divided by average total assets over the past two years.

**GENERAL:**

● Companies that have operated less than six months are not included in this listing.

● Majority shareholdings greater than 50 per cent by other New Zealand entities are indicated in brackets. A key to these abbreviations follows the listing.

● Not disclosed (N/D) is used where figures were not disclosed by the company or disclosed but not able to be verified.

● An (-) indicates the company was not ranked last year.

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**FINANCIAL INSTITUTIONS**

Includes banks, finance companies, insurance companies (life/fire and general/superannuation). These are ranked on total assets and appear separately. The financial institution results are based on the entity's legal set of accounts and not those accounts which include funds under administration (i.e. accounts which include assets that are not legally owned by that institution but administered by it).

● **Profit After Tax:** is shown for information purposes only and no ranking is given.

● **Total Equity:** as disclosed in the entity's financial statements including noncontrolling (minority) interests. For NZ branches of overseas companies, the amount shown as owing to head office is deemed equity.

● **Return on Total Assets/Equity:** calculated by profit after tax divided by average total assets/total equity over the past two years. For an entity in its first year of operation the current year total equity/total assets figure is used as an approximate.

## Mixed results for financial organisations

**A**fter strong performances and growth in every metric across the Top 30 last year, New Zealand's financial institutions had mixed results this time around, with significant growth in revenue and equity, but a fall in profit after tax and the amount of tax paid to the Government.

Revenue for the Top 30 finance companies grew by 11.7 per cent – a noted improvement on last year's 8.5 per cent growth figure.

It is worth noting that, similar to last year, financial institutions considerably outperformed their non-financial Top 200 counterparts, who fell 0.7 per cent (2015: Top 200 – 1.1 per cent; Top 30 – 8.5 per cent).

Asset growth is perhaps more important to the financial sector when judging their own performance. Year on year, the Top 30 grew their asset bases by \$41 billion, representing cumulative holdings of \$488.6b. That was a 9.2 per cent improvement, again outpacing the 6.2 per cent growth in 2015.

Despite continued competition among the big four banks, there has been no change in the rankings for another year. ANZ (NZ) continues to lead the way with its enormous asset base, outpacing the others in profit and equity. With \$147.5b of assets, ANZ holds \$58.7b more than its closest competitor Westpac (NZ). That gap widened in the past year by a further \$11.4b.

As has been the case for a number of years, Bank of New Zealand (BNZ) and ASB remain relatively close behind the asset base of second-ranked Westpac, but all three have held their position now for a number of years.

increased 12.9 per cent to \$43.5b. ASB saw a major change to its equity during the period, growing 26.7 per cent to \$6.8b and reclaiming third place, having been overtaken by Westpac last year.

It still trails BNZ in that regard, but has closed the gap significantly from the last period.

Except for Westpac, profits were up again across the board for each of the big four banks. BNZ led the way with a 22.12 per cent improvement to \$1.04b, while ASB and ANZ grew profits by 6.29 per cent and 3.9 per cent respectively. Westpac saw a fall in profit of 1.28 per cent.

Heartland Bank, the rural-focused financier and insurance provider established in 2011, retained its tenth-place ranking in terms of assets, meaning the entire top 10 financial companies this year didn't change in rank since last year.

Southland Building Society jumped four places on the list this year (11th), as did Deutsche Bank (13th), with their asset bases increasing 19.20 per cent (\$550 million) and 49.39 per cent (\$1.1b) respectively. Interestingly, despite this significant increase in assets, Deutsche Bank's return on assets fell from 1.0 to 0.2, ranking 28th on the list – mirroring worries about the bank's global performance.

The only financial companies in the Top 30 to make a loss this year were two insurers – IAG and Tower – for reasons that include competition for commercial companies, Canterbury earthquake claims, and write-downs on IT systems.

New to the list this year were credit surety and financial risk insurance firm CBL Insurance (28th) and specialist rural financial services provider FMG Insurance (30th).

## Top 30 Financial Companies

Rank 2016	Rank 2015	Company Name	Assets	Profit	Equity	Return/Assets	Return/Equity
1	1	ANZ Bank New Zealand	147,527,000	1,783,000	12,453,000	1.3	14.7
2	2	Westpac Corp	88,861,000	1,006,000	6,193,000	1.2	17.2
3	3	Bank of New Zealand	86,787,000	1,038,000	7,042,000	1.2	16.2
4	4	ASB Bank	81,606,000	913,000	6,812,000	1.2	15
5	5	Kiwibank	19,357,000	124,000	1,129,000	0.7	11.6
6	6	Rabobank NZ	10,772,752	104,047	1,276,429	1	8.5
7	7	IAG	7,558,646	(551,720)	1,413,936	-7.6	-46.4
8	8	TSB Bank	6,427,143	61,563	554,408	1	11.7
9	9	HK Shanghai Bank	5,591,088	84,639	54,355	1.6	172.2
10	10	Heartland Bank	3,547,181	54,164	498,341	1.6	11.1
11	15	Southland Bull Soc	3,412,175	19,973	239,960	0.6	8.3
12	11	AMP Life	3,404,745	95,252	605,669	2.9	16.1
13	17	Deutsche Bank	3,185,000	6,000	122,000	0.2	4.4
14	13	Bank of Tokyo-Mitsubishi	3,168,660	26,468	124,881	0.9	23.7
15	14	NZ Life Insurance Group	2,893,000	107,000	1,262,000	3.6	8.3
16	12	Suncorp Group Holdings	2,605,958	142,905	624,513	5	20.9
17	19	The Cooperative Bank	2,041,153	10,267	156,968	0.5	6.7
18	18	Citibank NA New Zealand	1,974,312	19,760	186,455	1	10.3
19	20	Toyota Finance	1,069,499	16,483	146,271	1.5	11.4
20	16	GE Finance	838,695	115,272	793,984	6.4	15.7
21	21	Lumley Insurance	811,471	37,657	149,026	4.6	2.4
22	23	Tower	758,922	(6,636)	280,909	-0.9	-2.2
23	25	AIQ Insurance	668,693	22,329	154,736	3.3	15.6
24	26	Southern Cross	629,380	35,050	435,158	5.7	8.4
25	28	Mercedes-Benz Fin	567,045	11,264	47,011	2.1	27.2
26	27	Motor Trade Finances	566,501	6,942	82,621	1.3	8.5
27	27	Alliance Group	536,123	4,625	308,869	0.9	1.5
28	(c)	CBL Insurance	499,612	37,866	131,405	8.7	36
29	30	Kookmin Bank Auckland	449,802	2,866	2,861	0.7	80.1
30	(c)	FMG Insurance	435,449	5,272	229,493	1.3	2.6



Sponsor Connect guests seated at Ebisu; NZME's Carolyn Luey; and Deloitte's Ross Milne.

Pictures / Shaun Ross

# Glamorous lunch celebrates finalists

Guests at the Deloitte Top 200 Sponsors and Finalists Connect Luncheon hosted by NZME at Ebisu restaurant enjoyed a Japanese fusion experience, with sake tasting, a four-course tasting plate lunch and entertainment by the Tamashii Taiko drummers



Above from left: Finalists Joie Hodson, Simon Moutter shaking hands with judge Cathy Quinn, and Dr Lester Levy; NZME's Laura Maxwell (left); some of the champagne and food served at the lunch (below).



Above: Finalists Dame Paula Rebstock from ACC (left) and Michael Stribling (Spark); a Tamashii Taiko drummer in action.



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