Māori Economy in the Waikato Region

Summary
Māori population is young with 34% of the Waikato region’s population under 15 being Māori.

Government contributes 21% to Waikato Māori household income.

Māori earn $189 per week less than non-Māori in the Waikato region.

Total Māori asset base of $6.2 Bn in the Waikato region.

26% of the Māori collective asset base in New Zealand is in the Waikato region. The majority of the collective asset base in the region is in the Primary Sector & Property Development.

Māori contribute 8% to the total GDP in the Waikato region.

42,100 Māori are employed in the Waikato region.
1 KEY OBSERVATIONS OF THE WAIKATO MĀORI ECONOMY

Māori make a significant contribution to the economy in the Waikato region. This executive summary highlights key observations from the full ‘Māori Economy in the Waikato Region’ report.

1.1 MĀORI IN THE WAIKATO REGION

Māori make up 22 percent of the population in the Waikato region

The 2013 Census shows that there were 84,000 people in the Waikato region identifying as Māori. Waikato Māori make up 14 percent of all people who identified as Māori in New Zealand and 22 percent of the resident population in the Waikato region.

Of the 669,000 people of Māori descent nationally, 92,000 (14 percent) resided in the Waikato region.

Māori in the Waikato region are young

Māori in the Waikato region have a young population, with 34 percent of the Māori population aged under 15 years in 2013. This young age profile means Māori are important to Waikato’s future labour market participation and productivity.

1.2 ASSETS

Māori in the Waikato region have an asset base $6.2 billion...

At $6.2 billion in 2012, the asset base of Māori in the Waikato region makes up 15 percent of total Māori assets in New Zealand. The agriculture, forestry & fishing (28 percent), property & business services (23 percent) and manufacturing (15 percent) industries make a significant contribution to the overall Māori asset base in the region.

...with $2.8 billion in collectively owned assets

Assets held in collective ownership through Māori authorities such as trusts and incorporations, rūnanga and Treaty settlement entities in the Waikato region were worth $2.8 billion in 2012. This represents 46 percent of the total Māori asset base in the Waikato region. The Māori collectively owned asset base in Waikato region makes up 26 percent of New Zealand’s overall Māori collectively owned asset base.

Tuaropaki Trust and the Waikato Raupatu Lands Trust make up 69 percent of the collectively owned asset base in the Waikato region. In 2012, assets held by Tuaropaki Trust made up 37 percent of the collectively owned asset Maori in the region. Assets held by the Waikato Raupatu Lands Trust made up 32 percent of the collectively owned assets in the region and 86 percent of assets held by Treaty settlement entities in the region.

Most Māori collectively owned assets in the Waikato region are in the primary (60 percent) and property development (26 percent) industries. The services industry makes up the remaining 14 percent of collectively owned assets in the region.
Māori businesses make up 54 percent of the Māori asset base

Māori businesses contributed $3.3 billion to the Māori asset base in the Waikato region in 2012. Of this, 750 employers contributed $2.6 billion worth of assets and 1,450 self-employed (without employees) entrepreneurs contributed $668 million. The majority of these assets are in the agriculture, forestry and fishing (23 percent) and business services industries (20 percent).

1.3 BUSINESSES

Māori contribute 8 percent to the total GDP of the Waikato region

In 2012, Māori businesses generated $1.4 billion in value added to the Waikato region. This represents an eight percent contribution to the total value added GDP of the Waikato region. Industries where Māori enterprises make large contributions to total GDP in the Waikato region include health and community services ($266 million), property and business services ($214 million), manufacturing ($150 million) and agriculture ($120 million).

Māori economy in the Waikato accounts for 13 percent of overall Māori GDP in New Zealand

In 2012, Waikato Māori contributed 13 percent of total Māori GDP in New Zealand. Value added by Māori in the Waikato region as a percentage of overall Māori valued added GDP was high in the agriculture (16 percent), manufacturing (15 percent) and accommodation (15 percent) industries.

Māori in Hamilton city account for over a third of total Māori GDP in the Waikato region

Māori businesses in Hamilton city contributed $472 million (34 percent) to the overall Māori GDP in the Waikato region in 2012. This contribution largely came from activities in the health & community services (24 percent of Māori GDP in Hamilton city) and property & business services industries (19 percent). Māori in the Taupō district contributed 14 percent to total Māori GDP in the Waikato region, while Māori in the Waikato district contributed 13 percent.

1.4 PEOPLE

A quarter of people employed in the Waikato region are Māori

In 2012, Māori made up 25 percent of all people employed in the Waikato region, with 42,000 Māori employed across a range of industries. Within the Waikato region, more than a third of Māori employment is in Hamilton city.

A large proportion of Māori are employed in low paid, low productivity industries

A large proportion of Māori in the Waikato region work in the manufacturing (16 percent), retail trade (11 percent) and construction (10 percent) industries. These industries are associated with low incomes and historically have been more vulnerable to economic downturns and other shocks.
Average weekly income is lower for Māori income is $189 a week less than non-Māori

In 2012, the average weekly income for Māori in the Waikato region was $575. This was 25 percent ($189) lower than the average weekly income for non-Māori in the region. Nationally, average weekly income for Māori is 22 percent lower than that for non-Māori.

A high proportion of economic activity comes from salaries, wages and consumption

Research over the past decade has shown that Māori in New Zealand are not participating in the entire economy. This is also the case in Waikato region where the majority of the Māori contribution to the economy comes from salaries, wages and consumption.

Government contributes 25 percent to Māori households

The Government contributes 21 percent to Māori household income in the Waikato region, the same percentage it contributes to Māori households nationally. In return, Māori households contribute 15 percent of their household expenditure on income tax, social security contributions, fines and penalties. Nationally, this figure is 12 percent of Māori household expenditure.

High Māori household debt

Māori households in the Waikato region spend a high proportion of their wealth on consumer goods and services. As a result Māori households in the region have high levels of debt and are less able to take advantage of long-term investment opportunities by not spending a lower percentage of their wealth on immediate consumer needs than all Māori households. This is consistent with Māori and non-Māori households nationally.

1.5 FUTURE OPPORTUNITIES AND CHALLENGES

Key opportunities

The collectively owned asset base of the region is expected to grow over the coming years as a result of further Treaty of Waitangi claim settlements and as Waikato-Tainui receive additional financial redress through the redress mechanism that has been triggered. This additional growth, coupled with ahu whenua trusts, incorporations and treaty settlement entities diversifying operations, seeking additional alternative revenue sources from their land and joint venture opportunities, means that Waikato Māori are increasingly likely to play a key part in shaping economic development in the region.

The extent to which the Māori asset base in the Waikato region is likely to grow over the coming years is therefore likely to be strongly influenced by the ability of Māori ahu whenua trusts, incorporations and trusts to diversify their activities; and the ability of Māori to gain a greater share of employment in more skilled and productive industries.

Key challenges

The young Māori population in the Waikato region combined with the significant proportion of Māori employed in lower paid and low productive industries represents a challenge to iwi and the region to both retain, up skill and create employment opportunities for these young people.