



**BDO WELLBEING & BUSINESS
PERFORMANCE INDEX**

MĀORI BUSINESS SECTOR

APRIL 2023 REPORT

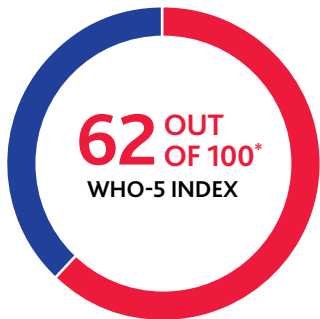


SECTOR FOCUS: MĀORI BUSINESS

This report shares sector-specific findings of the April 2023 measure of the biannual BDO Wellbeing & Business Performance Index - Te Rangahau o Ngā Hauora Pai - which monitors both wellbeing and business performance (and the link between the two) among New Zealand's business leaders. The April 2023 Index findings are compiled from our third measure of the survey, undertaken during March 2023 among a nationally representative sample of 504 business leaders and owners who responded to our digital survey. To view the main April 2023 report and video insights – providing a whole-of-business lens – along with our other sector-specific commentaries, go to bdo.nz/wellbeing.

WELLBEING DECLINING AMONG MĀORI BUSINESS LEADERS

Māori business leaders scored 62 out of 100 on the WHO-5 index – the World Health Organisation's internationally recognised wellbeing measure. This represents a slight drop of 2 points from our October 2022 results, and follows a trend whereby wellbeing among Māori business leaders has declined from a high of 73 out of 100 in our May 2022 measure [Figure 1]. 58% of Māori business leaders say that they have been feeling less mentally healthy than normal in the past six months – 10% higher than our whole-of-business average.

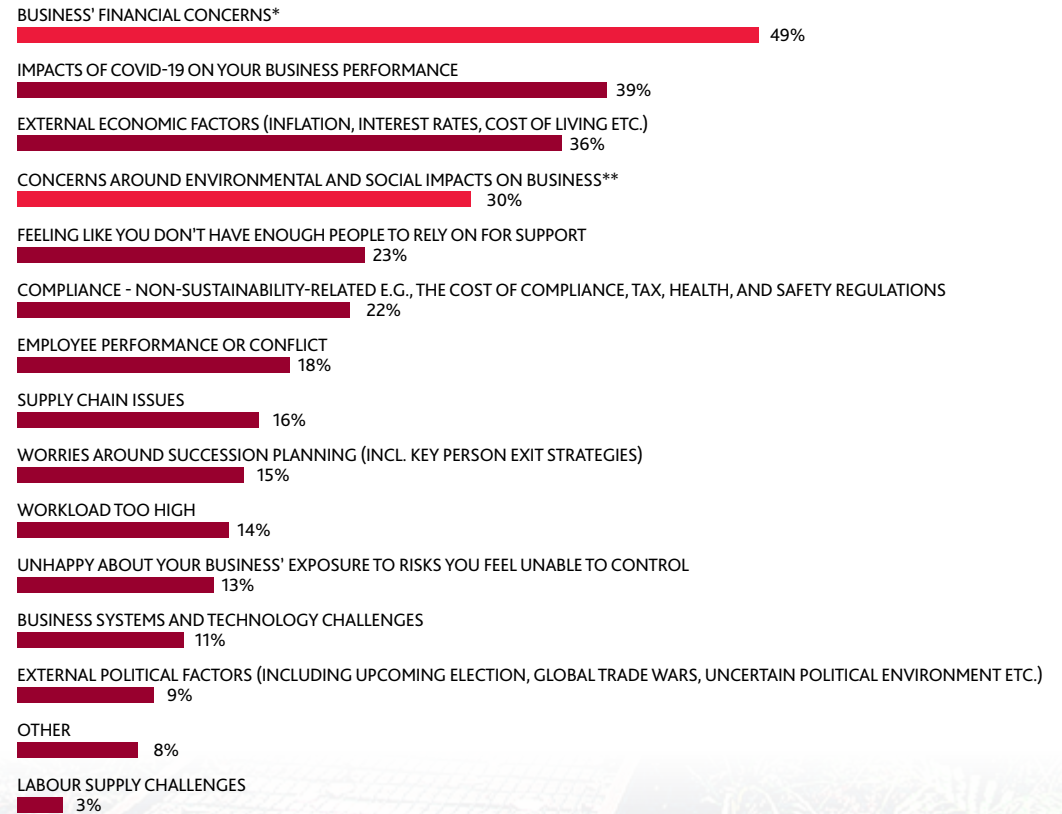


*** HOW THE WHO-5 SCORE IS CALCULATED:**
Someone who scores 'all of the time' on a particular statement is given a score of 5, while if they score 'at no time' they get a score of 0 for that statement. The total raw score, ranging from 0 to 25, is multiplied by 4 to give the final score, with 0 representing the worst imaginable wellbeing and 100 representing the best imaginable wellbeing.

ADVERSE WEATHER EVENTS DISPROPORTIONATELY AFFECTING MĀORI

Business financial pressures are the leading contributor to negative wellbeing, with half (49%) of those who have been feeling less mentally healthy saying this is a key reason for feeling less mentally healthy than normal [Figure 2]. This was followed by business impacts of COVID-19 (39%), external economic factors (36%) and challenges in addressing environmental and social impacts (30%).

FIGURE TWO: IN THE LAST 6 MONTHS HAS ANYTHING BEEN CAUSING YOU TO FEEL LESS MENTALLY HEALTHY THAN NORMAL IN YOUR BUSINESS LIFE?



* Combined score based on respondents who selected the following two drivers: Cash flow problems 32%. Business' financial performance challenges 31%

** Combined score based on respondents who selected the following three drivers: Concerns around physical risks to infrastructure caused by natural disasters and climate change – 13%
Concerns around transition risks (non-physical) associated with climate change – 6%
Compliance – Sustainability/ESG-related – 30%

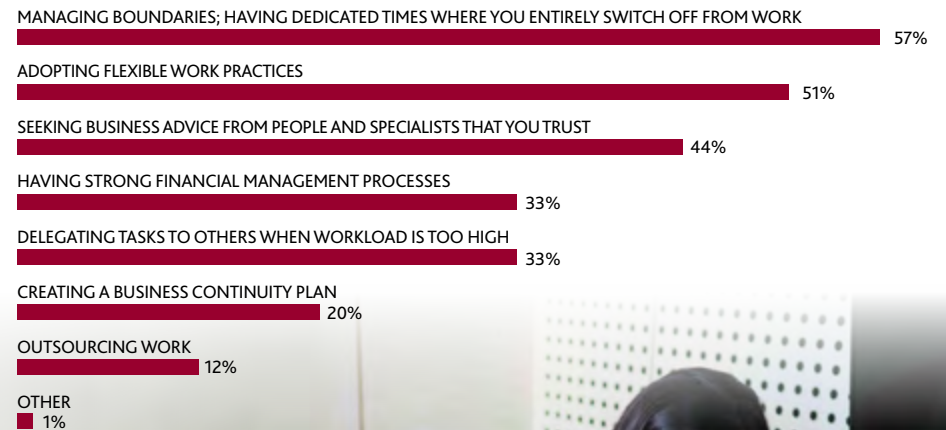
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While we have seen COVID-19 dropping off as a key cause of negative wellbeing in our whole-of-business average, we know that Māori have been disproportionately affected by the pandemic, and therefore it remains relatively high for Māori business leaders in our March measure. Environmental and social impacts are also 5% higher than the whole-of-business average. This makes sense given how integral te taiao (the environment) is to Te Ao Māori and the Māori way of doing business. The recent adverse weather events, which affected regions with a high density of Māori businesses, will also likely have brought these issues to the fore.

Two thirds (61%) of Māori business leaders have felt positive about their business performance all or most of the time in the past six months. However, only 39% have felt positive about their financial performance all or most of the time in the past six months.

When asked what Māori business leaders do in their business life to stay mentally healthy, managing boundaries came top at 57%, followed by adopting flexible work practices (51%) and seeking business advice from specialists (44%) [Figure 3]. Strong financial management processes were 3% higher than the whole-of-business average, however still only one in five were using a business continuity plan. These plans are useful to help businesses navigate through times of disruption, enabling you to identify what your key services are and deliver these even during an unexpected event such as a cyclone or high numbers of staff being off due to COVID-19. We hope therefore that this number might be higher in future surveys.

FIGURE THREE: WHAT DO YOU DO TO STAY MENTALLY HEALTHY GENERALLY IN YOUR BUSINESS?



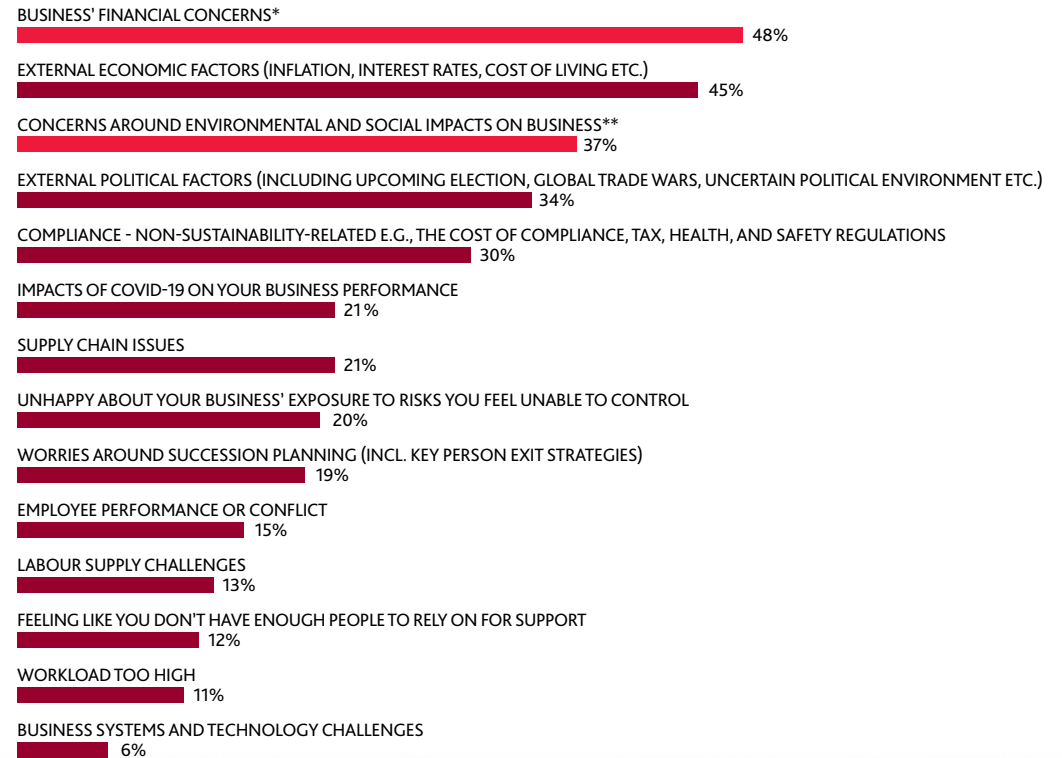
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FUTURE OUTLOOK IMPROVING SLIGHTLY

The future outlook is somewhat better, with 72% of Māori business leaders expecting to feel positive about their business performance all or most of the time in six months. Over two-thirds (68%) also expect to feel generally satisfied with life all or most of the time in six months.

Expected drivers of negative wellbeing in six months time have changed slightly, with the impacts of COVID-19 dropping to 21%. However, external economic factors are expected to be a stronger influencer - increasing to 45% [Figure 4]. External political factors are also expected to increase as a cause of negative wellbeing, growing from 9% to 34% in six months – likely a reflection of the uncertain impact of the upcoming general election. Business financial pressures remain the top cause of any future negative wellbeing at 48%. Concerns around environmental and social impacts are also expected to increase to 37%.

FIGURE FOUR: WHAT DO YOU EXPECT TO BE THE MAIN DRIVERS OF THIS IN YOUR BUSINESS LIFE?



* Combined score based on respondents who selected the following two drivers: Cash flow problems 42%. Business' financial performance challenges 20%

** Combined score based on respondents who selected the following three drivers: Concerns around physical risks to infrastructure caused by natural disasters and climate change – 20% Concerns around transition risks (non-physical) associated with climate change – 18% Compliance – Sustainability/ESG-related – 20%

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MĀORI BUSINESS LEADERS WELL PLACED TO ACT ON SUSTAINABILITY

"Māori business leaders have had it tough recently, dealing with adverse weather events that have exacerbated already-existing regional inequalities. I've seen some Māori businesses have not been applying for available funding, often because they have a mindset that events haven't negatively impacted them as much as others in their communities. However if they are eligible and they have seen their business impacted by events such as Cyclone Gabrielle, they should definitely apply for available grants.

Meanwhile, the April report indicates Māori businesses are also continuing to deal with the business impacts of COVID-19, which again we know have disproportionately affected Māori – particularly as Māori businesses are often reliant on whānau-based resource which can mean more concentrated impacts during times of increased community transmission. Environmental and social impacts are also a key cause of concern for Māori business leaders, however they are well placed to continue their work in this area – balancing people, planet and profit, as they have done for generations. The long-term business plans, with many stretching up to 100 years or more, also support the future prosperity of te taiao me ngā tāngata katoa."



ANGELA EDWARDS
MĀORI BUSINESS SECTOR LEADER,
BDO PĀKIHI TAITOKERAU MANAGING PARTNER.

TIPS FOR MĀORI BUSINESSES

- Review cash flow and margins monthly to help manage some of the pressures associated with business finances.
- Apply for funding and grants that may be available to you – for example Cyclone Gabrielle relief.
- Explore what Government opportunities are available to you – the Government has recently increased its procurement target for Māori businesses from 5% to 8%.
- Create a business continuity plan to help you deliver key services through unexpected events such as adverse weather or staff shortages.
- Understand how the upcoming general election may impact your funding sources, and have a plan in place in case these change.



FOR MORE TIPS AND VIDEO INSIGHTS,
VISIT BDO.NZ/WELLBEINGINMAORI-BUSINESS



WELLBEING SUPPORT
CONTACTS

Xero Assistance Programme (XAP)
1737.org.nz – National mental health helpline
Mental Health Foundation (mentalhealth.org.nz)

CONTACT OUR SPECIALIST MĀORI BUSINESS TEAM AT BDO.NZ/MAORIBUSINESS