

Māori Economy, Science and Innovation

– potential opportunity and value

*presentation to Māori Economic Summit
05 May 2011*

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Headline

The opportunity

by 2060

- \$12bn extra pa in GDP from Māori economy
- 150,000 additional jobs pa in NZ economy
 - * over 50,000 in professions and 30,000 in skilled trades

The risk

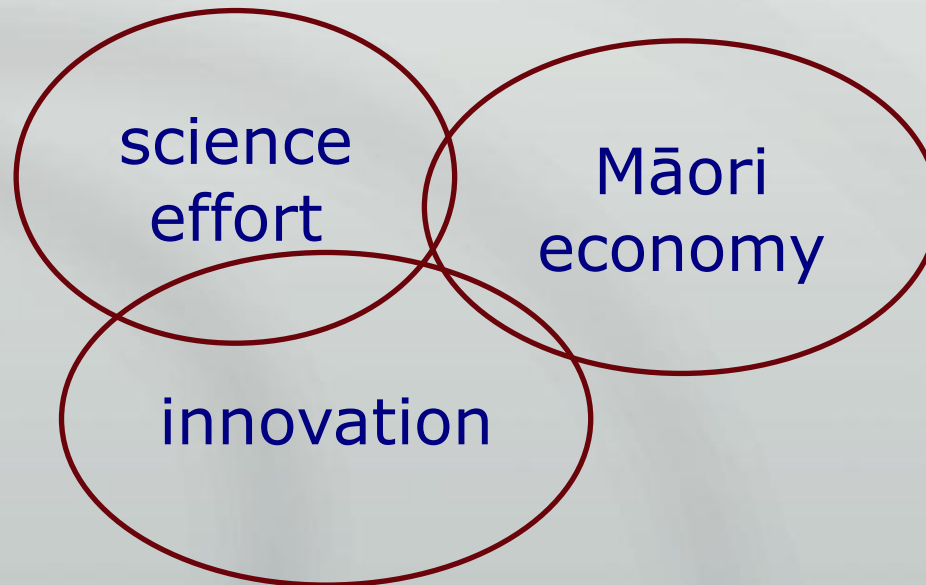
doing nothing could see by 2060

- 35,000 less jobs pa in NZ economy

NB: all values expressed in terms of 2010 \$s, with all figures representing the change on a baseline 'business as usual' projection of the New Zealand economy

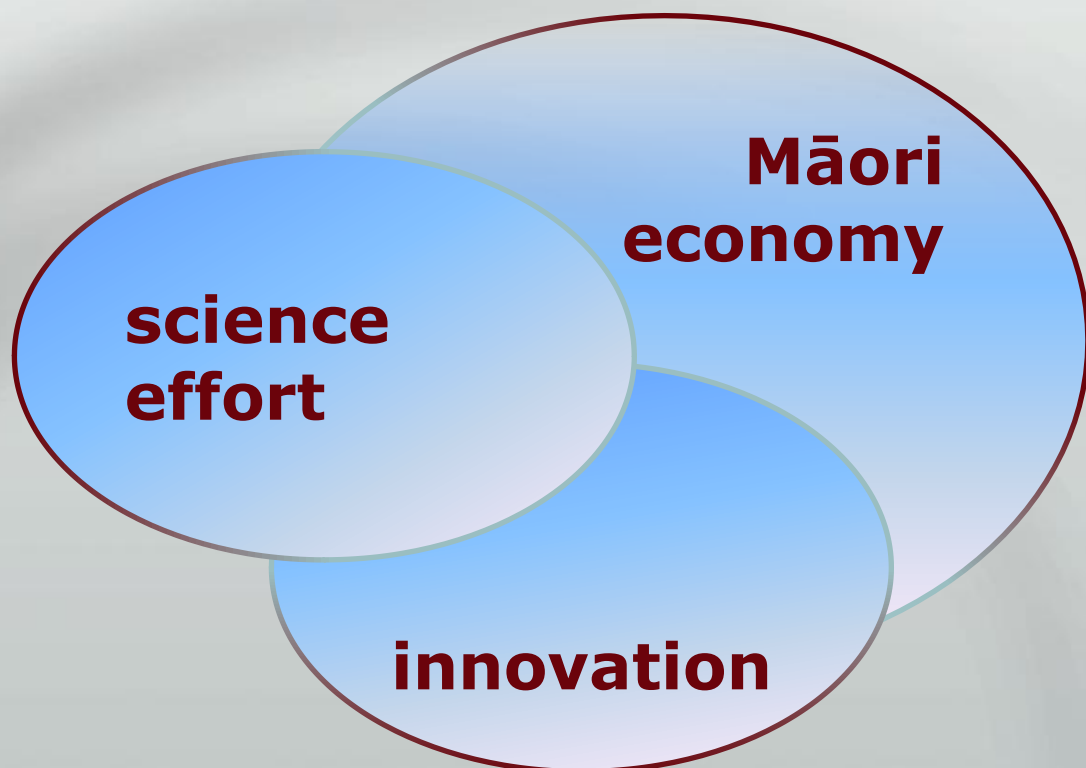
Project brief

Why this?



Project brief

Why not this?



**And, if so,
can we
quantify
potential
benefits?**

Issues, challenges

- information
- communication
- attitudes to risk
- governance and management structures
- capability and capacity

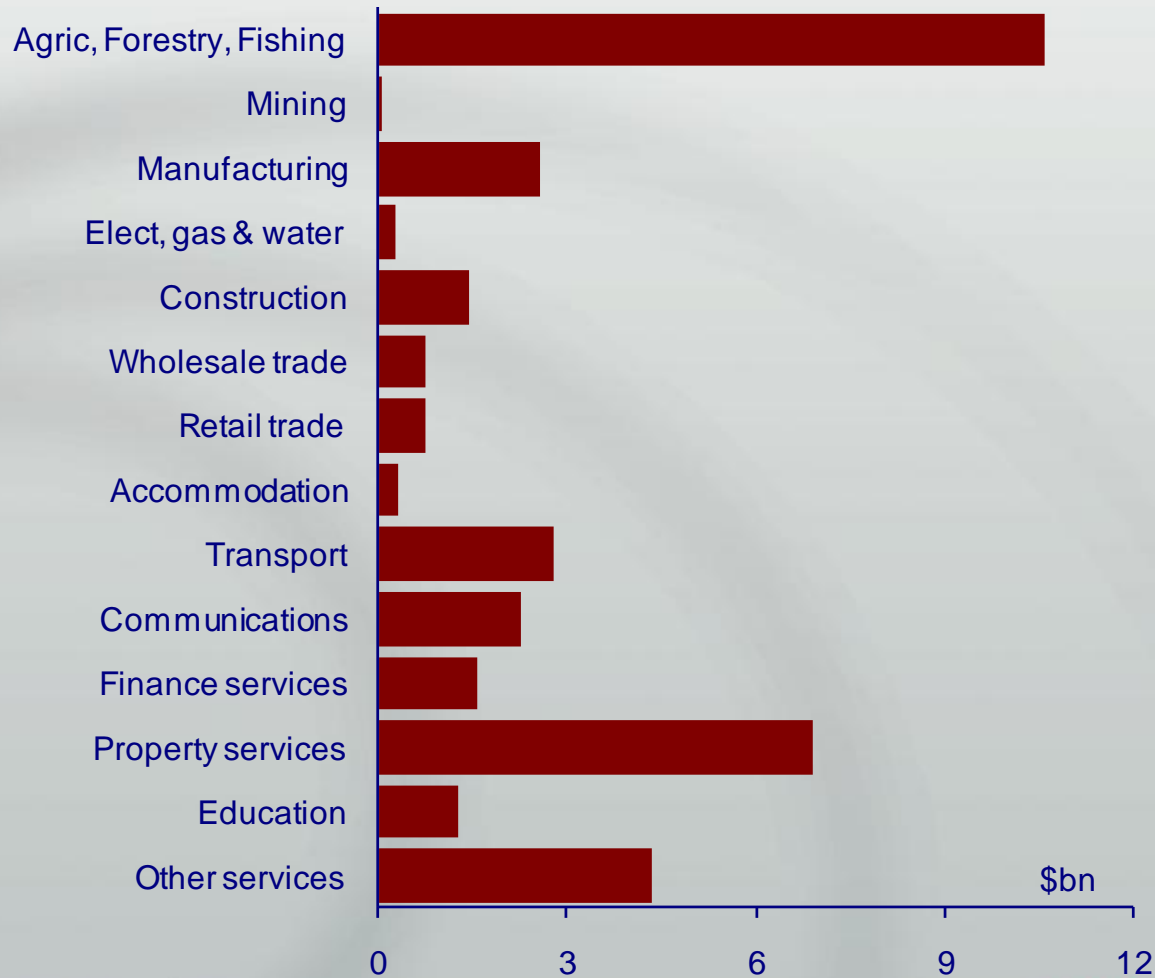
Asset base of 2010 Māori economy

- collectively-owned assets
- and businesses of self-employed and individual employers
- using more robust method and wider coverage than earlier estimates

Asset base of 2010 Māori economy

- total = \$36.9bn
 - * trusts & incorporations = \$4.0bn
 - * other Māori entities = \$6.7bn
 - * businesses of self-employed Māori = \$5.4bn
 - * businesses of Māori employers = \$20.8bn

Asset base of 2010 Māori economy by industry

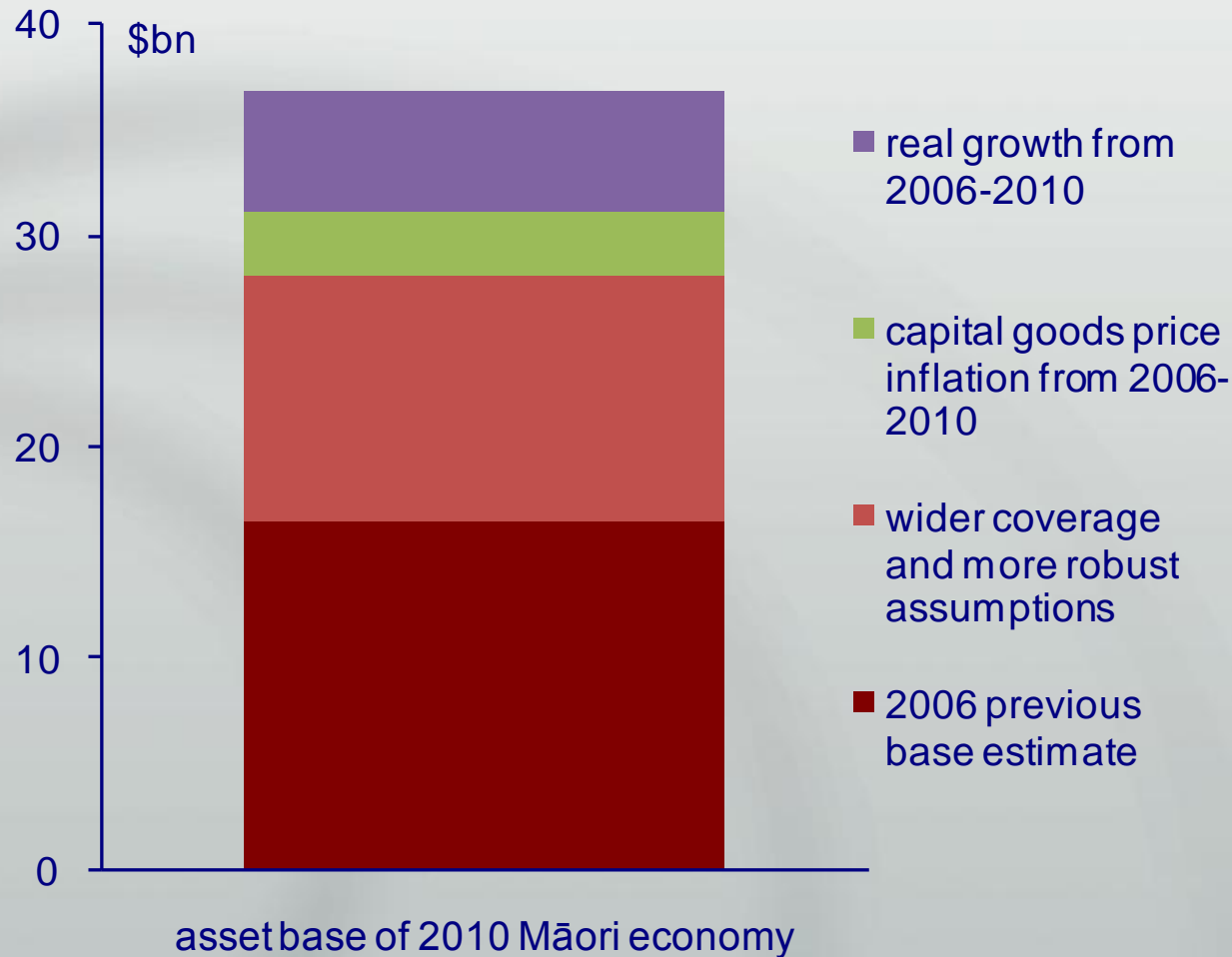


Growth in asset base 2006 to 2010

- from \$16.4bn in to \$36.9bn
- increase of \$20.5bn due to:
 - * wider coverage and more robust assumptions: \$11.6bn
 - * price inflation: \$3.1bn
 - * real growth: \$5.7bn
- = real growth of 18%, or 4.3%pa

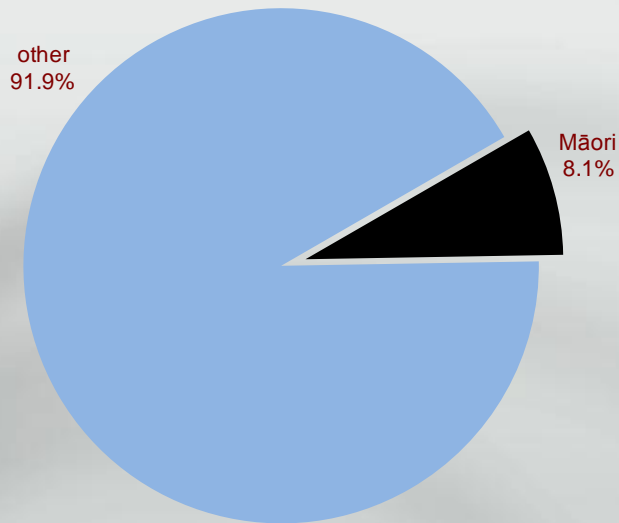
Comparability with 2006 estimate

Or, accounting for 2006-10 growth

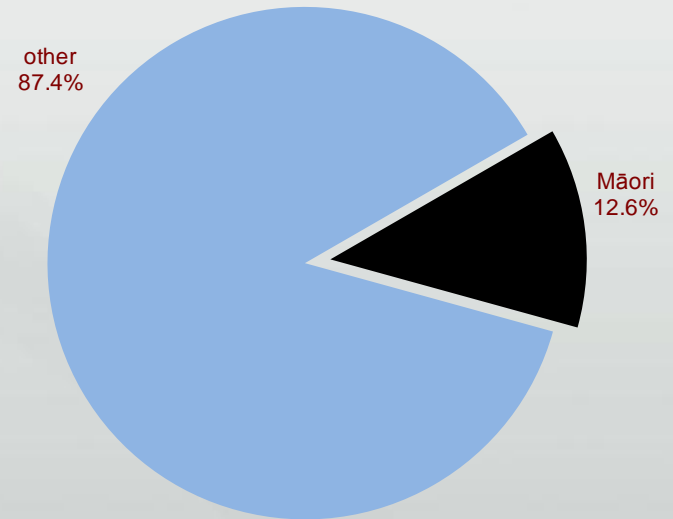


Different dimensions of Māori economy

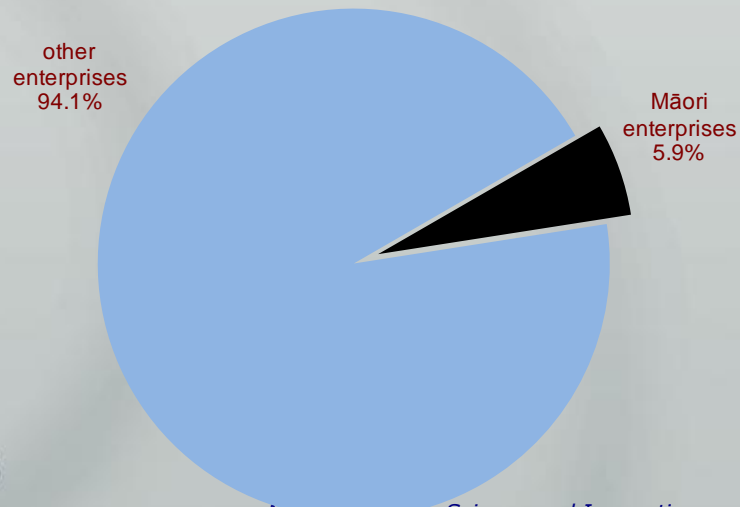
INCOME GDP



EXPENDITURE GDP



PRODUCTION GDP



\$10.3bn out of
NZ total of \$187bn

The 2010 workforce

	Employers	Self-employed	Employees
Māori	5,690	12,920	200,298
Non-Māori	109,140	202,360	1,388,490
<i>Māori as % of total</i>	4.9%	6.0%	12.6%

The future Māori economy

Scenarios tested

- **Production focused** – productivity improvements in all sectors of Māori economy
- **Export focused** – increase in export volumes and sales due to innovation of sales/marketing of goods and services from Māori economy
- **RS&T investment increased** – but obstacles to application and commercialisation remain
- **Do-nothing** – productivity of asset base erodes as maintenance efforts lapse

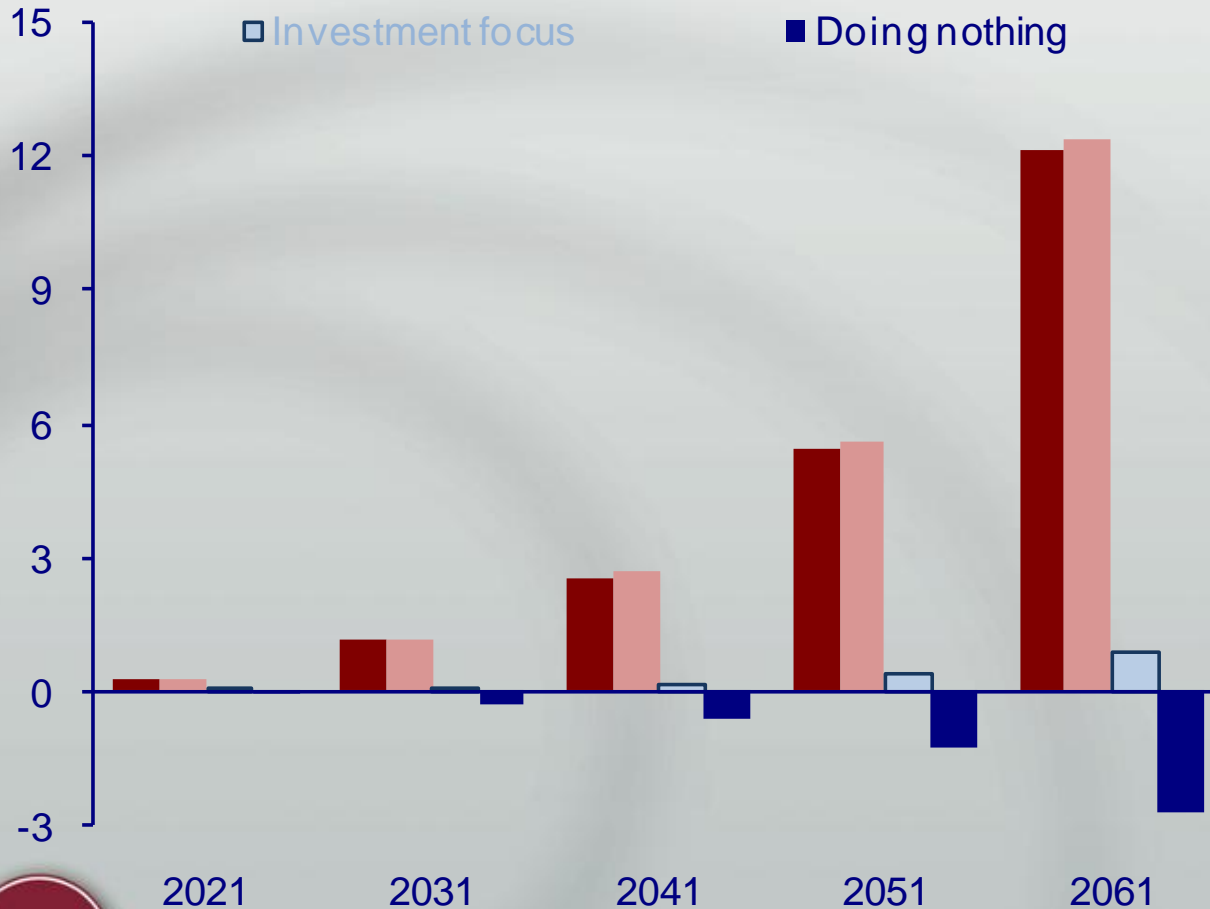


Scenario comparison

change in Māori GDP compared to baseline

2010 \$bn

- Increased productivity
- Improved export effort
- Investment focus
- Doing nothing



In 2061 cf baseline

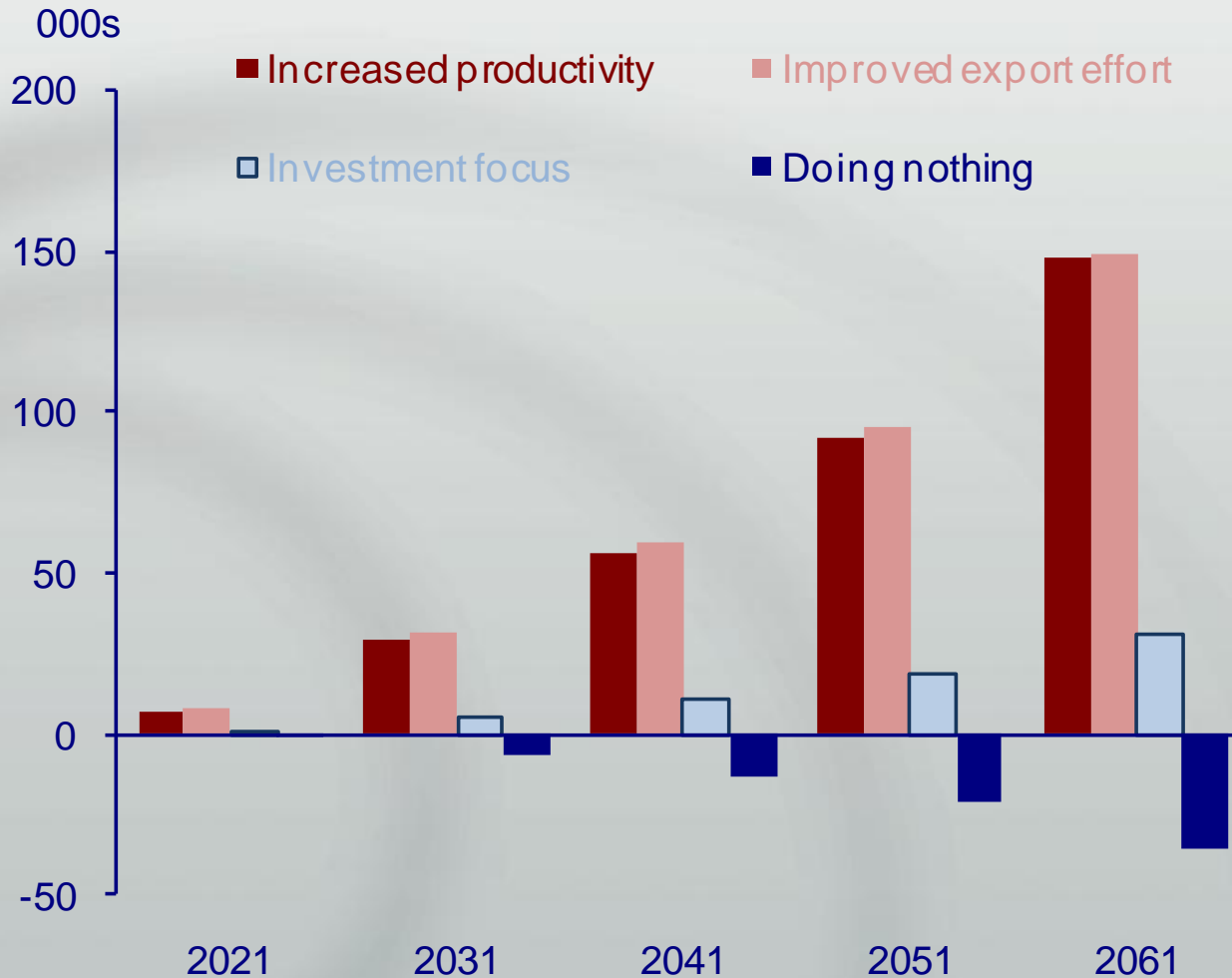
- +21% Māori GDP
- +22% Māori GDP
- +1% Māori GDP
- -5% Māori GDP



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Potential benefits and opportunity costs difference in JOBS compared to baseline



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Key findings

- compelling evidence of step change opportunity
- gain to NZ, as well as to Māori economy
- requires more than just investment
- **communication and behaviour change** necessary
- need **genuine relationship** between scientists, innovators and Māori entrepreneurs
- **collaboration and leadership** potentially central
- long-term development of skills and capabilities of workforce critical

So, what now?

- agree to tackle challenges to build genuine two-way relationships
- lead and foster behaviour and mindset change – backed up by informed analysis
- commit to long term
- note 'do nothing' option is too risky

Last words

- asset base measure is only part of story
- **use of** asset base is critical
- increasing performance of, and **income from**, Māori economy is necessary to ensure
 - * protection of asset
 - * improved opportunities, jobs and incomes for Māori (and non-Māori)
 - * development and kaitiakitanga of cultural, social, community and environmental assets and values of Māori and all New Zealanders

