

A horizontal teal bar with a white circular icon containing a smaller teal circle.

# Tatauranga Umanga Māori 2015

Updated statistics on Māori authorities



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# Contents

|   |           |
|---|-----------|
| <b>List of figures</b> .....  | <b>5</b>  |
| <b>Abbreviations</b> .....  | <b>5</b>  |
| <b>He mihi</b> .....  | <b>6</b>  |
| <b>1 Purpose and key points</b> .....                                     | <b>7</b>  |
| Purpose .....   | 7         |
| About Māori authority statistics .....                                    | 7         |
| Summary of key points .....   | 7         |
| <b>2 Business and labour statistics for Māori authorities</b> .....       | <b>9</b>  |
| Characteristics of Māori authorities .....                                | 9         |
| <b>3 Financial position and performance of Māori authorities</b> .....    | <b>12</b> |
| Māori authority asset base continues to grow .....                        | 12        |
| Expenditure increases in 2013 .....                                       | 13        |
| Total income up 18 percent in 2013 .....                                  | 14        |
| Return on total assets positive in 2013 .....                             | 14        |
| Almost two-thirds report sales and profitability increase .....           | 15        |
| <b>4 Business activities of Māori authorities</b> .....                   | <b>16</b> |
| Māori authorities report entering new export markets .....                | 16        |
| Kaimoana leads increase in exports .....                                  | 16        |
| Imports fall slightly in 2014 .....                                       | 16        |
| Research and development varies by purpose .....                          | 17        |
| <b>5 New statistics on Māori economic activity</b> .....                  | <b>18</b> |
| New Zealand Māori tourism .....   | 18        |
| Contribution of Māori employees through wages they are paid .....         | 19        |
| <b>6 Future work – expanding the definition of Māori businesses</b> ..... | <b>23</b> |
| Our goal .....  | 23        |
| Information-sharing relationships .....                                   | 23        |
| Development of a Māori business self-identification survey question ..... | 24        |
| The potential of linked data for Māori businesses .....                   | 24        |
| Future reporting approach .....   | 24        |
| Seeking feedback .....  | 24        |
| <b>7 How we identified Māori authorities</b> .....                        | <b>25</b> |
| Defining Māori authorities for Tatauranga Umanga Māori 2015 .....         | 25        |
| Limitations of the tax-code approach .....                                | 27        |

|   |           |
|---|-----------|
| <b>8 Technical information and limitations of estimates .....</b> | <b>28</b> |
| Linked Employer-Employee Data .....                               | 28        |
| Annual Enterprise Survey .....                                    | 28        |
| Overseas merchandise trade .....                                  | 29        |
| Business Operations Survey .....                                  | 29        |
| Research and Development Survey .....                             | 29        |
| Contribution of Māori through wages they are paid .....           | 29        |
| Agricultural Production Survey .....                              | 30        |
| <b>References .....</b>   | <b>31</b> |
| <b>Appendix: Eligibility for Māori authority status .....</b>     | <b>32</b> |



## List of figures

|   |    |
|---|----|
| 1. Distribution of businesses by industry, at February 2014.....  | 9  |
| 2. Distribution of businesses by region, at February 2014 .....   | 10 |
| 3. Distribution of jobs by selected industries, year ended March 2014 .....   | 11 |
| 4. Distribution of jobs by region, year ended March 2014 .....  | 11 |
| 5. Business assets, 2013 financial year.....  | 12 |
| 6. Proportion of total assets, expenditure, and income for Māori authorities, by selected industries, 2013 financial year ..... | 13 |
| 7. Business expenses, 2013 financial year.....  | 14 |
| 8. Return on total assets by selected industries, 2013 financial year.....  | 15 |
| 9. International trade in goods by Māori authorities, year ended Dec 2011–14.....   | 17 |
| 10. Māori tourism businesses by industry, at February 2015 .....  | 19 |
| 11. Māori tourism businesses and employees by region, at February 2015 .....  | 19 |
| 12. Distribution of Māori employees for wages and jobs, by industry, June 2014 quarter.....                                     | 20 |
| 13. Distribution of Māori employees for wages, by occupation, June 2014 quarter....   | 21 |
| 14. Identifying a Māori business within a business group .....  | 27 |

## Abbreviations

|          |   |
|----------|---|
| AIIS     | Annual International Investment Survey                    |
| AES      | Annual Enterprise Survey                                  |
| ANZSIC06 | Australian and New Zealand Industrial Classification 2006 |
| APS      | Agricultural Production Survey                            |
| BOS      | Business Operations Survey                                |
| GST      | goods and services tax                                    |
| LCI      | labour cost index   |
| LEED     | Linked Employer-Employee Data                             |
| MA       | Māori authority   |
| MBI      | Māori business indicator                                  |
| MT       | Māori trust   |
| NZCS     | New Zealand Customs Service                               |
| OMT      | overseas merchandise trade                                |
| QIIS     | Quarterly International Investment Survey                 |
| R&D      | research and development                                  |



# He mihi

Tēnā koutou katoa.

E ngā tōpito o ngā hau me ngā tai ewhā. Tēnā koutou rā ki ō koutou takiwā me ō koutou iwi, puke, me ō koutou maunga huri noa kei te motu. Ka rere to mātou whakaaro ki o koutou mate o te wā, o te tau, rātou kua wehe kei tawhiti. Hoki haere ki te kainga tuturu mō tātou.

Ngā tai pari, ngā tai timu. Tai ki uta, uta ki tai. Tēnā anō koutou. Tēnā anō koutou. Tēnā anō tātou katoa.

Nau mai rā ki tētahi kohinga kōrero mō a mātou mahi hei hapai ngā mōhiotanga roto i ngā umanga Māori.

Kua kohia e Tatauranga Aotearoa etahi tauanga, kōrerorero e pa ana ki ngā umanga Māori roto i ēnei tenei pūrongo.

Greetings.

To the tides that bless our shores, our lands, the peoples of our lands, greetings.

To the far corners of our lands, greetings across the regions, recognising the sites of significance in those areas, we greet you all. Our thoughts go out to those who have passed on to the distant spiritual lands.

Statistics New Zealand is pleased to present this collection of statistics about Māori authorities.

The Tatauranga Umanga Māori project is the whakaruruhau, or the initial framework, for future thinking about Māori business and business progress.

He ika kai ake i raro, he rapaki ake i raro 'tihei umanga Māori'.

This whakatauki is about beginning with something small, and building from there, which continues to be our approach. The term 'tihei umanga Māori' is about the contributions that give life to our work through collating, analysing, and releasing information about Māori authorities.

Tō mātou mahi, tō rātou mahi, hei piki haere te katoa – our combined efforts contribute to Māori outcomes.



---

# 1 Purpose and key points

## Purpose

Māori economic development is an important driver of New Zealand's economy. Within the economy Māori businesses include Māori authorities, small- and medium enterprises, and Māori-in-business (self-employed).

*Tatauranga Umanga Māori 2015* provides a range of statistics on a subset of Māori businesses that contribute to our country's economy – Māori authorities. These updated statistics illustrate the importance of Māori authorities to the economy, and that they have grown and diversified at the same time as they've strengthened their existing connection with the land and the sea.

Customers interested in Māori business and economic development, such as Māori authorities themselves and government agencies working with them, will find this information useful.

## About Māori authority statistics

The Tatauranga Umanga Māori project is a multi-year research project that involves defining and identifying the role of Māori businesses within both the Māori and New Zealand economies. The project reflects our organisation's strategic goals around 'unleashing' the power of existing data for Māori – to promote informed decision-making according to Māori aspirations. This includes producing a holistic set of statistics in future reports, representing Māori economic, social, cultural, and environmental data.

In this report, a 'Māori authority' is an entity that aligns to a subgrouping of 'entities for the collective management of assets' in the Māori economy. This differs from the definition in the Income Tax Act 2007. See chapter 7 for our full definition of a Māori authority.

When we refer to 'Māori businesses', we use the wider definition that incorporates Māori-in-business.

We also introduce new statistics in this report that build towards expanding our coverage of the Māori economy. These include distribution and sales of Māori tourism businesses and the contribution of Māori employees through wages they are paid.

This report illustrates the wealth of information available from official statistics once we are able to identify Māori businesses, and shows how these businesses are increasingly diverse, productive, and internationally connected.

*Tatauranga Umanga Māori 2015* is our third official release of Māori authority statistics. It follows the work on Māori authorities we published in [Tatauranga Umanga Māori 2014](#) (Statistics NZ, 2014) and [Tatauranga Umanga Māori – consultation paper](#) (Statistics NZ, 2012).

## Summary of key points

- Māori authorities have evolved beyond traditional land-based industries, most notably into financial and insurance services.
- At February 2014, 89 percent of Māori authorities were located in the North Island, particularly the rural areas of Bay of Plenty (27 percent) and Waikato (21 percent).
- Despite the predominance of Māori authorities in the rural North Island, filled jobs were concentrated in the South Island and Waikato in 2014.

- Most filled jobs in Māori authorities were in agriculture, forestry, and fishing (18 percent), education and training (19 percent), and health care and social assistance (16 percent) in 2014.
- The asset base of Māori authorities continued to grow in 2013, up 9.1 percent from 2012 to reach \$12.5 billion.
- Total income for Māori authorities increased \$430 million (18 percent) from 2012, to reach \$2.9 billion in 2013.
- Māori authorities in the traditional land- and sea-based industries held half of all Māori authorities' assets.
- Goods exported by Māori authorities were worth \$526 million in 2014, up \$16 million (3.1 percent) from 2013.
- Kaimoana (seafood) remained the top export commodity in 2014.
- Māori authorities exported to 58 countries in 2014, up from 54 in 2013.
- China was the top export partner, receiving 44 percent of Māori authorities' total exports.



## 2 Business and labour statistics for Māori authorities

### Characteristics of Māori authorities

Māori authorities were initially created to administer communally-owned Māori land. Over time, some Māori authorities have grown to include post-treaty settlement interests. This expansion has seen Māori authorities evolve beyond traditional land-based industries towards greater development and investment opportunities for Māori.

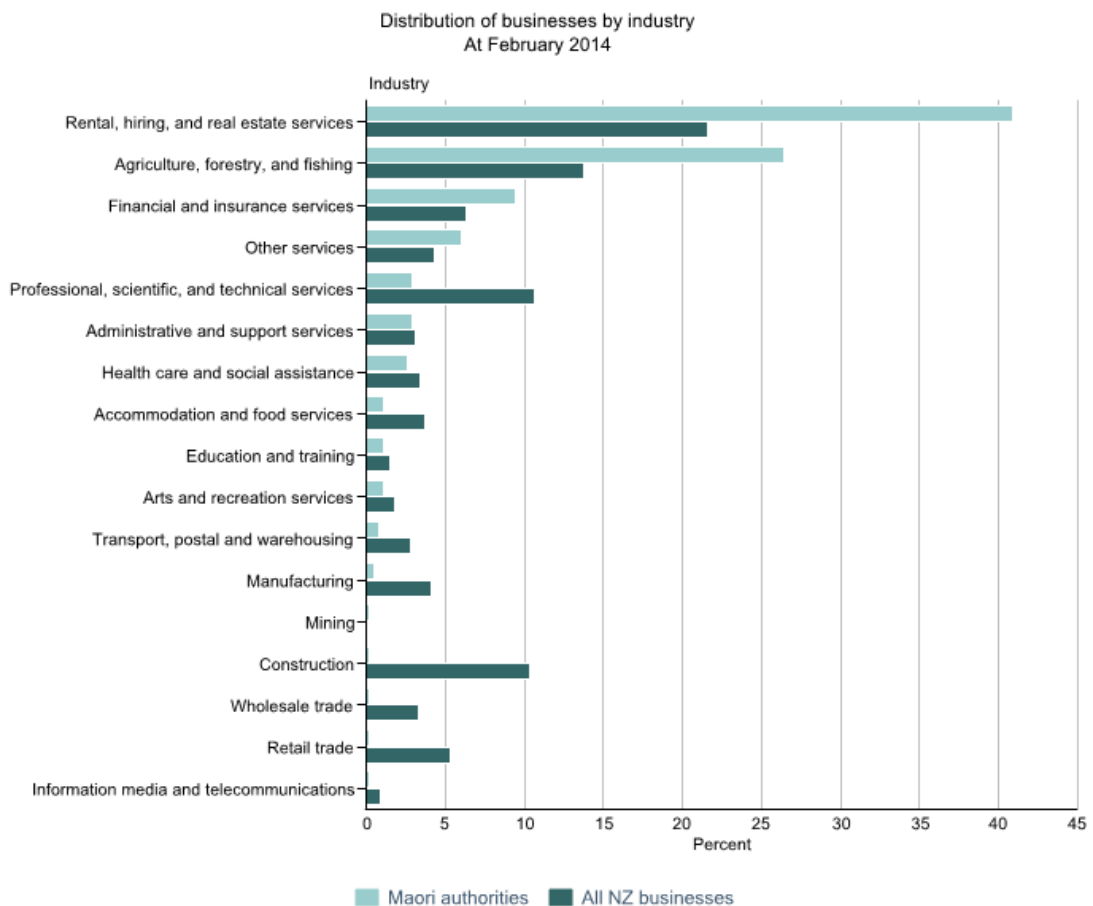
At February 2014, 68 percent of Māori authorities were engaged in the rental, hiring, and real estate services (41 percent), and agriculture, forestry, and fishing industries (27 percent). The proportions of Māori businesses in these industries were higher than the proportions of all businesses in New Zealand.

Māori connection to the land and sea is evident in these traditional land-based industries. Businesses in the rental, hiring, and real estate industry largely reflect that they rent or lease agriculture and other commercial property to others, while the agriculture, forestry and fishing industry reflects the intensive use of land.

Māori authorities were also represented in industries outside the traditional land-based industries. Most notably in financial and insurance services (9.6 percent).

Note: Macrons (eg ā) are not available within our graphing software so do not appear in the figures that follow.

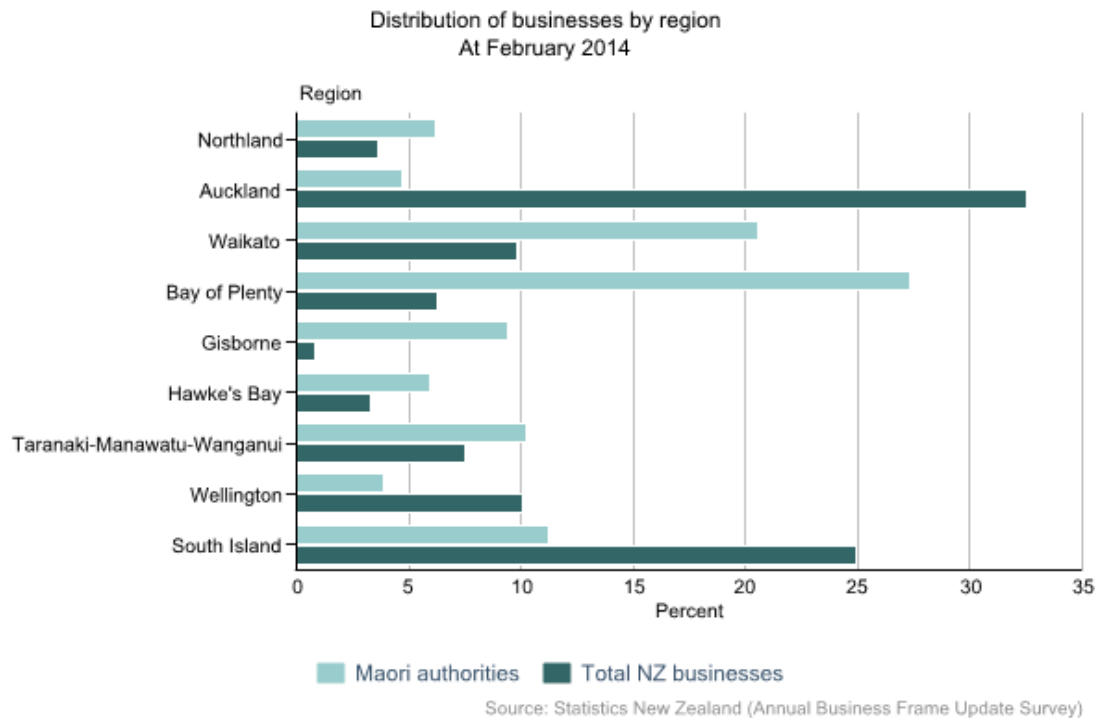
**Figure 1**



Source: Statistics New Zealand (Annual Business Frame Update Survey)

The regional distribution of businesses owned by Māori authorities reflects the distribution of their assets throughout New Zealand – iwi are concentrated in the central North Island more than in the South Island. At February 2014, 89 percent of Māori authorities were located in the North Island, particularly in the rural areas of Bay of Plenty (27 percent of the total) and Waikato (21 percent).

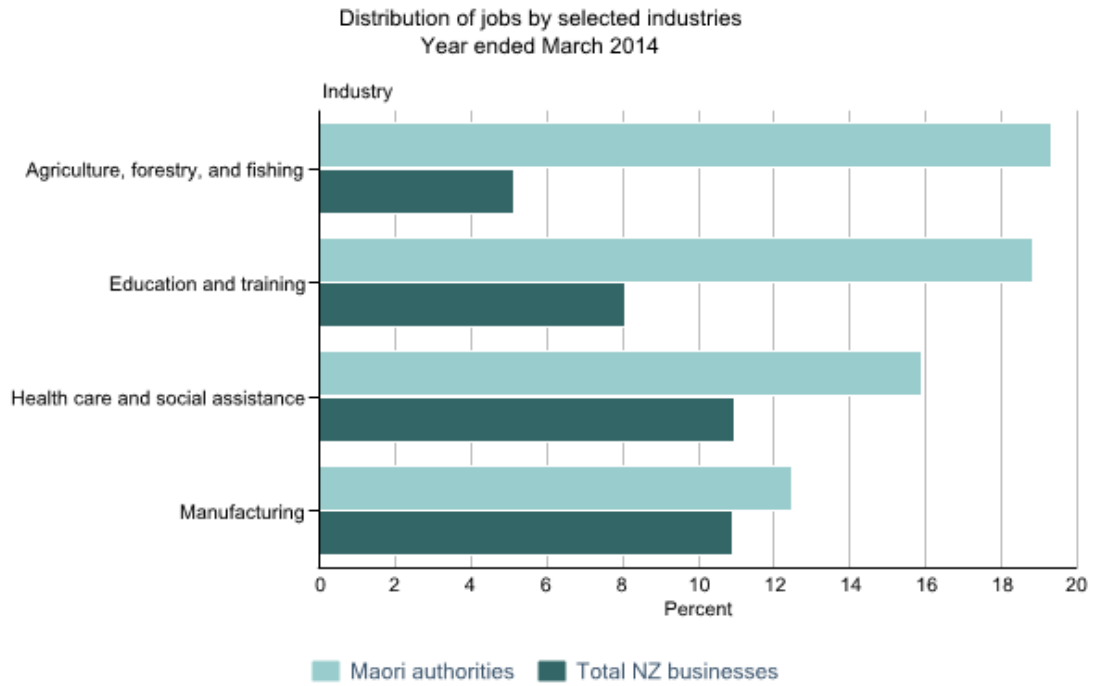
**Figure 2**



The number of filled jobs in Māori authorities reached 8,300 in 2014. The distribution of these jobs differs from total New Zealand businesses due to the nature and location of Māori authority assets.

On an industry basis, the largest proportion of filled jobs in Māori authorities in 2014 was in the traditional agriculture, forestry, and fishing industry (19 percent). However, large proportions of jobs were also in the less traditional industries of education and training (18 percent), and health care and social assistance (16 percent), reflecting a focus on cultural and social well-being.

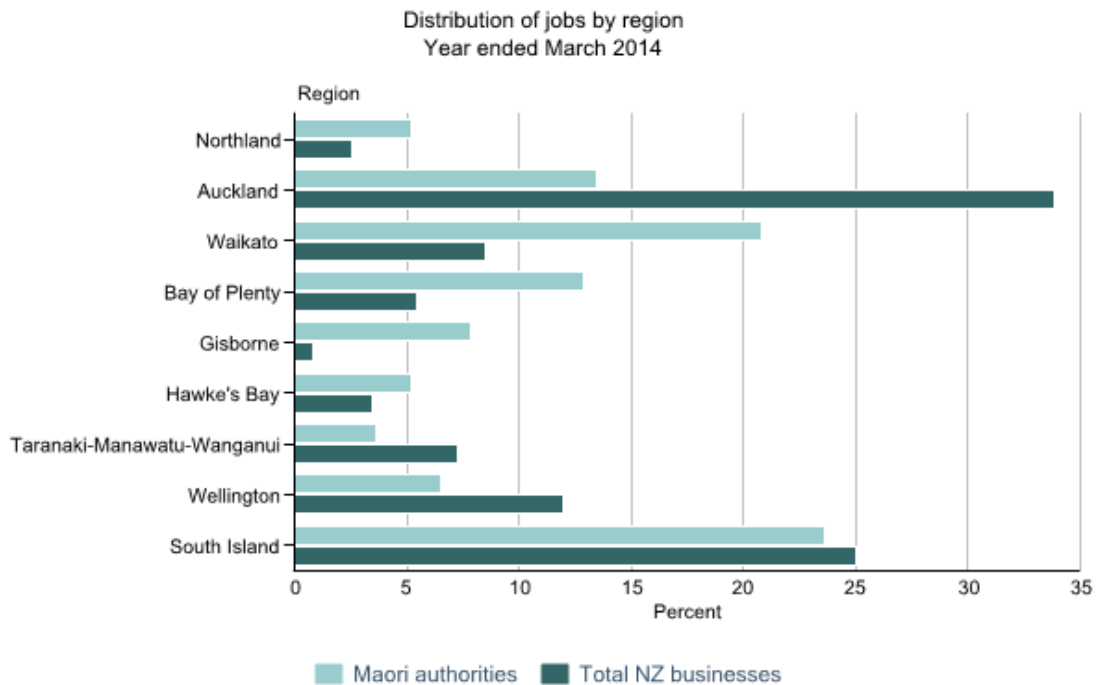
**Figure 3**



Source: Statistics New Zealand (Linked Employer-Employee Data)

Despite the predominance of Māori authorities in the rural North Island, filled jobs were concentrated in the South Island and Waikato in 2014. The largest increase in filled jobs was in the South Island, up 11 percent from 2013.

**Figure 4**



Source: Statistics New Zealand (Linked Employer-Employee Data)

### 3 Financial position and performance of Māori authorities

#### Māori authority asset base continues to grow

The Māori authority asset base has many dimensions. With diversification into more industries, assets now include construction, transport, and cultural and recreational services.

**Note:** the latest available information in this chapter is for the 2013 financial year.

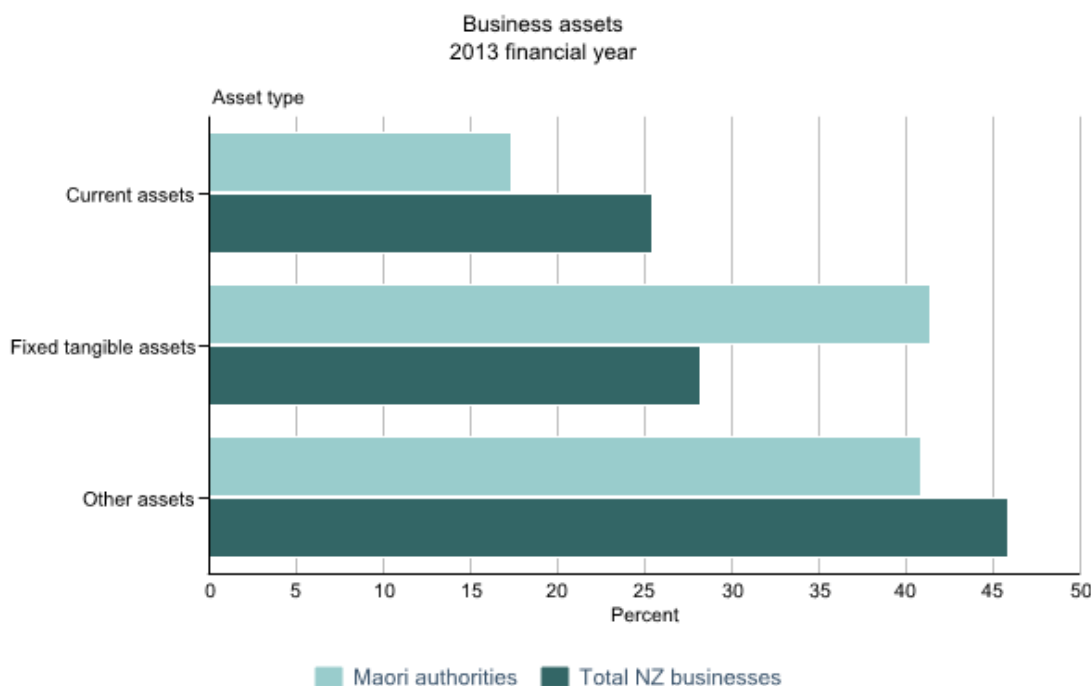
The asset base of Māori authorities continued to grow in 2013. Total assets recorded for Māori authorities were worth \$12.5 billion (0.7 percent of all New Zealand business assets), up 9.1 percent from 2012. Current assets (eg stocks and accounts receivable) led the rise, up 33 percent to reach \$2.2 billion.

Māori authorities continued to hold a higher proportion of fixed tangible assets (42 percent) than total New Zealand businesses (28 percent) did in 2013 (see figure 5). A fixed tangible asset is the physical goods (eg land or machinery) that a company holds to help generate income. In contrast, total New Zealand businesses held more 'other assets' (eg long-term bonds, intangibles, and shares).

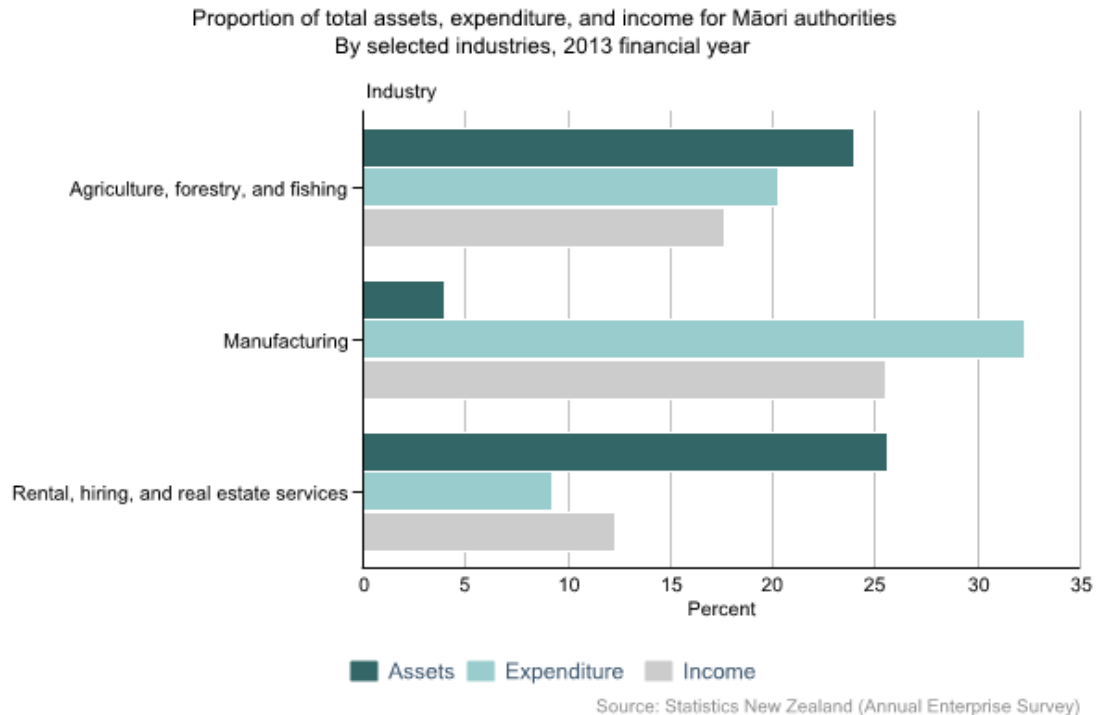
Māori authorities in the traditional land- and sea-based industries (agriculture, forestry, and fishing; and rental, hiring, and real estate services) held half of Māori authorities' total assets in 2013 (see figure 6). More than half the assets of these two industry groups were fixed tangible assets (eg land and buildings).

This retention and growth of the asset base reflects aspects of kaitiakitanga (guardianship), where resources are protected and responsibly managed so that they, in turn, can sustain future generations.

**Figure 5**



Source: Statistics New Zealand (Annual Enterprise Survey)

**Figure 6**

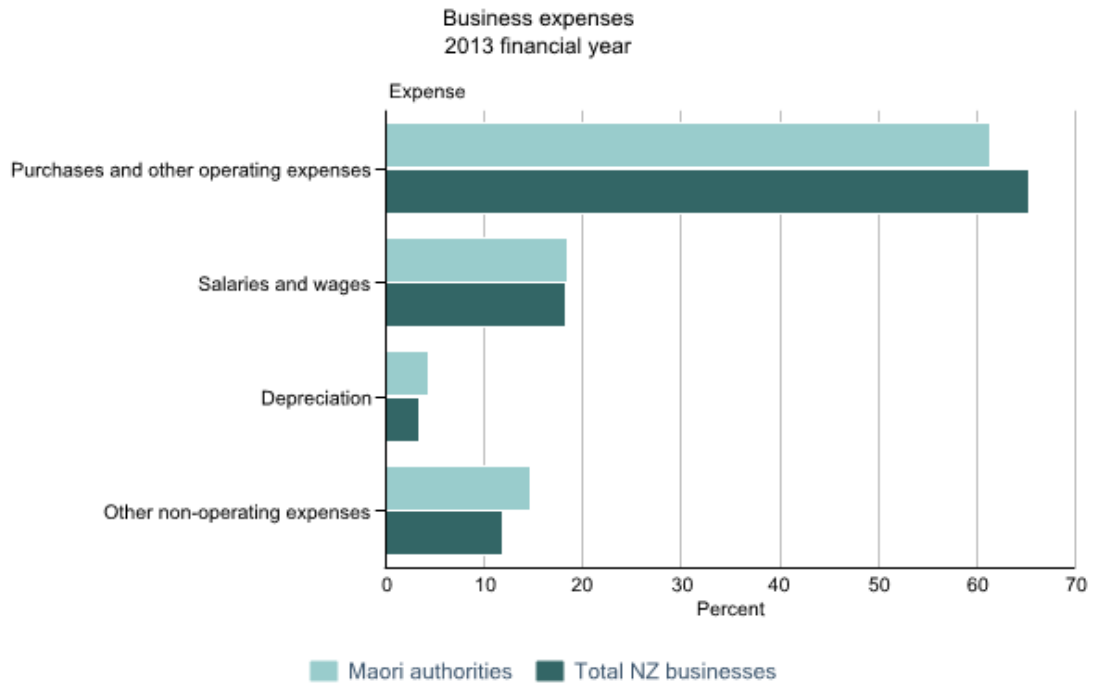
## Expenditure increases in 2013

Total expenditure for Māori authorities increased in 2013 – up 7.4 percent from 2012 to \$2.2 billion (0.4 percent of all New Zealand business expenditure).

Both Māori authorities and total New Zealand businesses spent over 60 percent of their total expenditure on purchases and other operating expenses, and 19 percent on salaries and wages (see figure 7).

Expenditure for Māori authorities in manufacturing was almost one-third (32 percent) of the total expenditure by Māori authorities in 2013 (see figure 6). This was similar to the expenditure for the agriculture, forestry, and fishing; and rental, hiring, and real estate services industries, which together was 30 percent.

Figure 7



Source: Statistics New Zealand (Annual Enterprise Survey)

## Total income up 18 percent in 2013

Total income for Māori authorities increased \$430 million (18 percent) from 2012, to \$2.9 billion (0.5 percent of total New Zealand business income) for the 2013 financial year. This rise compares with a \$335 billion (0.1 percent) fall in total income for total New Zealand businesses for the same period.

Income for Māori authorities in manufacturing was 26 percent of the total income of Māori authorities in 2013 (see figure 6). This was similar to their income from the traditional land- and sea-based industries (agriculture, forestry, and fishing; and rental, hiring and real estate services), which was 30 percent of the total.

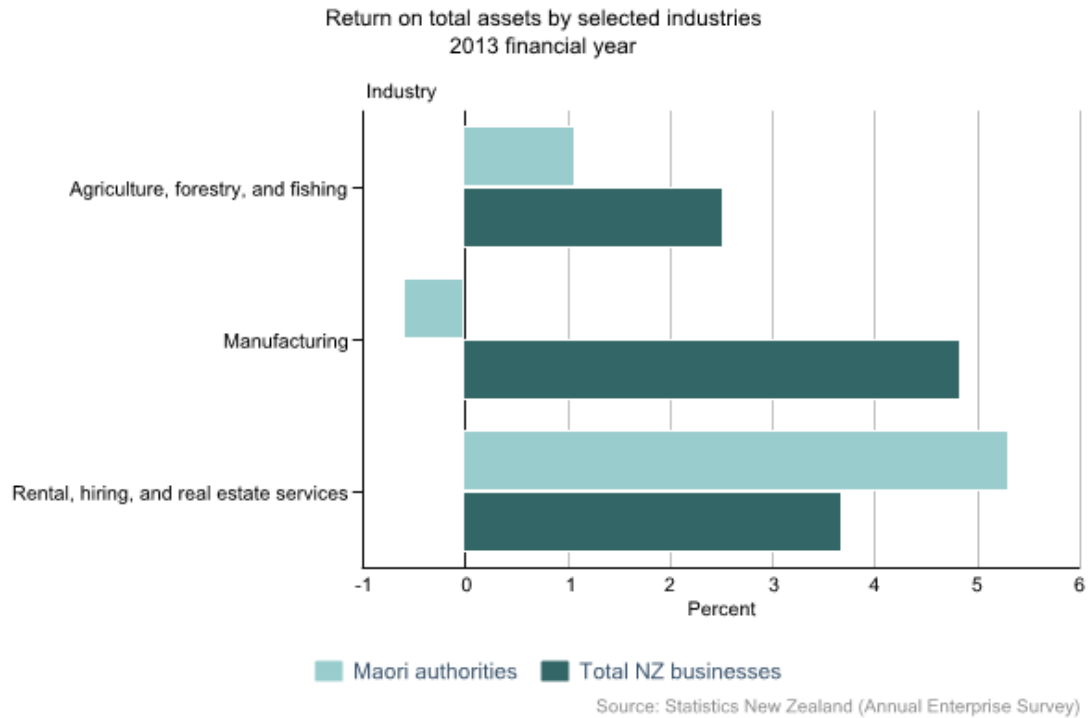
## Return on total assets positive in 2013

Māori authorities had a 4.9 percent return on total assets in the 2013 financial year. Return on total assets is defined as surplus before tax, divided by total assets. Surplus before tax is measured as total income minus total expense, plus changes in stocks.

Return on total assets for Māori authorities in the manufacturing industry was slightly negative, at -0.6 percent in 2013 (see figure 8). However this loss was driven by changes in stocks, as total income (\$731 million) was only slightly larger than total expenses (\$726 million).

Return on total assets for Māori authorities in the rental, hiring, and real estate services industry was 5.3 percent, which is greater than the return on total assets for all New Zealand businesses in the same industry.

**Figure 8**



## Almost two-thirds report profitability and sales increase

This positive return across all Māori authorities is mirrored in the performance that individual Māori authorities report. Of those surveyed with six or more employees, almost two-thirds (64 percent) of respondents reported increased profitability in 2013. In contrast, 47 percent of all New Zealand businesses with six or more employees reported increased profitability.

Over half of the Māori authorities (60 percent) and New Zealand businesses (56 percent) surveyed reported increased total sales of goods and services in 2013.



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## 4 Business activities of Māori authorities

### Māori authorities report entering new export markets

A small proportion of both Māori authorities (10 percent), and all New Zealand businesses (6 percent) with six or more employees, that were surveyed, reported they had entered new export markets in 2013.

This was reflected in the increase in trading partners in 2014, up from 62 to 66 countries. Māori authorities traded with 58 export partner countries in 2014, up from 54 in 2013, and 36 import partner countries – up from 32.

China was the top export partner, receiving 44 percent of the total value of goods exported by Māori authorities in 2014, and 47 percent in 2013. Other top export partners were Australia and the United States.

This growth and diversification into new export markets comes not only from a strong, responsibly-managed asset base but also from investing in business and cultural relationships in external markets. Products and services produced from the Māori asset base for export are associated with Māori branding, providing a point of difference in global markets.

### Kaimoana leads increase in exports

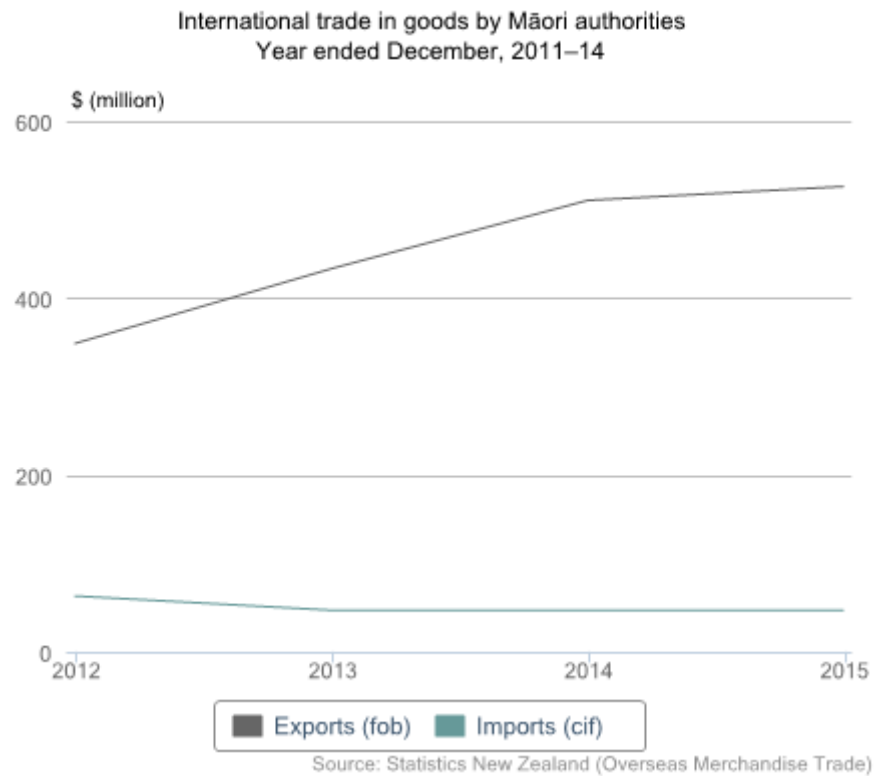
Despite the challenges currently faced by New Zealand businesses in global markets, goods exported by Māori authorities increased in 2014. They were worth \$526 million in 2014, up \$16 million (3.1 percent) from 2013.

Kaimoana (seafood) was the top export commodity in 2014, making up over 50 percent of total exports by Māori authorities. Kaimoana exported by Māori authorities made up 21 percent of New Zealand's total kaimoana exports in 2014. Māori authorities' top three export commodities (kaimoana, dairy, and meat and fish preparations) made up over 90 percent of the total value of exports by Māori authorities in 2014. Meat and fish preparations involve a higher level of value-added processing of agricultural and seafood products.

### Imports fall slightly in 2014

Māori authorities imported \$47 million of goods in 2014, down slightly (0.3 percent) from 2013. The top three import commodities (meat and fish preparations, sugars and sugar confectionary, and seafood) made up 81 percent of the total value of imports by Māori authorities in 2014. Thailand and the United States were their top import partners.



**Figure 9**

## Research and development varies by purpose

Growth in the productive and internationally-connected export sector requires continuous innovation. Research and development (R&D) is an indicator of the amount of innovation in an economy. The total spend on R&D by Māori authorities in 2013 was \$2.6 million. When this expenditure is broken down by its purpose, almost half was spent on industrial research, slightly less than one-third on R&D related to primary industries, and almost one-quarter on R&D for the purposes of social purposes.

The Māori authorities with six or more employees, and that responded to the survey, reported business planning practices that were similar to those for all New Zealand businesses surveyed in 2013.



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## 5 New statistics on Māori economic activity

We have continued our work towards expanding our coverage of the Māori economy. This chapter does not use our definition of a Māori authority and therefore is separate from the previous results in chapters 2 to 4.

We have developed Māori tourism statistics after gaining help from our partners to identify Māori tourism businesses. Further, we have used existing data sources to create statistics on the contribution of Māori employees through wages they are paid.

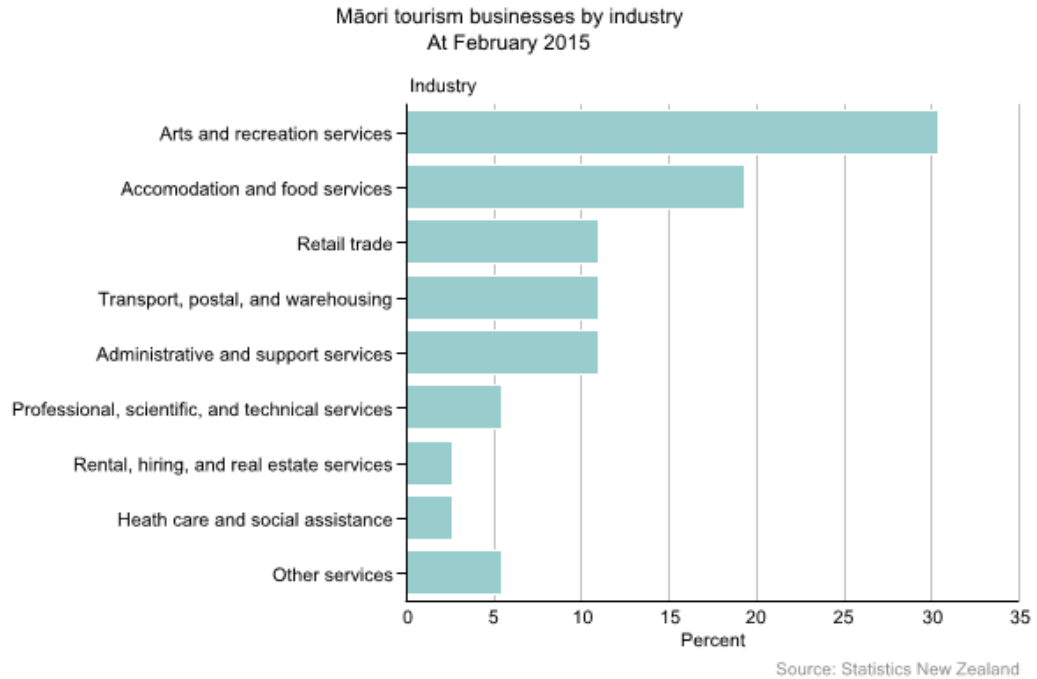
### New Zealand Māori tourism

The Māori tourism business information below was made possible after New Zealand Māori Tourism shared its member list with us. Although we could not identify all their businesses on our Business Register, this information is a good example of what can be provided from existing information.

The New Zealand Māori tourism operators we identified had goods and services (GST) sales of \$214 million for the year ended February 2015. Operators who were accommodation providers had GST sales of \$73 million for this period, and in the February 2015 month provided 46,000 guest nights of accommodation. The national total was 3.7 million guest nights for the February month.

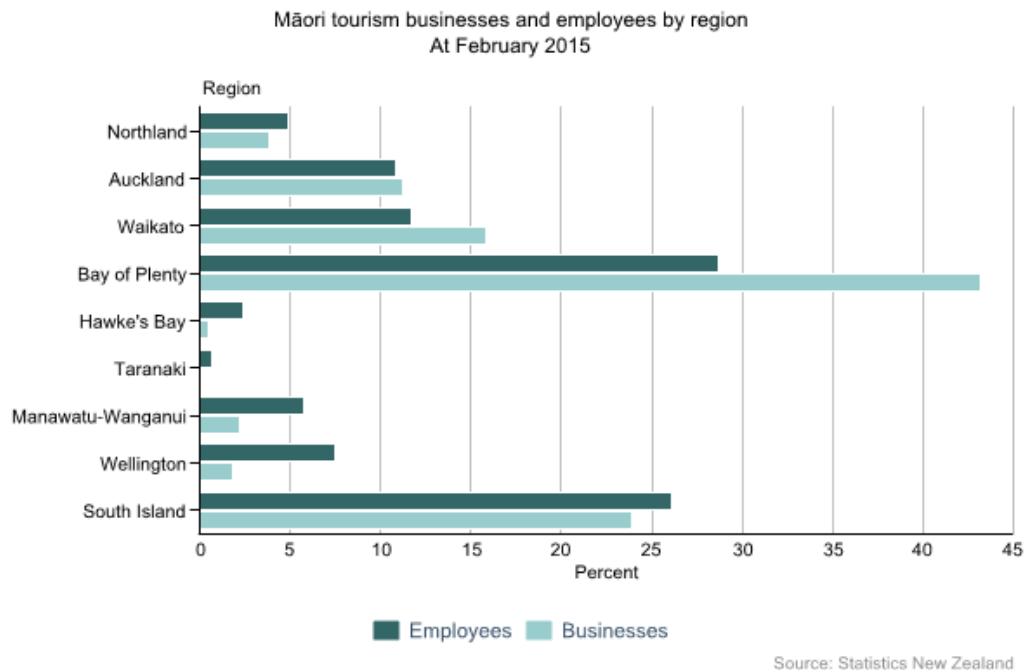
The highest proportion of Māori tourism businesses was in the arts and recreation services industry (31 percent). This industry includes cultural performance and tour providers, art galleries, and scenic tour and adventure tourism companies. Māori tourism businesses were also found in the accommodation and food services (19 percent), retail trade (11 percent), and administrative and support services (11 percent) industries.

**Figure 10**



Two-thirds of all Māori tourism employees were located in either the Bay of Plenty (43 percent) or South Island (24 percent) in February 2015. The regional distribution of employees reflected the distribution of Māori tourism businesses.

**Figure 11**

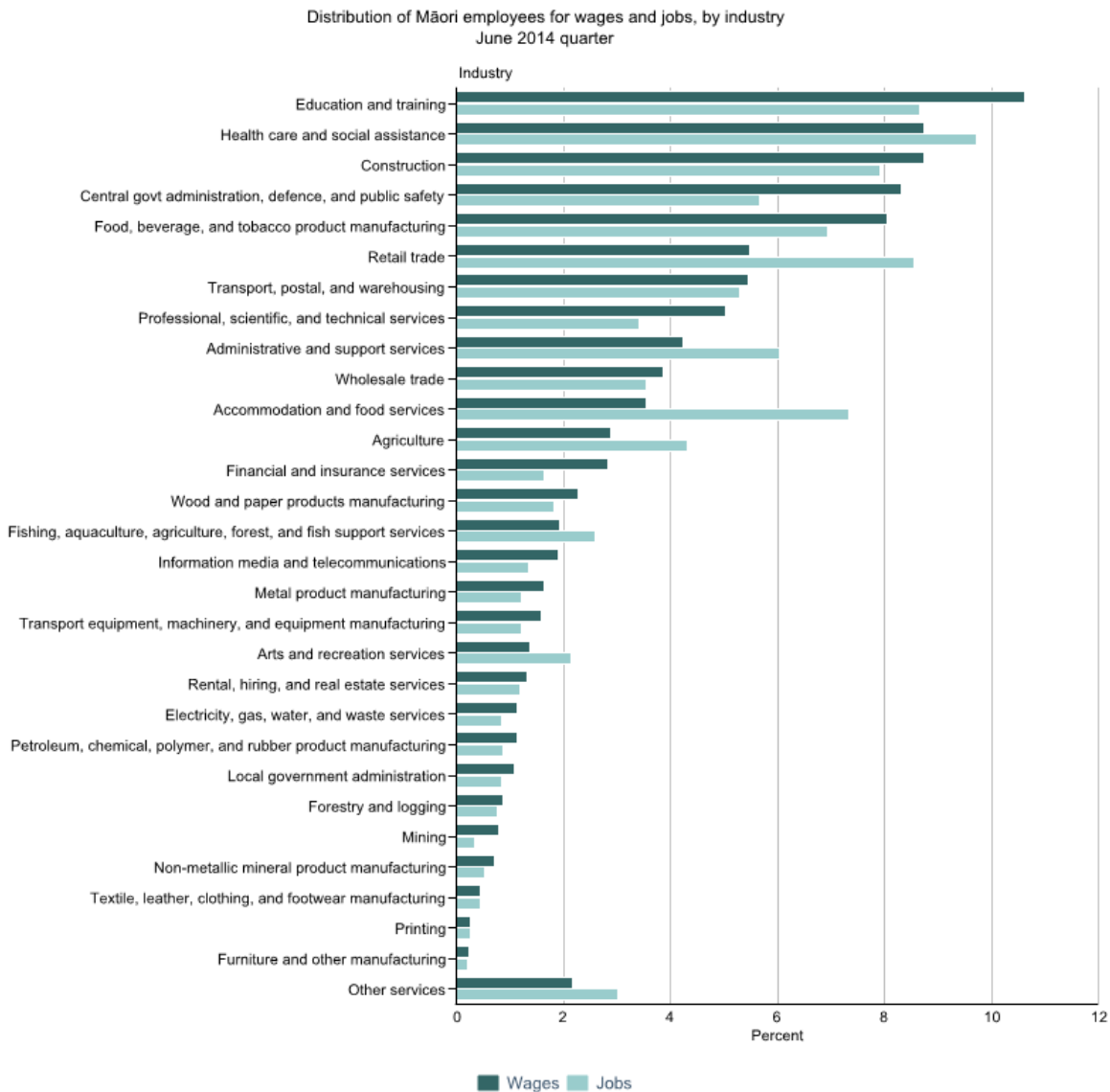


## Contribution of Māori employees through wages they are paid

As part of our review of the relative importance of industries and occupations in the labour cost index (LCI), we also estimated the contribution that Māori paid employees make across industries and occupations, based on the wages they receive.

This contribution is based on over 200,000 jobs filled by Māori employees who are paid, complementing information about employees in Māori authorities – which covers 8,200 jobs filled by Māori and non-Māori.

**Figure 12**



Looking across industries, the industries that are most important for Māori, based on the proportions of wages they are paid, are:

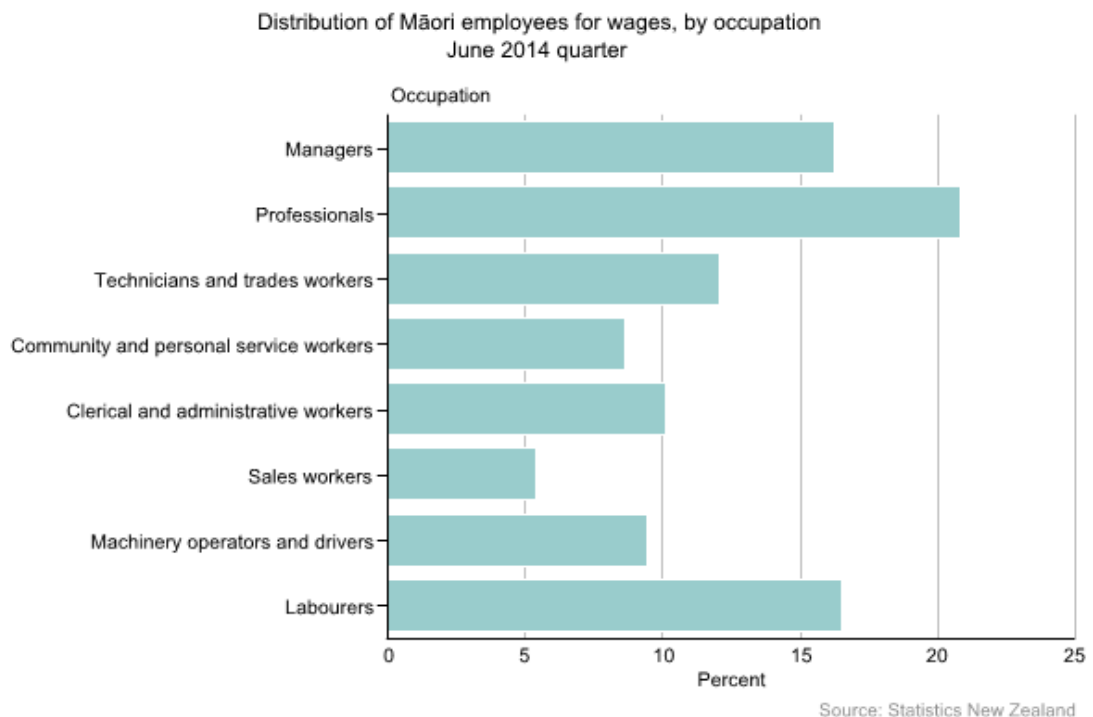
- Education and training – many Māori are employed in Māori immersion schools such as te kohanga reo for pre-school education, and te kura kaupapa Māori for primary education.
- Health care and social assistance – many Māori are employed in providing health care and support services in homes and aged-care facilities.
- Construction – many Māori are employed in building and maintaining infrastructure, such as roads and bridges.
- Central government administration, defence, and public safety – many Māori are employed in government departments (including social and welfare workers, and prison and probation officers) and the armed forces.

- Food, beverage, and tobacco product manufacturing – many Māori are employed in manufacturing meat and meat products.

Overall, \$11 of every \$100 of total wages paid by employers is paid to Māori employees. The industries in which the relative proportions of Māori, based on the wages they are paid, are highest are:

- Forestry and logging – about \$40 of every \$100 is paid to Māori employees.
- Fishing, aquaculture, and agriculture, forestry, and fishing support services – about \$25 of every \$100 is paid to Māori employees.
- Wood and paper products manufacturing – about \$20 of every \$100 is paid to Māori employees.
- Food, beverage, and tobacco product manufacturing – about \$20 of every \$100 is paid to Māori employees.

**Figure 13**



Looking across occupations, the occupations that are most important for Māori, based on the proportions of wages they are paid, are:

- Professionals – many are employed as teachers (some being kaiako kohanga reo – Māori language nest teachers), and social and welfare workers.
- Labourers – many are employed as commercial cleaners and construction labourers.
- Managers – many are employed as corporate general managers in health care and social assistance services, and as retail managers in supermarkets, grocery stores, clothing retailing, and department stores.

Within each occupation group, the greatest contributions from Māori, based on the total wages they are paid, are:

- Labourers – about \$20 of every \$100 paid to labourers is paid to Māori employees.
- Machinery operators and drivers – about \$20 of every \$100 is paid to Māori employees.
- Community and personal service workers – about \$15 of every \$100 is paid to Māori employees.



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## 6 Future work – expanding the definition of Māori businesses

### Our goal

The Tatauranga Umanga Māori project is one of several initiatives to address gaps in information for Māori. Through this project we'll further 'unleash' the power of existing data that relates to the Māori economy – to help inform decision-making that aligns with Māori aspirations.

The task of moving from identifying Māori authorities to identifying Māori businesses is a challenging one. As recognised in chapter 7, the tax-based definition used to identify Māori authorities provides incomplete coverage of Māori business. We have therefore begun working with potential partners who can help us identify Māori businesses (see chapter 5).

### Information-sharing relationships

Crucial to achieving our goal is working with partners that can identify Māori businesses and who are willing to share information with us (eg other government agencies and Māori organisations). Their contributions will help us complete the coverage for Māori authorities towards the wider Māori businesses, and to progress further stages of this project.

Once established, these new information sources will need to be regularly updated and maintained. We can best achieve this using automated processes, which further emphasises the importance of our long-term partner relationships.

Partners who have shared administrative datasets with us and have therefore contributed to developing the Tatauranga Umanga Māori reports are:

- The Federation of Māori Authorities
- Te Puni Kōkiri
- Land Information New Zealand
- The Ministry of Health
- The Charities Commission
- The Office of Treaty Settlements.

We will continue to identify other potential partners who could hold administrative datasets that may provide potential gains in the identifying Māori businesses.

Gaining lists of Māori authorities and their support businesses directly from partners will increase the number of Māori businesses we can identify and develop information for. For example, the benefit the Tatauranga Umanga Māori project has gained from the Federation of Māori Authorities sharing its members' list has been invaluable, and has underpinned our earlier reports.

## Development of a Māori business self-identification survey question

To extend our coverage to Māori businesses, we are developing a question for our Business Operations Survey (BOS) that allows Māori businesses to self-identify. We expect to include this question in BOS from 2015.

Our objective is to expand the use of the self-identification question across the business statistics sector – to make Māori business identification a part of New Zealand business statistics culture. This self-identification question will provide the data we require to identify Māori business – as an administrative data source that updates regularly. The question will also provide valuable information about the views of self-identifying Māori businesses on their definition of a Māori business. We hope to share this information in future reports, and to complete our definitions of Māori business and Māori-in-business as a result.

## The potential of linked data for Māori businesses

We are also investigating the value we can gain from linking our existing information sources. The Māori labour cost information in chapter 5 is an example of what we can achieve when we refocus our approach for the benefit of Māori business users. By further linking existing and shared data we hope to produce this type of information for Māori business rather than simply for Māori in the wider economy.

## Future reporting approach

Understanding the methodology and quality associated with additional partner information sources is important to both Statistics NZ and users of the data, to ensure comparable statistics and consistent time series. As the definition of Māori businesses expands from Māori authorities, it may do so in an uneven way across the economy, or even geographically, as we incorporate different sources into the definition. We will update our methodology and supporting notes as the definition evolves.

Another recent development with the potential to refocus the Māori business statistics that Tatauranga Umanga Māori produces is [He Arotahi Tatauranga](#) – the Māori Statistical Framework. This tool is designed to help users of our statistics learn more about Māori information needs. He Arotahi Tatauranga will also help us explore and discover ways to think about, gather, organise, connect, and make sense of information relevant to Māori development and well-being. We recognise that Māori economic development is interwoven with social, environmental, and cultural development and therefore that we need to consider its wider context within te ao Māori (the Māori world). Making use of He Arotahi Tatauranga will enable that process.

## Seeking feedback

We recognise the importance of the many partner relationships that have assisted us with the important work Tatauranga Umanga Māori represents. At the heart of this is the invaluable feedback we receive from our partners and customers. We continue to seek and be open to your feedback on this and future reports.

Please send your comments to [info@stats.govt.nz](mailto:info@stats.govt.nz) with Tatauranga Umanga Māori in the subject line.



## 7 How we identified Māori authorities

### Defining Māori authorities for Tatauranga Umanga Māori 2015

The Tatauranga Umanga Māori project aims to eventually identify all types of Maori businesses so we can provide data about them. Our first step was to identify Māori authorities. In this report, we consider Māori authorities to be a subset of Māori businesses.

The role of Māori authorities and subsidiaries is to receive, manage, and/or administer assets held in common ownership by Māori. Māori authority leaders are likely to be mindful of the collective relationships and responsibilities to 'place', and the health and wellbeing of the collective. Māori authorities include any commercial business that supports the authority's business and social activities, and sustains or builds a Māori authority's asset base. Ownership, control criteria, and investment models appear to be characteristics of Māori authorities.

Our definition of a Māori authority is:

- a business with a collectively managed asset, which uses current Inland Revenue eligibility criteria to be a Māori authority (irrespective of whether the enterprise elects to be a Māori authority for tax purposes (see appendix))
- a commercial business that supports the Māori authority's business and social activities, and sustains or builds a Māori authority's asset base
- businesses that are more than 50 percent owned by a Māori authority.

Defining Māori authorities in this way:

- uses previous research done by Statistics NZ
- uses the Business Register grouping structures to identify businesses that support a Māori authority
- is efficient because updates are automatic from administrative data sources, such as our Business Register.

We have attempted to address the need for Māori business statistics over the past 20 years. However, we had not published Māori business statistics until the Tatauranga Umanga Māori reports, mainly because of the difficulty in agreeing on a definition of Māori business. We are now taking an iterative approach to this process.

A 2008 project that focused on the Māori authority is the foundation for the Tatauranga Umanga Māori project.

See [Tatauranga Umanga Māori – consultation document](#) for more information on our steps to define a Māori business.

### **Business Register**

The Business Register is a database of the individual economic units that make up New Zealand's economy. It includes private businesses – from self-employed individuals, farms, and small stores, to large corporations. It also includes organisations such as clubs and societies, government departments, local authorities, churches, and voluntary groups. At February 2014, the Business Register had information for approximately 487,880 economically significant enterprises, up 2.5 percent from February 2013, and the locations (geographic units) where they operate. There were 973 Māori enterprises on the register.

The maintained population for the Business Register is 'economically significant enterprises'. An enterprise is said to be economically significant if it meets one or more of the following criteria:

- annual expenses or sales (subject to GST) of more than \$30,000
- 12-month rolling mean employee count of greater than three
- part of a group of enterprises
- registered for GST and involved in agriculture or forestry
- over \$40,000 of income recorded in the IR10 annual tax return.

The Business Register is the basis for all Statistics NZ business surveys. It provides the survey population from which we choose business survey samples.

### **Identifying Māori authorities on the Business Register**

We have a Māori business indicator (MBI) in the Business Register database, which we maintain through regular monthly updating that uses Inland Revenue records for Māori authority tax codes (ie MA and MT). In 2015 we reviewed how we apply the MBI as part of an annual maintenance process. We applied an economic significance threshold and only New Zealand-based businesses were included. While this is a good starting point, we know that not all Māori authorities register under these tax codes and therefore our coverage is not complete.

### **Inclusion and exclusion issues**

We have come across some issues within the Māori authorities we have identified. This affects the classification we are developing for this group. A permanent process for populating the Business Register will depend on having an agreed definition and a data source we can use to automatically update the population. Degree of ownership matters for the definition, as do views on whether we should include emerging Māori collectives (eg 'by Māori, for Māori', as Māori service providers) in the definition.

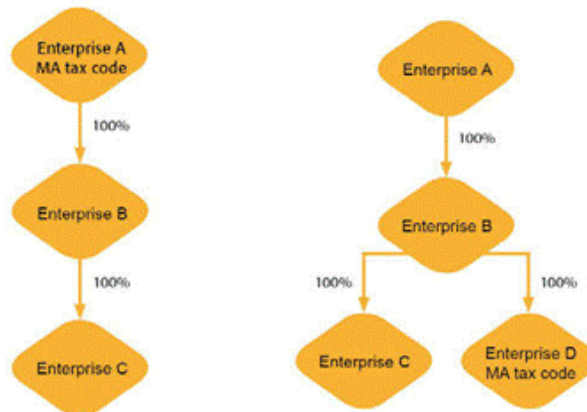
The Business Register also contains information about business group structures. These are tiered groups of businesses where the 'parent' has 51 percent or more ownership of a 'child' business, which may also have subsidiaries of its own. Currently we do not capture authorities in which a number of Māori authorities part-own a child business, but with none owning 51 percent or more. For example, when a business is owned by three iwi, each has only a 33 percent share. This is a problem we hope to solve before we produce next year's report.

An automated process sets the MBI for 'other enterprises' in an enterprise group where a 'parent' enterprise is flagged as Māori-owned – but this process only works downwards and for ownership relationships of more than 50 percent. Our staff can set the MBI manually where a business is not flagged as being Māori-owned by Inland Revenue. However, manually flagging businesses is a subjective process and not guided by clearly stated rules or definitions.

For the Tatauranga Umanga Māori project, if a Māori authority is identified as part of a group then all businesses linked below it are automatically included in the data (see figure 14 for examples of business group and identification as a Māori authority).

Figure 14

### Identifying a Māori business within a business group



All three businesses in this group are captured in the Māori authority statistics (because Enterprise A has the Māori authority (MA) tax code).

Only enterprise D has the Māori authority tax code, and is included in the Māori authority statistics.

Source: Statistics New Zealand

## Limitations of the tax-code approach

### Voluntary identification

Relying on tax codes to identify Māori authorities does have shortcomings. Although a Māori authority is eligible to use the Māori authority (MA) or Māori trust (MT) tax codes, they may choose not to. This creates problems in automatically identifying Māori authorities in the Business Register. To address this, we have used lists from existing research reports to help identify businesses. However, gaining lists of Māori authorities and their support businesses directly from partners will increase the number of businesses we can collect information from. Information sources used to identify Māori authorities need to be regularly maintained, so updating needs to be completed using automated links.

### Business structure and ownership

The criteria used for grouping businesses together in the Business Register also present us with issues to address. Māori authorities identified in the lower tiers of a business group (figure 10b) will be identified as Māori authorities, but those higher in the group (enterprises A and B) or in a different branch (enterprise C) will not. At present, we need to manually check information to determine if the other businesses in the group are Māori authorities.

Joint ventures are not listed under business groups because the ownership structure is a 50/50 split, not a majority shareholding. The advantage of being part of a business group is lost in these cases and requires manual identification. Information from our partners will prove crucial for successful identification.

The limitations of the approach we've taken so far in Tatauranga Umanga Māori highlight that partner feedback will help identify Māori authorities, and help develop further stages of this project. They also highlight that identifying Māori businesses is no simple matter.

## 8 Technical information and limitations of estimates

### Linked Employer-Employee Data

Linked Employer-Employee Data (LEED) Māori authority estimates have the following limitations.

- Filled jobs are the number of jobs on the 15th of the middle month of the reference quarter, where the job relates to a person 15 years of age or over.
- Businesses currently identified as a Māori authority are assumed to have always been a Māori authority.
- Information below 'total all industry' level results are not published for some industries, due to confidentiality.
- Information below 'total all region' level results in many regions in the South Island not being published, due to confidentiality. This paper combines the South Island regions into one combined South Island group.

### Annual Enterprise Survey

The Annual Enterprise Survey (AES) is New Zealand's most comprehensive source of financial statistics. It provides annual financial performance and financial position information about businesses operating within New Zealand. The AES is estimated to cover approximately 90 percent of New Zealand's gross domestic product.

We collect data used in the AES from a number of sources, including:

- a sample survey of business financial data
- business financial data from Inland Revenue (IR10)
- not-for-profit data from the Charities Commission
- central government data from the Treasury's Crown Financial Information System
- local government data from Statistics NZ's local authority statistics

The first three are the main sources of Māori authority information.

The following ANZSIC06 (Australian and New Zealand Standard Industrial Classification 2006) industries are excluded from AES on pragmatic grounds:

- residential property operators (L671100)
- foreign government representation (O755200)
- religious services (S954000)
- private households employing staff and undifferentiated goods- and service-producing activities of households for own use (S960100-300).

In AES 2013, the sample included increased coverage of Māori authority units. As a result of this increase, we can produce new financial information for three industry groups:

- agriculture, forestry and fishing
- manufacturing
- rental, leasing, and real estate services.

## Overseas merchandise trade

We obtain overseas merchandise trade (OMT) data from export and import entry documents lodged with the New Zealand Customs Service (NZCS). The data is processed and passed to Statistics NZ for further editing and compilation.

See [Overseas Merchandise Trade: March 2015 – data quality](#) for further information.

We compile Māori authority statistics using NZCS client numbers matched from our enterprise numbers via IRD numbers. Confidentiality is applied at the group top enterprise level (the collection of related enterprises). Any codes missing from these matches reduce the level of coverage in OMT statistics.

## Business Operations Survey

The Business Operations Survey (BOS) is a sample survey that collects information on business practices, including employment characteristics and business performance indicators. It is designed to produce national estimates at an industry and employee size level, with an annual sample of around 8,000 commercial businesses, all with six employees or more. Not-for-profit organisations, and businesses with five employees or fewer, are outside BOS's scope.

These criteria result in there being few businesses related to Māori authorities in the BOS population. The results we publish from BOS data in this report were not weighted to represent the underlying population. Counts from the survey were randomly rounded to base 3 to protect confidentiality, so actual figures may differ from those stated.

## Research and Development Survey

The Research and Development (R&D) Survey provides information on R&D in New Zealand, including the levels of R&D activity, employment, and expenditure by private sector enterprises, government departments, government-owned trading entities, and universities. The survey targets all economically significant enterprises that are pre-identified as performing or funding R&D activities in New Zealand. This group has a small overlap with identified Māori authorities. Due to the small number of businesses in this group, customers should treat the results with additional caution.

## Contribution of Māori through wages they are paid

The contributions of Māori employees through wages they are paid were calculated based on shares of expenditure on salaries and wages paid by employers.

The main data sources we used were:

- 2013 Census of Population and Dwellings – information on the relative importance of the occupations of Māori paid employees, within each sector of ownership by industry group, and information on personal income
- Quarterly Employment Survey – figures for the year to June 2014 on the relationship between full- and part-time paid employees; and June 2014 quarter figures on average earnings per full-time equivalent (FTE) job, and relationship between ordinary time earnings and overtime earnings
- Linked employer-employee database – figures for the year to June 2013 on the number of jobs filled by under-15-year-olds
- Business Register – 2014 information on the relative importance of industry groups within each sector of ownership
- Labour Cost Survey – pay rates for the June 2014 quarter

- 2013 NZ Income Survey – salary and wage information
- 2013 Household Economic Survey – salary and wage information.

Using data from a wide range of sources helps overcome the limitations of each individual data source.

We defined Māori employees based on their ethnicity in the 2013 Census. Those who identified themselves as Māori only, or Māori and at least one other ethnic group, were considered Māori.

## Agricultural Production Survey

Currently the Agricultural Production Survey (APS) uses the Federation of Māori Authorities (FOMA) as a business frame from which to select samples. This differs from the Māori business indicator in our Business Register, which we used to identify Māori authorities for this report.

There are a few distinct differences between the two selection methods. The most-significant are that FOMA is self-selecting, and has a cost associated with affiliation. The method we used to identify Māori authorities for Tatauranga Umanga Māori does not have either limitation (see chapter 7 for more information).

While there are common units between these two sources, the frames are different. Tatauranga Umanga Māori contains nearly three times as many agricultural geographic units as FOMA does. Given the small size of the FOMA population relative to the total APS population, we are unable to provide production statistics for the Māori agricultural community – but the FOMA statistics do provide a record of agricultural production for the FOMA community.

For these reasons we do not include the FOMA tables in this report.

See [Agricultural Production Statistics: June 2014 \(final\)](#) for the FOMA tables.



## References

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Statistics New Zealand (2014). [Tatauranga Umanga Māori: Statistics on Māori authorities](#). Available from [www.stats.govt.nz](http://www.stats.govt.nz).

Statistics New Zealand (2012). [Tatauranga Umanga Māori – consultation paper](#). Available from [www.stats.govt.nz](http://www.stats.govt.nz).



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## Appendix: Eligibility for Māori authority status

The following organisations are eligible for Māori authority status, as defined in section HF 2 of the Income Tax Act 2007:

- trusts and companies that administer Māori freehold land under Te Ture Whenua Māori Act 1993
- the Māori Trustee
- Māori trust boards
- Crown Forestry Rental Trust
- Te Ohu Kaimoana
- Aotearoa Fisheries Ltd
- trusts and companies that receive and manage fisheries assets allocated under the Māori Fisheries Act 2004
- trusts and companies that receive and manage assets of the Treaty of Waitangi settlement redress process.

See [IR483 'Māori authority election' form](#) for further details of each eligible type of organisation.