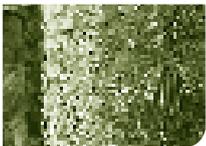
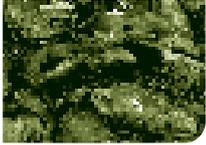




Te Puni Kōkiri  
REALISING MĀORI POTENTIAL

## Te Pūtake Rawa a Ngāi Māori The Māori Asset Base



### KEY FACTS:

- Commercial assets owned by Māori are key economic resources.
- Total Māori-owned commercial assets were estimated to be worth \$16.5 billion in 2005/06.
- Māori commercial assets have grown significantly between 2001 and 2005/06.
- At 52%, Māori investment in primary industry is much higher than that of New Zealand businesses overall.
- Māori Businesses increased in value by \$4.8 billion between 2001 and 2005/06, partly due to increased numbers of Māori employers and Māori self-employed (without employees).

The commercial assets owned by Māori are key economic resources for individuals, whānau, hapū and iwi, and for New Zealand as a whole. Total Māori-owned commercial assets increased by 83% to \$16.5 billion between 2001 and 2005/06. This fact sheet analyses the increases in value of different types of commercial assets owned by Māori between 2001 and 2005/06.

### MĀORI COMMERCIAL ASSETS

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. This figure is likely to be an under-estimation of the total commercial assets however, for reasons explained in the Information Limitations section. Table 1 shows increases in Māori commercial assets between 2001 and 2005/06.

TABLE 1: MĀORI COMMERCIAL INFORMATION FOR 2001 AND 2005/06.

	Total Assets (\$ m)		Increase in Assets 2001 – 2005/06	
	2001	2005/06	\$ m	Percent (%)
Māori Trusts	1,552	3,177	1,625	105
Māori Trustee Land Assets	177	725	548	310
Iwi Treaty Settlements	86*	188*	102	119
Māori Trust Boards	145	355	210	145
Māori Businesses	5,708	10,460	4,752	83
Other**	1,354	1,545	191	14
Total Assets	8,992	16,450	7,458	83

Notes: \* Excludes \$170 million each for Waikato-Tainui Raupatu settled in 1994/95, Ngāi Tahu settled in 1996/97, and Māori Fisheries Settlement settled in 1992/93. These are incorporated in the net assets under Other. \*\* See the section on Asset Classes for a definition of Other.

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 land price increases.

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 (without employees), the groups

used to measure Māori Businesses. The number of Māori employers increased by 1,536 or 28% and the number of Māori self-employed (without employees) increased by 2,439 or 21% between 2001 and 2006<sup>1</sup>. The corresponding increases for the total population were 13,248 or 10% and 21,843 or 10%, respectively.

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. These percentages are broadly consistent with calculations performed by the New Zealand Institute of Economic Research (NZIER) showing that Māori contributed 1.96% to the New Zealand economy in 2003<sup>2</sup> (total value added), an increase from 1.23% in 1996<sup>3</sup>.

### ASSET CLASSES

**MĀORI TRUSTS:** Information on Māori Trusts comes from the 2005 Annual Enterprise Survey (AES) run by Statistics New Zealand. A sample of 434 Māori land trusts and incorporations reported their financial details as part of this survey. This source of information is consistent with the 2001 AES when a sample of 436 Māori trusts and incorporations provided financial details.

Highlights from this information include:

- Income increased by \$59 million from \$292 million in 2001 to \$351 million in 2005.
- Gross profits declined by 23.5% from 2001 to 2005, to \$39 million.
- Total Assets grew by 112.1% to \$3.2 billion.
- Return on equity decreased from 5.1% in 2001 to 1.8% in 2005.

**MĀORI TRUSTEE LAND ASSETS:** The Māori Trustee administers some Māori land on behalf of its owners. For the purposes of this valuation, we have estimated the value of this land from information from the Māori Trustee's land database. The 2007 valuation is \$725 million, an increase of \$548 million or 310% from 2001. This increase in value partly reflects general increases in the value of dairy and grazing land over time.





**IWI TREATY SETTLEMENTS:** The \$188 million reported here does not include \$170 million paid to each of Waikato-Tainui Raupatu settled in 1994/95, Ngāi Tahu settled in 1996/97, and Māori Fisheries Settlement settled in 1992/93. These are incorporated in the total assets under "Other".

**MĀORI TRUST BOARDS:** This combines the reported total assets of the 15 Māori Trust Boards as at June 2007.

**MĀORI BUSINESSES:** This figure is based on the 2006 Census data of 14,007 self employed (without employees) Māori and 7,062 Māori employers, according to industry groups.

**OTHER:** The figure reported here is the sum of the total assets of a variety of sources: Te Ohu Kai Moana Trustee Ltd; Crown Forestry Rental Trust; Waikato Raupatu Lands Trust; Te Rūnanga o Ngāi Tahu; Poutama Business Trust; and Te Whānau o Waipareira Trust. The information is collected from annual reports between March 2005 and September 2006.

## INDUSTRY INVESTMENT

In 2005/06, 52% of Māori commercial assets were estimated to be invested in primary industries<sup>4</sup>, 8% in secondary industries<sup>5</sup>, and 40% in the tertiary industries<sup>6</sup>. The corresponding 2001 investment proportions were 50%, 10%, and 40%, respectively. Māori investment in the primary and tertiary industries is quite different to the total New Zealand investment in these industries. Table 2 shows Māori investment in the primary, secondary, and tertiary industries.

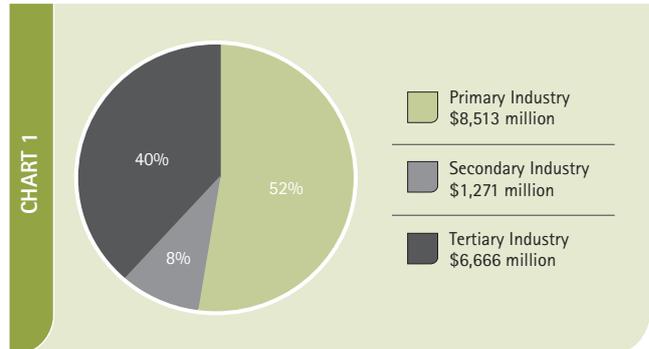
TABLE 2: MĀORI ASSETS AND CAPITAL INVESTMENT AS AT 2005/06.\*

	Primary (\$ m)	Secondary (\$ m)	Tertiary (\$ m)	Total Assets (\$ m)
Māori Trusts	3,177			3,177
Māori Trustee Land Assets	725			725
Iwi Treaty Settlements			188	188
Māori Trust Boards	355			355
Māori Businesses	3,688	1,271	5,501	10,460
Other	568		977	1,545
<b>Total Assets</b>	<b>8,513</b>	<b>1,271</b>	<b>6,666</b>	<b>16,450</b>
<i>Māori Proportions 2005/06**</i>	52%	8%	40%	100%
<i>Total New Zealand proportions 2005/06</i>	10%	9%	81%	100%

Notes: \*Excludes Government administration and defence. \*\* Investment in each industry expressed as a percentage of Total Assets.

Chart 1 shows Māori investment in the different industries in 2005/06.

CHART 1: MĀORI ASSETS BY INDUSTRY GROUP AS AT 2005/06.



## INFORMATION LIMITATIONS

The 2005 AES list of Māori trusts was extracted from a different database to the one used in 2001. In 2001, Inland Revenue's database of companies registering for GST was used. In 2005, Inland Revenue's list of Māori authorities was used after changes to the tax rules in 2004.

This report does not include any growth recorded by those iwi who have received Iwi Treaty settlements.

It is likely that the estimated value of Māori owned businesses is an underestimate of the actual level of assets owned by Māori business people, i.e. the figures calculated for Māori businesses do not include the total assets of any specific and sizeable private companies, for example: Tamaki Heritage Tours; Whalewatch Kaikoura; or Team Logistics Ltd.

<sup>1</sup> 2006 is used rather than 2005/06 because it refers to the time of the Census rather than the valuation period which is 2005/06.

<sup>2</sup> New Zealand Institute of Economic Research and Te Puni Kōkiri, "Māori Economic Development – Te Ōhanga Whanaketanga Māori", February 2003.

<sup>3</sup> New Zealand Institute of Economic Research (NZIER), "Māori participation in the New Zealand Economy, a report for Te Puni Kōkiri, Wellington, April 2007".

<sup>4</sup> Primary industries include: agriculture; forestry and fishing; and mining.

<sup>5</sup> Secondary industries include: manufacturing; electricity gas and water; and construction.

<sup>6</sup> Tertiary industries include: wholesale and retail trade; accommodation, cafes and restaurants; transport, storage and communication; finance and insurance; property and business services; education; health and community services; cultural and recreational services; and, personal and other services.

**DISCLAIMER** The information contained in this publication is for general information only. While every effort has been made to ensure the accuracy of the information, because the information is generalised, its accuracy cannot be guaranteed. Readers are advised to seek independent advice on particular matters and not rely on this publication. No liability is assumed by Te Puni Kōkiri for any losses suffered directly or indirectly by any person relying on the information contained in this publication.

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