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Executive Summary

This paper highlights possible risks for the Māori economy from the current global economic recession as well as future economic trends and how some Māori businesses may be well placed to leverage off these trends.

Given recent developments, the Treasury's 'downside' scenario forecast is now considered likely to be a more accurate estimate of the New Zealand economy going forward. The short term forecast for 2009 includes:

- a decline in real GDP of 0.2%;
- a decline in residential investment of 22%;
- a decline in exports of goods and services of 1.0%; and
- an increase in the unemployment rate of 5%.

Furthermore, the latest New Zealand Institute of Economic Research Quarterly Survey of Business indicated that:

- 43% of businesses expect less activity over the next three months; and
- 32% of businesses expect to cut staff over the next three months.

Historically, recessions have had a disproportionately negative impact on Māori compared to non-Māori largely because of where Maori have been concentrated in the labour market and industry sectors. In recent years Māori have made significant gains in terms of skills and education. More Māori are in skilled and highly skilled jobs across a range of sectors.

Nonetheless a relatively high proportion are still employed in lower-skilled, lesser paid occupations. Significant numbers of Māori are in sectors particularly vulnerable to current international economic developments, including the construction and manufacturing industries.

These characteristics present risks for Māori incomes and, consequently, Māori housing. Māori are currently under-represented in home ownership statistics and there is a risk that the recession will further entrench this difference, reducing the intergenerational benefits of Māori home ownership.

Increasing Māori unemployment may encourage entry into further education or training. However there is also the risk that if incomes decline significantly higher levels of education and training may be considered too costly.

Māori assets are concentrated in the primary and secondary sectors and thus exposed to global fluctuations. The value of Māori assets is therefore expected to decline over the short term. Most Māori businesses are concentrated in export industries such as fishing, forestry, agriculture and tourism sectors which are also exposed to global economic conditions.

The current recession therefore represents significant risks for Māori which need to be considered in terms of policy responses. These responses also need to take into account the longer term trends influencing the global



economy and the shape of both the New Zealand economy and the Māori economy. Key trends are anticipated to include moves from traditionally dominant sectors to those based on knowledge, information and technology; changes to the balance of world economic power away from Europe to Asia and other emerging economies; and the increasing impact of climate change. The strengths of some Māori business; including low debt-equity ratios, the separation of commercial activities from non-commercial, the movement to diversify assets, the strong focus on the quadruple bottom line, the value associated with being Māori and recruitment of the best skilled people; may mean that these businesses is well placed to take advantage of these trends.



The Recession: Background

1. The recession has been triggered by rising credit losses on United States residential mortgages during the first half of 2007.¹ Examples of the impact of the recession include excessively volatile and generally declining share prices, rising unemployment and business failure.
2. The international response to the recession has been unprecedented in its scale and scope. Several Governments have injected capital into financial institutions or offered, as is the case in New Zealand, to guarantee banks' wholesale debt. Central banks have attempted to stabilise the market by reducing interest rates to free up the supply of credit and to stimulate investment and economic growth.²
3. New Zealand is expected to feel the effects of the recession through:
 - tighter availability and increased costs of credit;
 - a fall in business and consumer confidence;
 - a fall in asset values; and
 - lower demand and prices for exports.³
4. The Treasury's "downside" scenario forecast for 2009 includes:
 - a decline in real GDP of 0.2%;
 - a decline in residential investment of 22%;
 - a decline in exports of goods and services of 1.0%; and
 - an increase in the unemployment rate of 5%.⁴
5. This paper will provide a snapshot of and highlight the key risks to the Māori economy in order to inform further work to mitigate these risks. It will also outline the key drivers for future change and how some Māori businesses may be placed to take advantage of these trends.

Māori Asset Base⁵

Summary: In 2005/06, total Māori-owned commercial assets were estimated to be worth \$16.5 billion, 52% of which were invested in primary industries, 8% in secondary industries, and 40% in the tertiary industries.

Background

6. Total Māori-owned commercial assets were estimated to be worth \$16.5 billion in 2005/06, an increase of \$7.5 billion or 83% since 2001. In 2005/06, 52% of Māori commercial assets were estimated to be invested in primary industries, 8% in secondary industries, and 40% in the tertiary

¹ The global financial crisis and its transmission to New Zealand, Reserve Bank of New Zealand, December 2008.

² Ibid.

³ Budget Economic and Fiscal Update, The Treasury, 28 May 2008

⁴ Economic and Fiscal Forecasts December 2008, Hon Bill English, Minister of Finance, 18 December 2008.

⁵ The Māori Asset Base, Te Puni Kōkiri, February 2008



industries. This contrasts with the total economy which invests 10% in primary, 9% in secondary and 80% in tertiary.

7. In 2005/06, Māori commercial assets amounted to 1.5% of the reported value of the total New Zealand business sector, an increase from 1.2% in 2001. The largest percentage increase in Māori commercial assets between 2001 and 2005/06 was in Māori Trustee land assets, which increased by 310%. This increase is partly due to general dairy and grazing and price increases.
8. The largest dollar value increase during this time has been in Māori businesses, which increased by \$4.8 billion, or 83%. This increase is partly due to greater numbers of Māori employers and Māori self-employed.

Risks

9. The key risk to the Māori asset base is that its value is expected to decline in the short term due to a combination of factors:
 - The presence of the majority of Māori assets in the primary and secondary sectors means that they are exposed to global fluctuations in demand and commodity prices;
 - It is expected that the boom in the dairy sector will slow which will impact on the value of Māori land assets; and
 - Māori businesses, as owners of Māori assets, are expected to be impacted by the recession as described below.

Māori Business

Summary: Māori business currently makes up a small part of the New Zealand economy (1.4% of Gross Domestic Product). Most Māori businesses are concentrated in export industries, particularly the fishing, forestry, agriculture and tourism sectors. Commodity markets and international tourism are particularly vulnerable to the impact of the current recession.

Background

10. The value-added of businesses able to be identified as Māori represents 1.4% of New Zealand's Gross Domestic Product.⁶ Māori businesses are highly exposed to international trends, as they are concentrated in export sectors, particularly fishing, forestry, agriculture and tourism.
11. Māori identifying themselves as self-employed (both with and without employees) grew by more than 20 percent between 2001 and 2006, from 17,100 to 20,850. Non-Māori self-employed grew by 8.8 percent during the same period.⁷
12. However, the percentage of self-employed Māori and Māori employers has largely remained static between 2001 and 2006, although there has been

⁶ Māori Participation in the New Zealand Economy, Final Report to Te Puni Kōkiri, New Zealand Institute of Economic Research (NZIER) 2007

⁷ Incomes for Māori Self-employed, Te Puni Kōkiri Fact Sheet, August 2007.



a slight increase in Māori employers. It should also be noted that the self-employment rates for Māori are approximately half those of most other ethnic groups.⁸

13. Anecdotally, Māori may face greater barriers to business start up, and may also have a higher rate of 'necessity' entrepreneurship (starting a business to create a job for oneself) than non-Māori.⁹ These may represent risk factors, as this group may have fewer resources to assist their businesses survive a recession.
14. Furthermore, the latest New Zealand Institute of Economic Research Quarterly Survey of Business¹⁰ indicated that:
 - 43% of businesses expect less activity over the next three months; and
 - 32% of businesses expect to cut staff over the next three months.

Risks

15. The characteristics of Māori business are likely to have both positive and negative effects in terms of the recession. For example, a conservative approach to risks and assets may have already reduced exposure to some of the global and national downturn, and may continue to do so. Opportunities also present themselves during a recession, however, and Māori businesses need to be able to identify and explore these, as well as continuing to manage risks. Those Māori businesses, and those New Zealand businesses, who are best able to manage both innovation and risk, are likely to be more resilient during the recession, and to be able to use the recovery as a springboard for future growth.
16. However, the on-going growth in Māori businesses and entrepreneurial activity will be significantly negatively affected by the recession in the short term due to the following factors:
 - the commodity and tourism sectors in which many Māori businesses are concentrated are particularly vulnerable to the current economic downturn;
 - new Māori businesses may not have the experience, expertise or financial resources to survive difficult times; and
 - like other businesses, Māori businesses may become risk averse, which may limit uptake of those opportunities which are available.

Māori Employment

Summary: For the September 2008 quarter, of the 229,300 Māori in the labour force, 7.9 percent (or 18,100) were unemployed, an increase of 0.9% from the previous quarter. Māori are over-represented in the export-focused industries (agriculture, forestry, fishing, and manufacturing) and in lower skilled occupations.

⁸ Ibid.

⁹ Maori Economic Development, Final Report to Te Puni Kōkiri. NZIER 2003.

¹⁰ Quarterly Survey of Business Opinion - January 2009, NZIER



Background

17. For the September 2008 quarter, the Māori working age population (i.e. Māori aged 15 years and over) was estimated to be 340,200:

- 67.4 percent of the working age population were in the labour force;¹¹
- 92.1 percent of Māori in the labour force were employed and 7.9 percent were unemployed.¹²

18. Māori are over-represented in the export-focused industries (agriculture, forestry, fishing, and manufacturing) but the proportion of all Māori employed in these industries has fallen from 29.1% to 23.3% from 2002 to 2008. Māori employment growth has been strongest in construction over the past five years. The percentage of all Māori employed in construction has risen from 6.5% in June 2002 to 9.8% by June 2008.¹³

19. Māori remain over-represented in the lower skilled occupations and under-represented in the higher skilled occupations. Over the past five years most of the increase in Māori employment has been in the two medium skilled categories, the skilled and semi-skilled occupation groups, which cover a large cluster of occupations such as technicians, trades, and sales and service workers.¹⁴

Risks

20. Historically, recessions have had a disproportionately negative impact on Māori compared to non-Māori. The Treasury (2005) makes the point that:

“...in the economic restructuring of the late 1980s and early 1990s...Maori were adversely affected to a greater extent because of where they were concentrated in the labour market and industry sectors (for example, in the manufacturing sector and in low-skilled occupations)...”¹⁵

21. This is still largely the case today. Although, there has been some shift by Māori towards sustainable, higher-paid forms of employment, a relatively high share remains employed in lower-skilled, lesser paid occupations. Similarly, Māori still remain over-represented in manufacturing as well as in other export-oriented industries which are more susceptible to global fluctuations in demand and commodity prices. This also includes those in retail and services that may be exposed to reductions in tourists spending arising from international conditions.

22. Given the current Māori employment profile it is expected that Māori will be disproportionately negatively impacted by the recession as compared to

¹¹ Household Labour Force Survey, Statistics New Zealand 2008

¹² Ibid

¹³ Ibid

¹⁴ Ibid.

¹⁵ Whitehead, J. and B. Annesley (2005) The Context for Māori Economic Development: A background paper for the 2005 Hui Taumata, New Zealand Treasury.



non-Māori. Te Puni Kōkiri considers that a likely scenario is for a rise in Māori unemployment to 12-15% by mid 2010.¹⁶

Māori Education, Skills and Qualifications

Summary: Māori have made significant labour market and educational gains in recent years. However, overall lower levels of formal qualifications and skills contribute to Māori being on average, less experienced and lower paid

Background

23. Significant developments in the skills and qualifications of Māori include:

- the proportion of Māori leaving school with little or no qualification has fallen from almost 40% in 1996 to approximately 10% in 2007;
- over the same period, the proportion of Māori school leavers with NZEA level 2 or above qualifications rose from 16% to 43.9%;
- school leavers qualified to attend university approximately doubled from 7.5% in 1995 to 18% in 2007; and
- the proportion of Māori aged over 15 enrolled in tertiary education has also increased from less than 13% in 1999 to more than 20% in 2006.¹⁷

24. Māori differ from non-Māori in terms of fields of study. Māori are over-represented in the “society and culture” and “information technology” fields, and under-represented in the fields of “engineering and related technologies”, “health”, “agriculture, environmental and related studies” and the “natural and physical sciences”.

Industry Training

25. Māori represented 18% of all industry trainees in 2006 compared with their representation of 9% of the total workforce¹⁸. This reflects the concentration of Māori workers in medium-skilled occupations.

Literacy and Numeracy

26. Raising literacy and numeracy levels is a major challenge for the Māori workforce. The Adult Literacy and Life Skills Survey 2006 (ALL) demonstrated that a large number of Māori in the workplace have low literacy and numeracy levels.¹⁹

27. People with greater numeracy and literacy skills are more likely to be employed and, when working, be paid more than people with weaker

¹⁶ This forecast is based on a Treasury forecast of a rise in general unemployment to 5.7% over the next two years with an assumption that Māori unemployment will continue to be at least double the general rate. There are also initial signs of an economic slowdown in construction, tourism and primary industries. Māori are strongly represented in each of these sectors.

¹⁷ Statistics New Zealand.

¹⁸ Industry Training 2006 Report, Industry Training Federation, February 2006.

¹⁹ P. Satherby and E Lawes, (2008) The Adult Literacy and Life Skills (ALL), Ministry of Education, p25, p27.



literacy skills, even after taking other job-relevant factors into account. There is evidence of a significant effect on wages for workers who receive some form of computer training, regardless of occupation and industry, and the “returns” to information technology training appear to exceed the wage effects of training in other.²⁰

Early Childhood Education

28. The rate of participation of Māori children in early childhood education has improved, although it is still lower than for European children. Māori participation in some form of early childhood education (ECE) has increased significantly from 2002 to 2007 from 86 percent to 90.4 percent.²¹

Risks

29. Notwithstanding significant recent improvements, lower levels of skills and formal qualifications amongst many Māori will make Māori in this category more vulnerable during the recession through:

- a greater risk of job loss;
- the risk of the erosion of incomes which are already more likely to be lower;
- formal training may become less affordable for this group; and
- the long-term effects of the recession may further entrench low levels of skills and qualifications amongst Māori.

Māori Housing²²

Summary: Māori home ownership rates are low and declining. The proportion of Māori in rental accommodation is much higher than for other ethnicities. Private sector rentals are increasing, placing pressure on low income whānau.

Background

30. Māori home ownership rates are low and declining, however most Māori still have a strong desire for homeownership. Conversely, the proportion of Māori in rental accommodation is much higher than is the case for other ethnicities. Māori are the Housing Corporation New Zealand’s (HNZC) largest applicant group and the second largest occupant group.

31. Existing barriers to many Māori owning their own homes include:

²⁰ Daldy, B. and J. Gibson (2003) Have computers changed the New Zealand wage structure? Evidence from data on training, *New Zealand Journal of Industrial Relations* 28(1): 13-21.

²¹ Ministry of Education (2008a) Education Report: July 2007 Annual Census of Children and Staff at Licensed and/or Chartered Early Childhood Services and Licence-exempt ECE Groups, Ministry of Education (2008b) Ngā Haeata Mātauranga: Annual Report on Māori Education 2006/07

²² Data based on Māori Housing Trend Report 2008, Housing New Zealand Corporation.



- low incomes;
- high debt levels;
- poor access to finance;
- the cost of home ownership (particularly deposit levels, interest rates and purchase price);
- inability to get and use information about home ownership;
- inability to raise housing finance against multiple-owned land; and
- inter-generational experience.

32. Many Māori are:

- more likely to be in overcrowded households;
- more tolerant of varying levels of substandard housing;
- marginalised from private rental accommodation opting to wait list for a Housing New Zealand Corporation house;
- becoming long term tenants of Housing New Zealand Corporation; and
- more likely to need an accommodation supplement.

33. Between 1992 and 2006, the Māori home ownership rate fell disproportionately compared to that of European households. The Māori home ownership rate fell approximately 16%, and the European home ownership rate fell approximately 11%. Banks are now requiring higher deposits for home loans.

34. The proportion of the Māori population living in crowded households was declining in 2008.²³ However, this needs to be seen in the context of declining home ownership and an increasing demand for rental properties.

35. Quantitative information on the quality of housing occupied by Māori is not available, but anecdotal evidence suggests that there is an issue of substandard housing for Māori in both urban and rural areas. People renting in rural areas are however more exposed to poor property conditions, lower levels of maintenance, and less choice.

Risks

36. The main housing risks arising from the recession for Māori are that:

- home ownership and good quality rental housing becomes less affordable as rents increase and incomes remain relatively static, or potentially decrease;
- job security reduces for the employed, or is perceived to reduce;
- unemployment increases;
- the costs of personal debt increases;
- other basic living costs such as food and power reduce the ability of Māori to pay for good quality rental housing and/or to save for homeownership;
- increasing pressure is placed on available public housing; and
- declining levels of home ownership reduce the associated inter-generational benefits for Māori.

²³ Māori Housing Trend Report 2008, Housing New Zealand Corporation.



Māori Income²⁴

Summary: Median weekly incomes from all sources of income for employed Māori increased by \$111 or 19.8% for between June 2003 and June 2007. However, wage growth for Māori has trailed the economy-wide average reflecting the continuing relatively high share of Māori in low-skilled, lesser paid occupations.

Background

37. Wage growth for Māori was weak in the year to June 2007, increasing by 1.6% which was well below the economy-wide growth in wages (6.8%). However, it should be noted that year on year changes in average hourly earnings tend to be volatile when broken down by ethnicity. In addition, the high proportion of new entrants to the labour market in the past year (with Māori employment growing by 8.7%) may also have been a factor in limiting wage growth in the short-term.²⁵

38. Looking over a longer five-year period, Māori average hourly earnings have still lagged behind the economy-wide average but by a much smaller margin. Māori wages rose by an average of 4.2% per annum between June 2002 and June 2007, from \$14.33 to \$17.58. Over the same period, economy-wide average hourly earnings grew by 5.1% on average per annum from \$16.71 to \$21.41. Lower wage growth among Māori partly reflects the continuing relatively high share of Māori in low-skilled, lesser paid occupations.²⁶

39. Median weekly incomes from all sources of income for employed Māori increased by \$111 or 19.8% for between June 2003 and June 2007. The following occupational categories had the highest increases in median weekly incomes:

- service/sales, by \$114 (31.6%);
- professionals, by \$178 (24.4%);
- elementary occupations, by \$108 (23.9%);
- agriculture/fisheries, by \$115 (23.7%); and
- technicians and associate professionals \$122 (21.2%).²⁷

Risks

40. Māori employment and other economic activity is concentrated in sectors which are particularly exposed to international developments. Overall the Māori working population is also younger and less qualified than other groups, increasing the risks of job losses and reducing wage bargaining power. Māori would also potentially be affected both as consumers and as employees if there were reductions in public spending in specific

²⁴ Māori in the Labour Market, Department of Labour, September 2007

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.



sectors with a strong Māori presence, for example in the provision of health services

41. This has consequent risks for Māori incomes and living standards, including housing. Basic costs such as food and power increased in the December quarter Consumer Price Index released 20 January 2009. Ongoing pressure on rentals will make it even more difficult for low income Māori to achieve good quality housing. Māori are already under-represented in home ownership figures and over-represented in rental accommodation figures. The recession is likely to accentuate these trends and consolidate the inter-generational effects of low home ownership rates.

Key Drivers of Future Change²⁸

42. The current recession and its impacts on Māori need to be put in the current as well as future economic context. This has implications for the policy responses to the recession in that they should, as much as possible, leverage off current and future economic settings and trends
43. Te Puni Kōkiri officials have identified three key drivers that will influence the way that Māori participate in the economy leading to the year 2030: moving to the innovation economy, redistribution of world economic power and climate change and resource pressures. Each of these drivers is outlined in further detail below.

Moving to the innovation economy

44. Key drivers of change for Māori in the innovation economy include creation of knowledge and innovation; technological advances through new as well as established sectors in which Māori have a share; research and development, as well as education.
45. The greatest benefit of the innovation economy will accrue to Māori who can access and adopt new technologies. Indeed, having an innovative Māori society may be more important for growth than having a high rate of capital investment. One of the main factors driving the innovation economy will be technological advances. These advances will impact both on the existing sectors in which Māori participate, and the new sectors that have great potential for Māori. Research and development coupled with education will be additional important factors enabling Māori to excel in the innovation economy.

Redistribution of world economic power

46. The global power base is shifting from Europe and America to the new Asian economic powers. This will have a particular impact on Māori through investment and employment opportunities within the new markets

²⁸ For Māori Future Makers, Te Puni Kōkiri research report, October 2007.



driven by the enormous economic growth rates of these new economies, demographics and the rise in importance of mega cities.

47. The rise of the Asian countries to become economic superpowers will bring some level of uncertainty for Māori, specifically in terms of employment and investment. The rise of immigration from Asia may lead to competition for jobs in local markets. Also, as Asian firms make acquisitions in New Zealand, and potentially in Māori businesses, corporate cultural integration will become an important issue.

Climate change and resource pressures

48. Environmental pressures are clear drivers of future change both on a global and domestic scale. Key global environmental drivers of economic change with a particular impact on Māori include climate change and fossil fuel depletion. Key domestic drivers with a particular impact on Māori include potential fisheries depletion, and water use and quality.
49. Climate change impacts will be a challenge for Māori given the economic concentration of Māori businesses in the agriculture and fishing sectors. Adapting to climate change will require the uptake of new technologies to mitigate and withstand potential climate-related shocks. Additionally, Māori producers will increasingly need to position their products as genuinely “clean and green”, in order to keep and grow the share of the export market in these sectors. Conversely, opportunities will arise for Māori in developing and promoting new technologies or moving traditional agricultural sectors into alternative production systems (for example, cropping for bio fuels).

Strengths of Māori Business²⁹

50. Some Māori businesses may be well placed to leverage of these trends. Te Puni Kōkiri has identified the following characteristics that will contribute to the success of some Māori businesses:
- *The majority of the entities tend to have low debt-equity ratios:* This has resulted largely from the risk aversion that Māori organisations have towards debt.
 - *The separation of commercial activities from non-commercial is seen as an important:* A range of subsidiary companies have been established to enable partnerships and joint ventures to take advantage of opportunities and to share risk.
 - *Movement to diversify assets:* Māori have acquired a diverse range of businesses, such as private hospitals, retirement villages, wine and horticultural distribution channels, thermal energy companies, telecommunication businesses, major tourism businesses and infrastructure.
 - *Strong focus on quadruple bottom line:* Māori businesses are focussing on balancing social, cultural, environmental and business goals.

²⁹ Ibid.



- *Value being Māori:* The perception that being Māori is a positive difference.
- *Recruit best skilled people:* seek to recruit the best skilled people to ensure effective and efficient management of the organisation.



Appendices

Treasury “Downside” Forecasts

| (Annual average % change, Year ending 31 March) | 2008 Actual | 2009 Forecast | 2010 Forecast | 2011 Forecast | 2012 Forecast | 2013 Forecast |
|----------------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Real GDP components: | | | | | | |
| Private consumption | 3.3 | -0.2 | -0.2 | -0.5 | 0.9 | 1.8 |
| Residential investment | 3.8 | -22.0 | -18.8 | 6.3 | 14.1 | 18.4 |
| Market investment | 7.4 | 5.2 | -23.7 | 2.0 | 16.0 | 8.8 |
| Gross national expenditure | 4.5 | -0.1 | -4.1 | 1.0 | 4.2 | 4.0 |
| Exports of goods and services | 2.3 | -1.0 | -3.2 | 1.7 | 8.9 | 7.7 |
| Imports of goods and services | 9.7 | 3.0 | -14.0 | -2.7 | 7.3 | 6.9 |
| GDP (production measure) | 3.2 | -0.2 | -0.3 | 2.3 | 4.5 | 4.2 |
| Unemployment rate ¹ | 3.7 | 5.0 | 7.2 | 7.1 | 5.9 | 4.8 |
| 90-day bank bill rate ² | 8.8 | 5.0 | 3.5 | 3.2 | 4.0 | 5.0 |
| TWI ² | 71.9 | 53.4 | 48.7 | 51.7 | 52.8 | 52.6 |
| CPI ³ | 3.4 | 3.1 | 3.1 | 1.0 | 1.2 | 1.5 |
| Current account balance (% GDP) | -8.0 | -9.7 | -10.6 | -5.6 | -3.1 | -3.5 |
| Nominal GDP level (deviation from main forecast, \$billion) | 0.0 | -1.1 | -6.9 | -5.1 | -4.5 | -4.8 |

Sources: Statistics New Zealand, Reserve Bank of New Zealand, the Treasury

- Notes: 1 Percentage of labour force, March quarter, seasonally adjusted.
 2 Average for March quarter.
 3 Annual percentage change, March quarter.



Māori Employment

Table 1: Māori Labour Market Trends, September 1999-2008

| September Quarter | Labour Force Participation Rate ³⁰ | Employment Rate ³¹ | Unemployment Rate ³² | Youth Unemployment Rate ³³ | Long Term Unemployment Rate ³⁴ |
|-------------------|-----------------------------------------------|-------------------------------|---------------------------------|---------------------------------------|-------------------------------------------|
| 1999 | 62.0 | 52.8 | 14.8 | 24.3 | 5.9 |
| 2000 | 62.8 | 53.9 | 14.1 | 31.4 | 4.6 |
| 2001 | 63.5 | 55.7 | 12.3 | 27.7 | 4.2 |
| 2002 | 65.9 | 58.1 | 11.9 | 22.5 | 3.6 |
| 2003 | 65.7 | 59.3 | 9.7 | 20.7 | 2.9 |
| 2004 | 63.7 | 58.4 | 8.3 | 20.9 | 1.6 |
| 2005 | 67.1 | 60.8 | 9.4 | 28.3 | 2.3 |
| 2006 | 66.4 | 61.3 | 7.6 | 22.4 | 1.5 |
| 2007 | 67.4 | 62.0 | 8.0 | 23.7 | 1.3 |
| 2008 | 67.4 | 62.1 | 7.9 | 19.7 | 1.3 |

Source: Household Labour Force Survey, Statistics New Zealand (2008)

Table 1: Snapshot of Māori labour market outcomes, years to June 2000 and 2007

| | 2003 ('000) | 2008 ('000) | 2003-2008 change ('000) | 2003-2008 change (%) |
|--------------------------|-------------|-------------|-------------------------|----------------------|
| High-skilled occupations | 32.7 | 41.1 | 8.4 | 25.7 |
| Skilled occupations | 30.0 | 39.9 | 9.9 | 33.0 |
| Semi-skilled occupations | 100.4 | 102.3 | 1.9 | 1.9 |
| Low-skilled occupations | 21.8 | 22.6 | 0.8 | 3.7 |

³⁰ Labour Force Participation Rate is the total Labour Force divided by Working-Age Population.

³¹ Employment Rate is the Total Employed divided by Working-Age Population.

³² Unemployment Rate is the Total Unemployed divided by Total Labour Force.

³³ Youth Unemployment Rate is number of unemployed youths aged 15-19 years divided by total number of youths in the labour force aged 15-19 years.

³⁴ Long Term Unemployment Rate is all persons 15 years and over unemployed for more than 26 weeks divided by Total Labour Force.



Māori Labour Market Trends, years to June 2003, 2007 and 2008

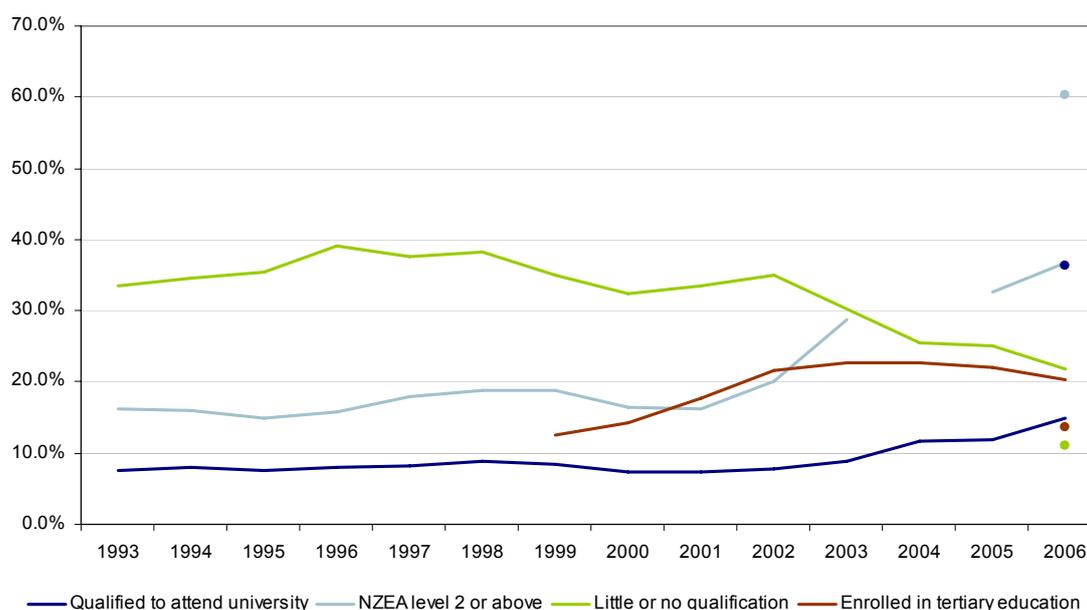
| Industry employment | 2003 (‘000) | 2007 (‘000) | 2008 (‘000) | June 2008 % of total | %change 2003-2008 | %change 2007-2008 |
|------------------------------------|----------------|----------------|----------------|-------------------------------|----------------------|----------------------|
| Primary ³⁵ | 16.9 | 16.9 | 14.7 | 7.1 | -12.9 | -12.9 |
| Manufacturing | 35.4 | 33.8 | 33.5 | 16.2 | -5.3 | -1.0 |
| Construction | 12.7 | 20.9 | 20.2 | 9.8 | 58.3 | -3.7 |
| Wholesale & Retail | 25.8 | 28.4 | 30.5 | 14.7 | 18 | 7.4 |
| Accommodation, Cafes & Restaurants | 12.2 | 11.8 | 10.1 | 4.9 | -16.7 | -14.0 |
| Transport & Storage & Electricity | 8.7 | 11.1 | 12.8 | 6.2 | 55.0 | 12.1 |
| Communication services | 2.9 | 3.8 | 3.6 | 1.8 | 25 | -4.0 |
| Finance & Insurance | 3 | 3.1 | 3.4 | 1.6 | 14.4 | 9.8 |
| Property & Business Services | 11.6 | 15 | 15 | 7.2 | 29.4 | -0.2 |
| Education | 16.9 | 16.4 | 17.3 | 8.3 | 2.1 | 5.0 |
| Health & Community services | 14 | 19.2 | 20.9 | 10.1 | 49.3 | 9.1 |
| Other services | 23.2 | 22.2 | 22.5 | 10.9 | -2.9 | 1.6 |
| <i>Total Employed</i> | 184.5 | 204.9 | 207 | 100 | 12.2 | 1.0 |

Source: Household Labour Force Survey, Statistics New Zealand

³⁵Primary Industry includes Agriculture, Horticulture, Forestry & Fishing & mining.



Figure 1: Māori School Leavers, by qualification, and Māori Tertiary Enrolments



Source: Ministry of Education

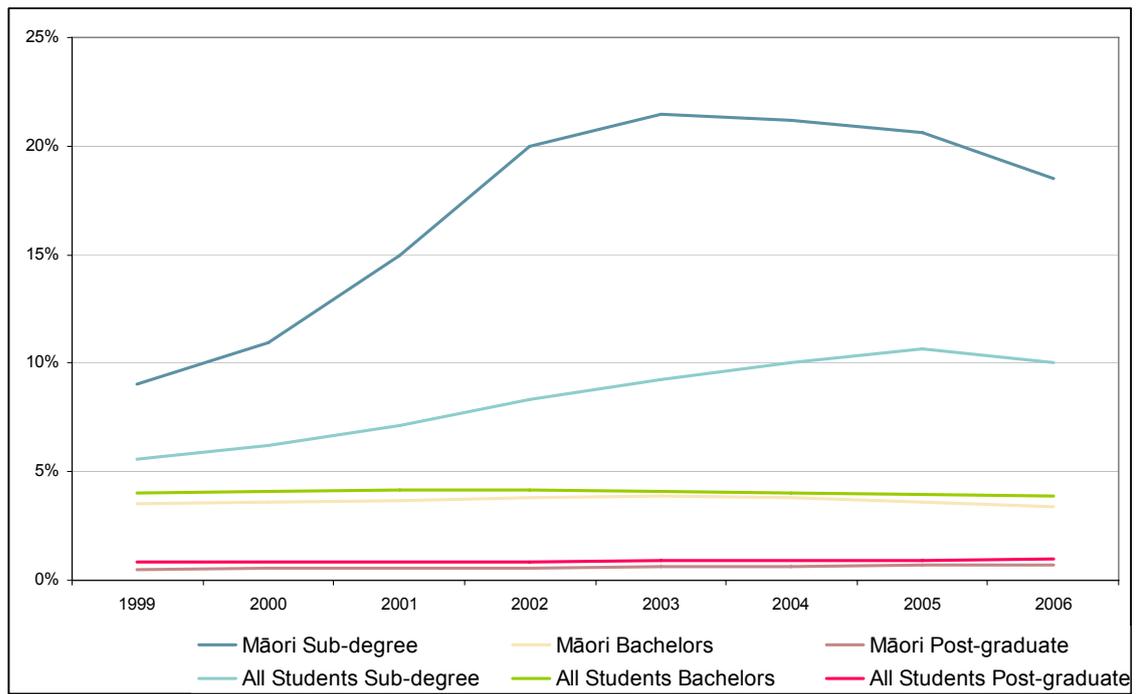
The dots on Figure 1 show the level of these indicators in 2006 for New Zealand as a whole. All but the tertiary education enrolment rate imply significant disparities for Māori relative to non-Māori.

In 2006, 85,733 Māori students participated in tertiary education. The majority of Māori students were studying at institutes of technology/polytechnics, wānanga, and private training establishments. In 2006, 14,283 Māori students were studying in bachelor level qualifications, and 2,956 Māori students were studying in post-graduate level qualifications. Between 2003 and 2006 the number of Māori students enrolled in colleges of education dropped approximately 70 percent.

High rates of enrolment in tertiary education for Māori partly reflect the more youthful Māori population. However age-standardised participation rates show that Māori participation in tertiary education is highest of all ethnic groups even taking age into account. Closer inspection reveals that Māori participation in tertiary education is heavily skewed towards enrolments in NCEA level 1-4 (sub-degree) qualifications (see Figure 2). Māori enrolment in bachelors and post-graduate qualifications has remained relatively static between 1999 and 2006.



Figure 2: Enrolment in Tertiary Education, by Qualification Level

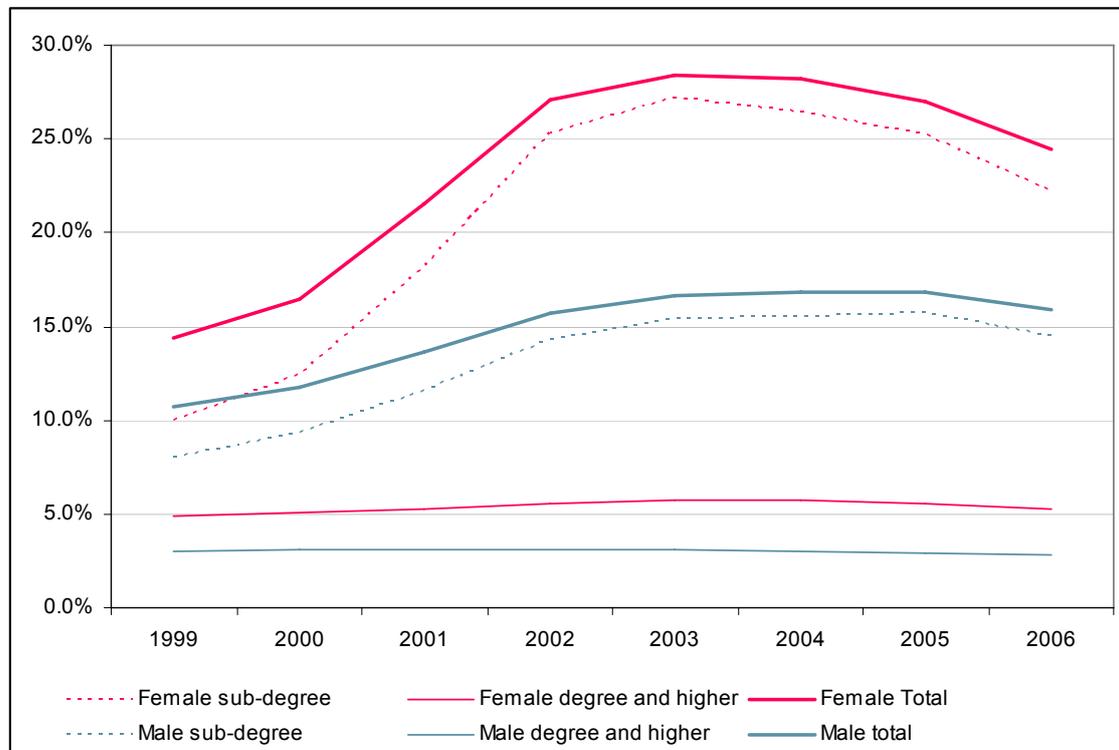


Source: Ministry of Education



Figure 3 indicates that there are significant gender differences in Māori tertiary enrolment, with Māori men significantly less likely to enrol in both sub-degree and degree and higher qualifications.

Figure 3: Māori Tertiary Enrolment, by Gender and Qualification Level

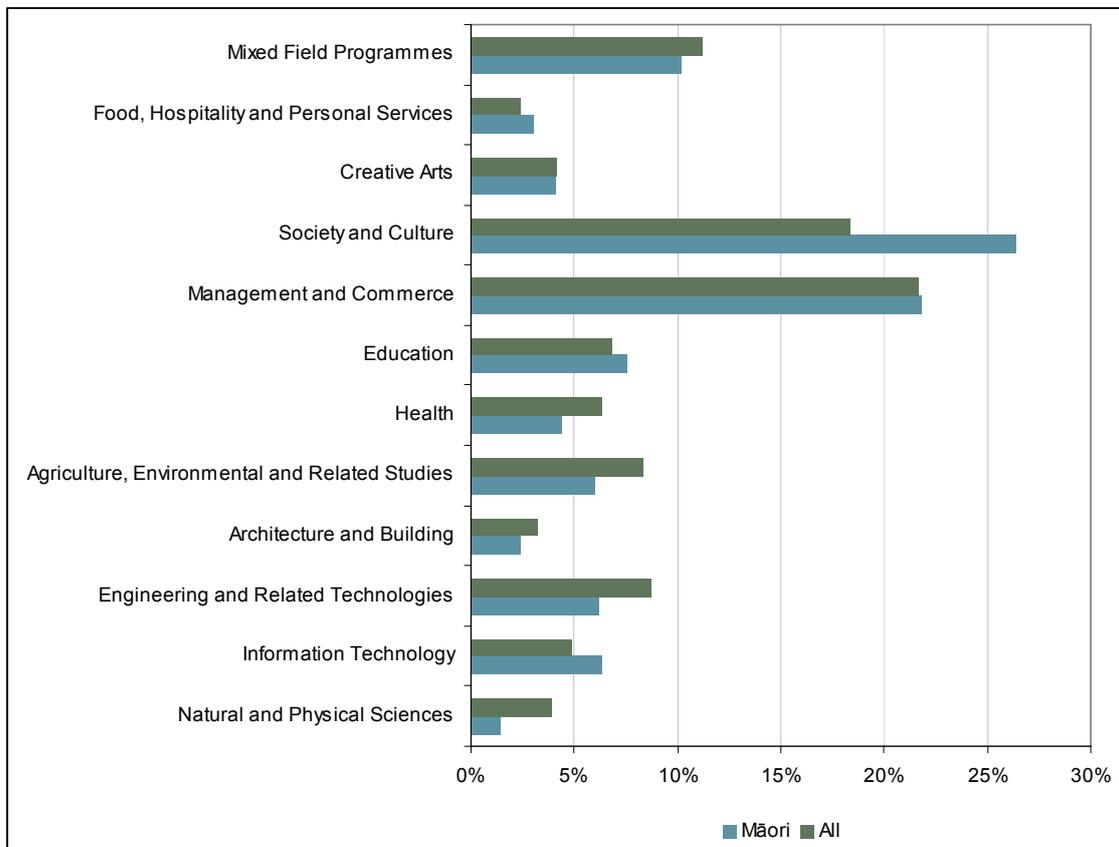


Source: Ministry of Education

Over all tertiary levels, Māori have lower 5-year qualification completion rates than non-Māori, although there are considerable differences depending on the level of study. For example, the 5-year completion rates for bachelors degrees (post-graduate qualifications) are 36% (53%) for Māori compared with 50% (65%) overall. By contrast, Māori have higher 5-year completion rates for sub-degree programmes compared with non-Māori (46% compared with 57%).



Figure 4: Tertiary Enrolments, by Field of Study

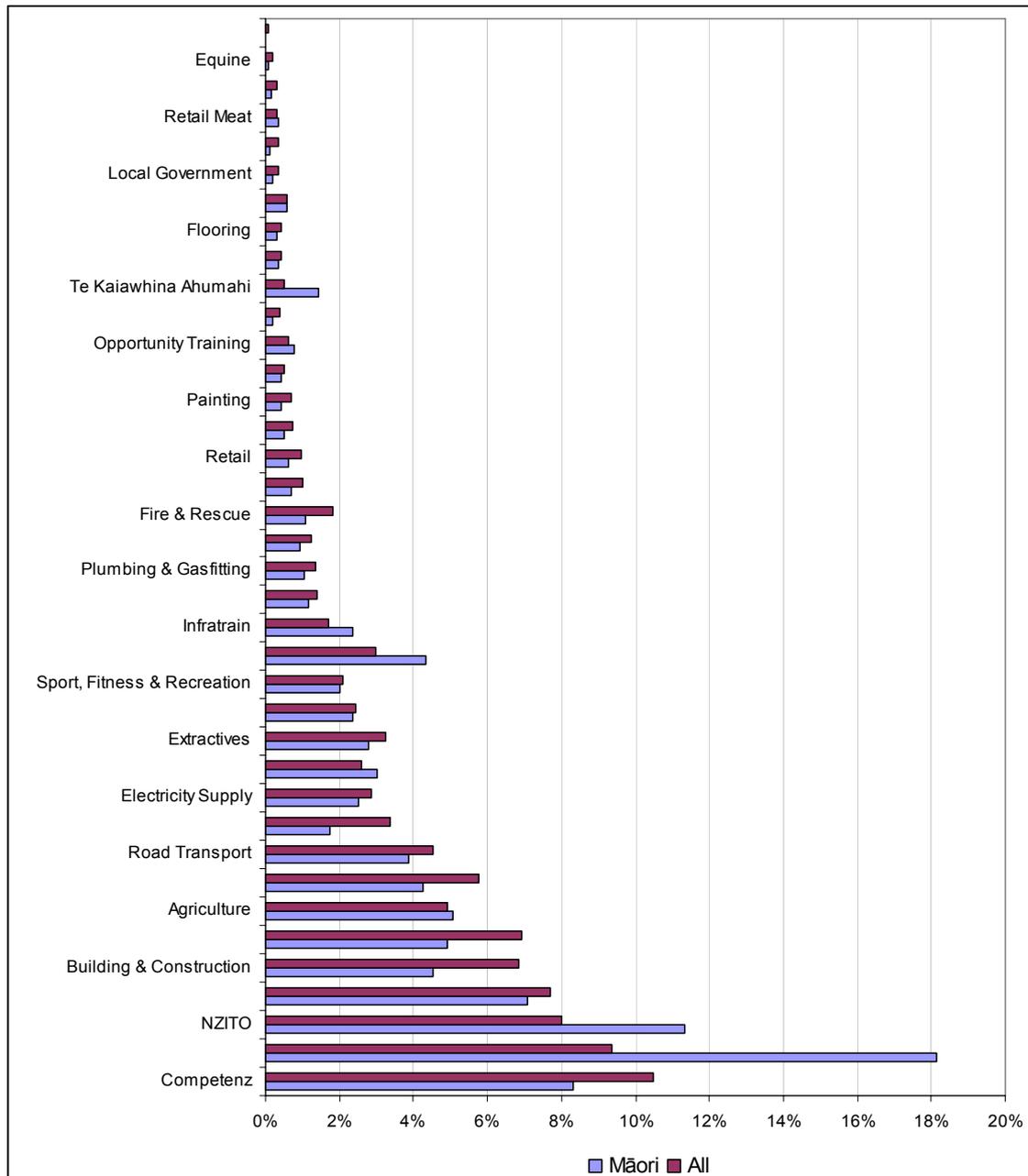


Source: Ministry of Education



Figure 5 shows a snapshot of participation in industry and work-based training by sector in 2006, which demonstrates the different patterns of Māori participation compared with the pattern for all industry trainees.

Figure 5: Industry Trainees, by Sector



Source: Industry Training Federation

Literacy and numeracy



On the ALL proficiency measurement scale from one to five, with level three or above described as the skill level needed for people to fully participate in a knowledge-based economy, approximately 60 percent of Māori adults measured at document literacy levels one and two, and approximately 75 percent measured at numeracy levels one and two

