



# Māori business in Manawatū- Whanganui

**A brief update**

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# Introduction

This update provides a snapshot of Māori business activity in the Manawatū-Whanganui region, prepared by [Te Au Rangahau—Massey Business School's Māori business research centre](#), [Palmerston North City Council \(PNCC\)](#) and [Central Economic Development Agency \(CEDA\)](#).

We use official data from Stats NZ and provide commentary on what this means for the regional Māori economy. The data does not provide a full account of all Māori business, so the update should be read with this limitation in mind. Future updates will improve as data quality improves. We thank Andrew McLaren of Stats NZ for the provision of Māori business data. We've chosen to focus on Māori business data for the Manawatū-Whanganui region, which contains seven territorial authorities to provide a regional view. These figures pre-Covid-19. Māori enterprise counts will be affected by Covid-19.





# Māori Economic Development

## Māori economy

The Māori economy comprises “all entities and enterprises that self-identify as part of the Māori economy [including] collectively owned assets, or those arising from Treaty Settlements [ . . . ], Māori entrepreneurs active in individually-owned businesses and/or SMEs, as well as the contribution of Māori employees in terms of wages earned” (Nana et al., 2011, p. 6). Thus, the assets and income of Māori enterprise, is a major contributor to the Aotearoa New Zealand economy, but more importantly, is a contributor to the wellbeing of Māori and non-Māori.

While the latest estimate suggests Māori economic assets are now worth \$68.7 billion (Nana et al., 2021), a larger and more important question is how these assets are contributing to the wellbeing of Māori, the region and Aotearoa New Zealand generally.

# 68.7 billion

– latest estimate

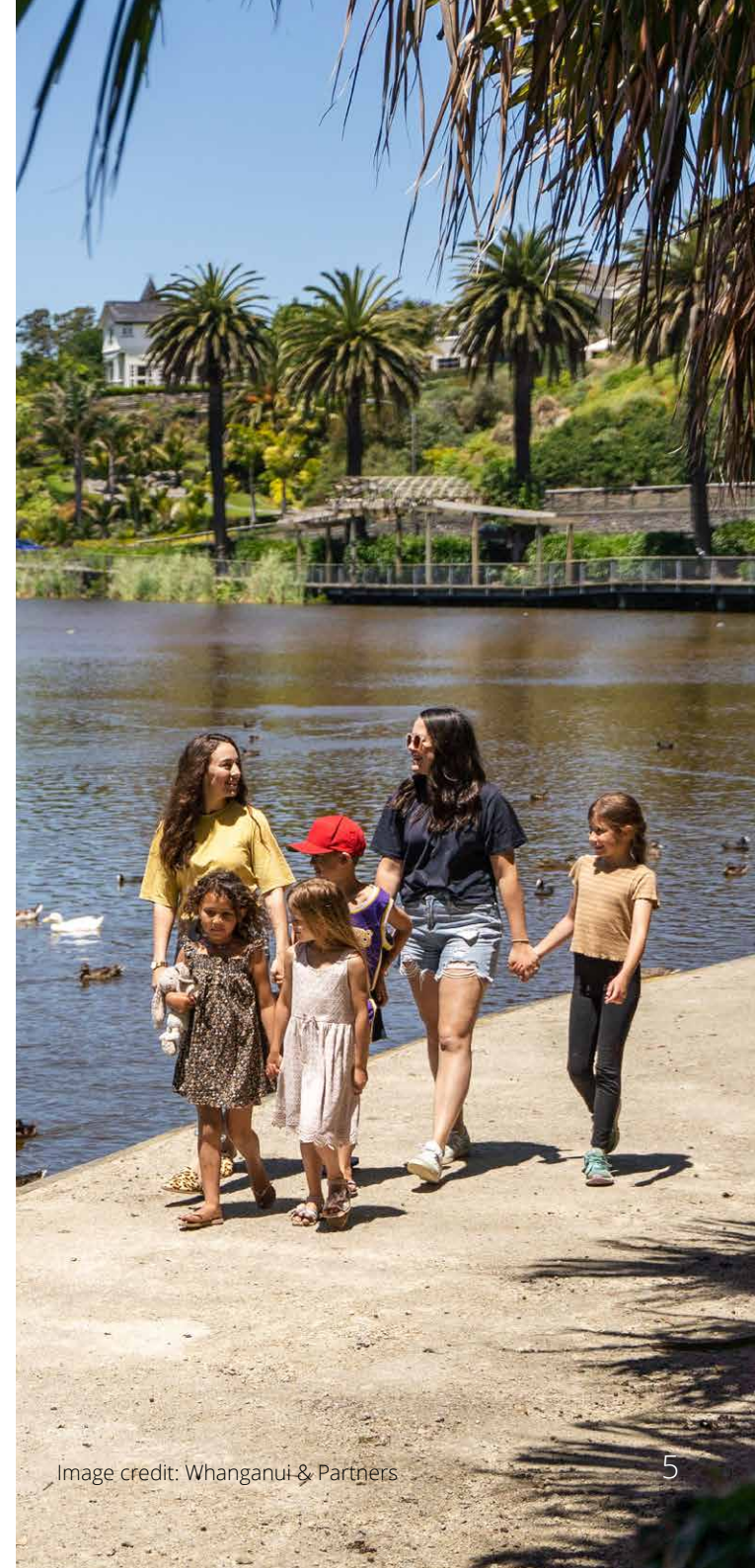
Māori economic data indicates Māori enterprise participate in many sectors, particularly the primary sectors of:

- fisheries;
- farming and forestry;
- small and medium enterprises;
- tourism;

and Māori providers in:

- health;
- social services;
- education.

With the slowing national economy due to Covid-19, the Māori enterprise provides an opportunity for economic renewal that the Māori economy can focus on, including in the regions, iwi, hapū, and whānau (Roskruge, 2020).



## Definition of Māori business

While there is some variation in understandings, we define Māori business as one which self-identifies as Māori, is 50% or more Māori owned, identifies with Māori values, and contributes to Māori wellbeing [Mika et al., 2019]. Currently, statistics on Māori business are not collected using such criteria. Instead, Stats NZ defines Māori business in a way that allows it to produce information within the system and data it has. This is changing with [Stats NZ](#) working to improve the quality of Māori business statistics. Meanwhile, Stats NZ identifies a Māori business as either a Māori authority or a Māori SME. Defining Māori business in this way triggers a Māori business flag on Stat NZ's Business Register, a list of all businesses in New Zealand, enabling a count of the number of Māori businesses to be made.

## Definition of Māori authority

Stats NZ (2019) defines 'Māori authority' as:

- Businesses with a collectively managed asset, 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);
- Commercial business that supports the Māori authority's business and social activities, and sustains or builds a Māori authority's asset base;
- Business that is at least 50 percent owned by a Māori authority

## Definition of Māori small and medium enterprise

Stats NZ (2019) define a Māori SME as a business or enterprise with the following characteristics:

- Business owner(s) define it as a Māori business;
- Not owned by another enterprise;
- Not a Māori authority;
- Has at least one employee (including any proprietor paid as an employee) and fewer than 100 employees.

# Māori Enterprise

## Māori enterprise: the national picture

Stats NZ (2019) report the following statistics for Māori enterprise nationally:

- There were 492 Māori small and medium enterprises (SMEs) in 2019 across a range of industries, 13% of them in the manufacturing industries.
- Māori SMEs exported \$202 million worth of goods, one-quarter of which was to Australia.
- Of the 1,200 Māori authorities about one-quarter were in the primary industries and one-third in the non-residential property.
- Māori authorities exported \$741 million worth of goods, almost half of which was kaimoana (seafood), with almost half of this exported to China.

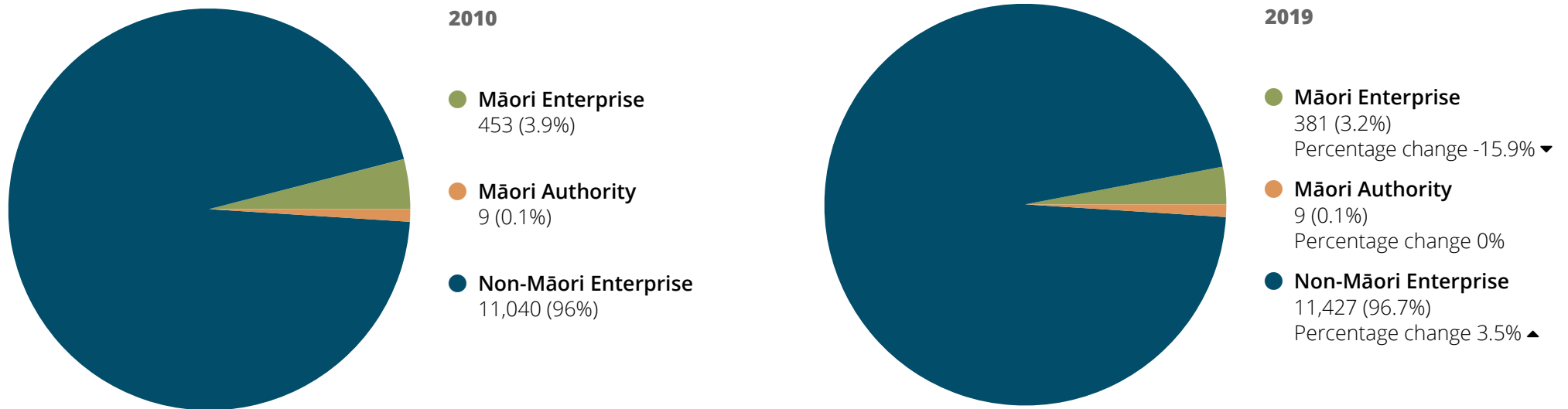




## Māori enterprise— Manawatū-Whanganui

In Manawatū-Whanganui in 2019, there were 105 Māori authorities and 1,116 Māori SMEs. Māori enterprises comprise fewer than 10% of all businesses in the region.

**Table 1 Business type in the Manawatū-Whanganui region, 2010 and 2019**



Source: Stats NZ



## Māori Enterprise

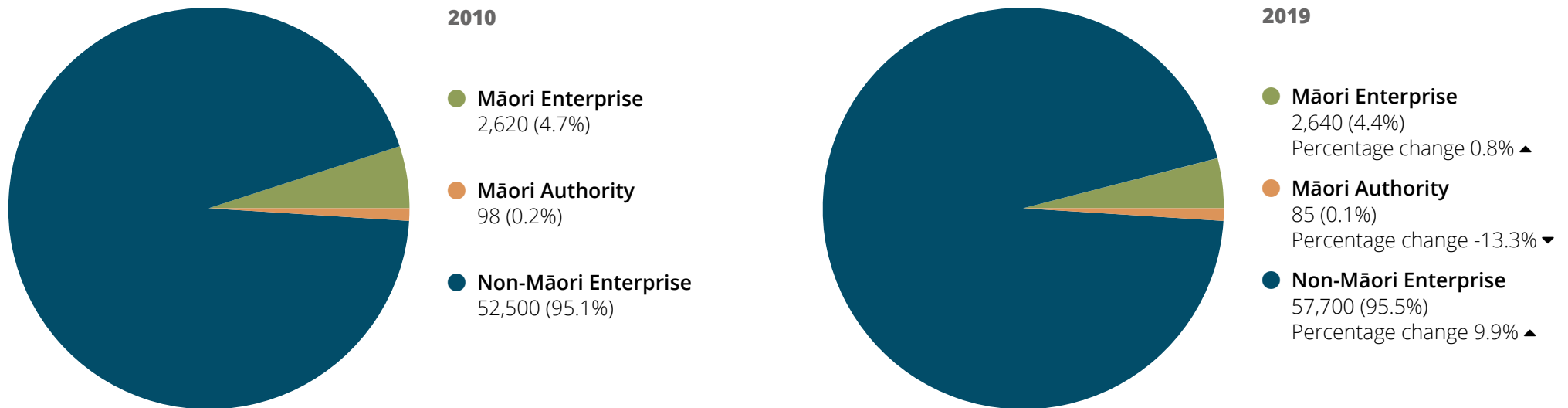
The number of Māori authorities in the region grew from 84 in 2010 to 105 in 2019. Employee numbers in these Māori authorities has also grown (from 342 to 349 employees, see Table 2), but is relatively small. Employee numbers in Māori SMEs are larger with 5,250 in 2019, but declined between 2010 and 2019 by 5.6%.

Māori in business and employee numbers have declined between 2010 and 2019. This might be due in part due to the high share of Māori in businesses operating in agriculture, forestry and fishing, with businesses in these sectors declining (from 351 in 2010 to 297 in 2019).

### Māori authorities in the region



**Table 2 Employees by business type in the Manawatū-Whanganui region, 2010 and 2019**



Source: Stats NZ

## Māori enterprise by industry

Table 3 shows that Māori enterprises in the region are concentrated in four sectors:

- Agriculture, forestry and fishing (324)
- Construction (147)
- Rental, hiring and real estate services (57)
- Professional, scientific and technical services (42)

The absence of Māori enterprise in many of the other sectors, may be a consequence of how Māori businesses are counted in the data.

**Table 3 Business Type by industry (ANZSIC level 1), 2019**

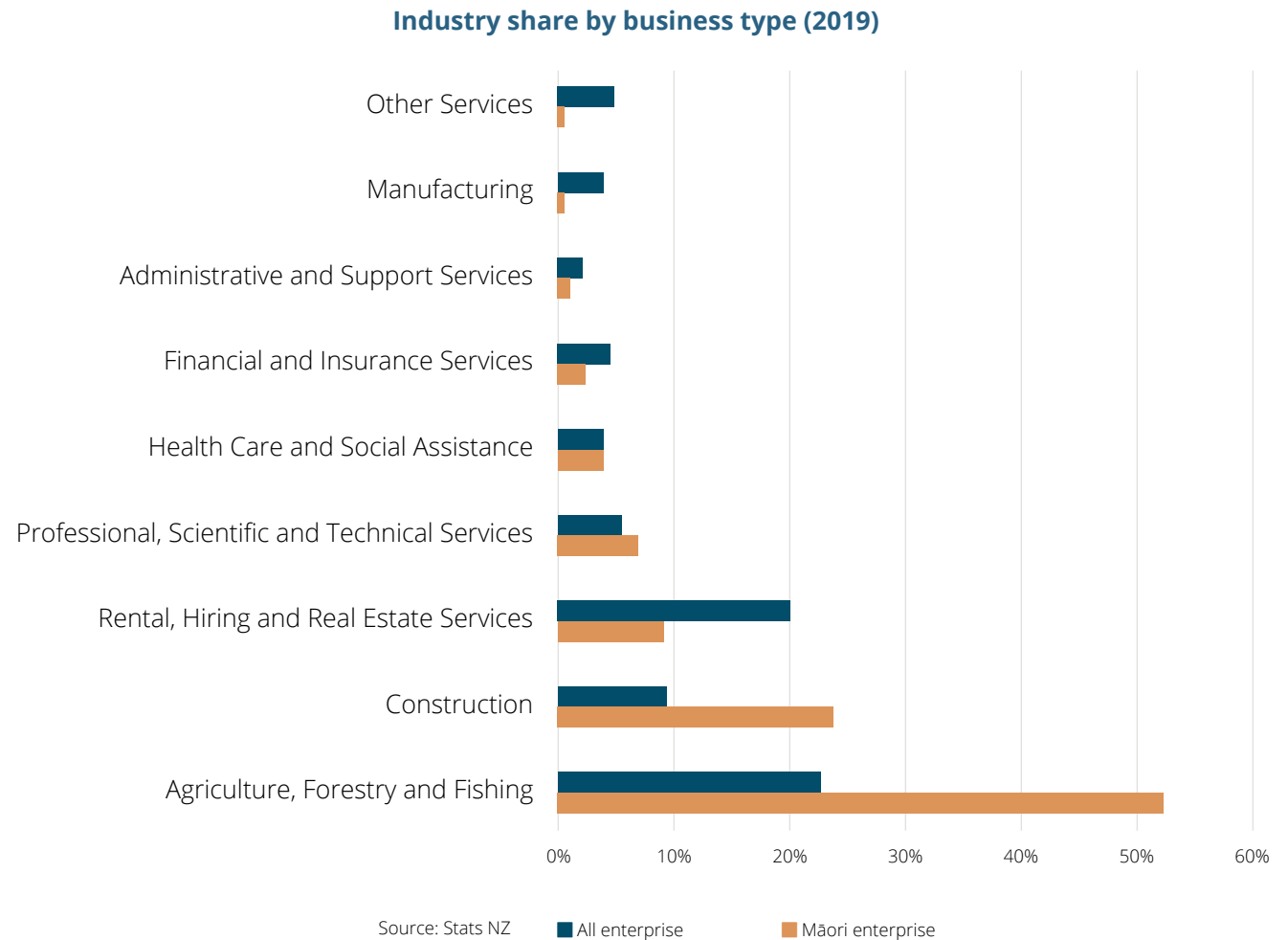
| Geographic units                                | Māori authority | Māori enterprise | Non-Māori enterprise |
|---|-----------------|------------------|----------------------|
| Agriculture, Forestry and Fishing               |                 | 45               | 1,689                |
| Mining  |                 |                  | 9                    |
| Manufacturing                                   | 3               | 0                | 510                  |
| Electricity, Gas, Water and Waste Services      |                 | 0                | 30                   |
| Construction                                    |                 | 48               | 1,131                |
| Wholesale Trade                                 |                 | 0                | 411                  |
| Retail Trade                                    |                 | 0                | 768                  |
| Accommodation and Food Services                 |                 | 0                | 480                  |
| Transport, Postal and Warehousing               |                 | 0                | 348                  |
| Information Media and Telecommunications        |                 | 0                | 66                   |
| Financial and Insurance Services                | 3               | 0                | 651                  |
| Rental, Hiring and Real Estate Services         | 3               | 0                | 2,490                |
| Professional, Scientific and Technical Services |                 | 39               | 858                  |
| Administrative and Support Services             |                 | 0                | 288                  |
| Public Administrative and Safety                |                 | 0                | 90                   |
| Education and Training                          | 0               | 0                | 270                  |
| Health Care and Social Assistance               |                 | 24               | 534                  |
| Arts and Recreation Services                    |                 | 0                | 198                  |
| Other Services                                  | 0               | 0                | 612                  |
| <b>Total geographic units</b>                   | <b>9</b>        | <b>381</b>       | <b>11,427</b>        |

Source: Stats NZ



Only the industries in which Māori enterprises are counted are included. In other words, any row with a 0 next to Māori authority and Māori enterprise is not included. Figure 1 shows that Māori are significantly more likely to be engaged in agriculture, forestry and fishing (52% of all Māori enterprises and 23% for all enterprises). Similarly, 24% of all Māori enterprises are engaged in construction compared with 9% of all enterprises. This suggests that Māori enterprises may be drawn to primary industries because of the nature of Māori land assets and construction because of the substantial Māori employment in this sector over time.

**Figure 1 Industry participation by business type—Māori and non-Māori enterprise**



# What We Can Do To Help

## Te Pae Tawhiti—Māori economic aspirations

Te Pae Tawhiti is the regional Māori economic development strategy for Manawatū-Whanganui for 2016-2040 (Mika et al., 2016). Its purpose was to provide direction and support for Māori to pursue economic development as Māori across the region. While being reviewed, the strategy is still indicative of Māori aspirations for economic development. The Te Pae Tawhiti vision focuses on realising Māori potential and enhancing Māori wellbeing and the position of Māori “as tangata whenua is valued” (Mika et al., 2016, p. 69). Te Pae Tawhiti focuses on Māori wellbeing across five areas:

- oranga tangata—human potential;
- oranga whānau—successful whānau;
- oranga whenua—thriving environment;
- oranga mauri—flourishing wellbeing;
- and oranga mō āpōpō—wellbeing of future generations.

The priority is to support Māori and iwi to be self-determining in their economic activity, and to partner with entities with whom Māori have shared values and interests. This includes appropriate, effective and inclusive support for iwi enterprise, Māori entrepreneurs, Māori business networks, and Māori providers in the region.

## Central Economic Development Agency

As the economic development agency for Palmerston North and Manawatū, CEDA supports the Māori economy as an integral element of the regional economy. CEDA recognises the Māori economy as part of an integrated entrepreneurial ecosystem, supporting Māori and iwi enterprise. Iwi in the wider region—Ngāti Kahungunu and Ngāti Raukawa—are about to enter into treaty settlements, which are likely to be significant for these iwi and their members in terms of helping restore tribal economies. CEDA supports Māori business to access enterprise assistance through its programmes and initiatives, including the Regional Business Partnership Programme.





### **Te Au Rangahau**

Te Au Rangahau was established in 2003 as a Māori business research centre within Massey Business to advance Māori aspirations for economic and enterprise development through research, teaching and engagement. Te Au Rangahau supports Māori economic development with research across four areas:

- whai mana (Māori entrepreneurship);
- whai pakihi (Māori enterprise);
- whai rawa (Māori economies);
- and whai hua (Māori development).

This research has practical, policy and educational benefits for Māori, supporting Māori enterprise development. Some examples of this include research into Māori business in the Manawatū, Māori marine-based enterprises, Māori agribusiness, and Māori tourism, among others.

### **Māori enterprise collaboration**

Collaboration is a key strategy Māori enterprises are using to achieve scale, value and impact in local and international markets (Joseph et al., 2016). Māori enterprise collaboration works well when there is a compelling reason for change, a shared strategy on how to collaborate, a 'backbone' organisation to support collaboration, and continuous and open communication. Iwi in other areas of New Zealand have built corporations and use unique branding and value propositions to connect with consumers overseas, a largely untapped opportunity in the Manawatū region (Karaitiana, 2020). Palmerston North and Manawatū have the opportunity to support Māori collaborations.

### **Māori enterprise productivity**

The New Zealand Productivity Commission (2021a) recently released a final report on its inquiry into the productivity of New Zealand's frontier firms. One of the commission's findings is that "Māori firms outperform other New Zealand firms on some dimensions associated with higher productivity and have unique features that support innovation" (New Zealand Productivity Commission, 2021b, p. 1). Their report identifies several ways in which government can grow Māori frontier firms, including better coordination of government engagement and support, leveraging Māori-Crown relationships, addressing Māori land development needs, improving access to capital, and better understanding Māori firms. Te Au Rangahau supports this analysis, but it requires local agencies like CEDA to work with Māori to define and give effect to appropriate entrepreneurial support (Vunibola et al., 2021).

# Conclusion

Māori enterprise is a growing sector of the regional economy, operating in sectors that generally reflect the region's pastoral heritage, with involvement in construction, property, science and professional services. Support for Māori enterprise to expand its participation in other sectors through innovation and collaboration should be part of the region's COVID-19 response. What we know about Māori business in terms of how well they are performing and what works for them is limited but growing (Vunibola et al., 2021). A more holistic definition of a Māori business is required, which will improve Māori business statistics and business support systems. This data suggest opportunities exist for Māori and non-Māori enterprises to partner in sectors where there are common aspirations, interests and assets for the benefit of the Māori and regional economies. As part of its strategic response to COVID-19, CEDA is working with Māori business to support them with advice and assistance to meet their needs and priorities. We support these efforts and look forward to the outcomes.





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