



economics

Report for:
Te Rūnanga ā Iwi O Ngāti Kahu

**ASSESSMENT OF ECONOMIC IMPACT
OF NGĀTI KAHU LAND LOSS TO 1865**

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Assessment of economic impact of Ngāti Kahu land loss to 1865

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1 Economic impact of Ngāti Kahu land loss

This report has been prepared for Te Rūnanga ā Iwi O Ngāti Kahu to assess the economic loss suffered by Ngāti Kahu as a result of Crown actions or omissions up to 1865, the loss having as its main cause the separation of Ngāti Kahu from their lands.

We have used as our measure of the loss of land up to 1865 that quantum of land described by the client, as submitted in the 13 July 2012 Brief of Evidence of Margaret Shirley Mutu. As noted in paragraph 13 of Professor Mutu's Brief, this recorded loss totals 293,328.5 acres. We have subsequently been advised that, on review, the correct figure of recorded loss is 249,443.5 acres.

This quantum is the total of Ngāti Kahu land seized in their rohe in the period up to 1865. We are advised that for the purposes of the Wai 45 remedies hearing, the Waitangi Tribunal has decided on a remedies hearing area for the determination of resumption orders that is more restricted than the actual Ngāti Kahu rohe. Accordingly, some of the land blocks in which Ngāti Kahu have mana whenua are outside the remedies hearing area and not available for resumption. However, that is not relevant to this report which is based on the prejudice that Ngāti Kahu has suffered and continues to suffer by the recorded loss of 249,443.5 acres of their land by 1865.

The fundamental economic components of the recorded loss are:

1. the loss of capital value of the land seized up until 1865 for limited "consideration"
2. the loss of the flow of incomes from those lands since 1865.

The quantum of the economic loss will be assessed using a number of approaches. This analysis will be based upon the definitive information on recorded land lost, as provided by the Client. The present figure indicated is 249,443.5 acres of recorded Ngāti Kahu land lost at 1865. The actual level of the recorded "consideration" paid for lands over the period 1856 to 1865 will be noted and incorporated in the analysis. The "consideration" paid will be compared with the land values at that time and the difference (shortfall) noted.

The most important analyses will be the assessment of the streams of income from that time until the present. These streams will be analysed using a number of scenarios as to the ability or otherwise of Ngāti Kahu to continue to generate incomes subsequent to the loss of land. The scenarios will estimate a present value of the economic loss. These can be compared with the present value of lands in the rohe.

1.1 Value of land seized

We have used information from the New Zealand Official Year Book (numerous issues from 1892 to 1956), to calculate the average value of unimproved¹ land in the Mangōnui County at various dates in the past. These are listed in Table 1.1.

Table 1.1 Value of unimproved land in Mangōnui County

Year	£ per 100 acre		
1840	12.93	£ 12	18s 7.1d
1865	15.31	£ 15	6s 2.3d
1878	17.81	£ 17	16s 1.3d
1891	21.58	£ 21	11s 6.7d

Using these figures, the total 249,443.55 acres (100,944.8 hectares) of land would have been valued at:

- £ 32,252 in 1840
- £ 35,936 in 1856
- £ 38,189 in 1865
- £ 44,414 in 1878
- £ 53,825 in 1891.

1.2 Compound value of loss at 1865

Taking these values and noting the “consideration” provided for the Crown’s acquisitions, as listed in the Table 1.2, it is clear that there was a significant loss imposed on Ngāti Kahu. From Table 1.2, the implied average “consideration” paid by the Crown over the 1840 to 1865 period is calculated at £ 2 17s 9.1d per 100 acres. This is clearly well below the average value of unimproved lands in the area at any date over this period.

Depending on the date of land loss, we have calculated the shortfall between the “consideration” and the calculated value of the land. This shortfall for each of the land blocks is listed in Table 1.2².

¹ Unimproved value (or land value) is the value of the land excluding any improvements (such as buildings or other structures) that are present on the land. Unimproved value includes, “any development work which may have been carried out, such as, draining, excavation, filling, retaining walls, reclamation, grading, levelling, clearing of vegetation, fertility build-up, or protection from erosion or flooding.” (ref Quotable Value Limited).

² In the 6th column - headed “Shortfall at date of land loss”.

Table 1.2 Ngāti Kahu land loss to 1865

	Date of loss	Acres	"consideration"	Value at date of land loss	Shortfall at date of land loss	Value of shortfall compounded to 1865
			£	£	£	£
Pre-Treaty transaction						
Brodies Creek/Kauhoehoe	1840	947	0	122	122	256
Mangatete	1840	466	0	60	60	126
Matako	1840	1,183	0	153	153	320
Parapara, Raramata and Te Mata	1840	1,748	0	226	226	473
Taipā	1840	41	0	5	5	11
Kohikohi	1840	350	0	45	45	95
Māheatai	1840	120	0	16	16	32
Western Division - Kaitāia-Kerekere	1840	16,199	0	2,094	2,094	4,385
Kaimaumau	1840	225	0	29	29	61
"Surplus" land and scrip						
Brodies Creek/Kauhoehoe	1840	379	0	49	49	102
Mangatete	1840	4,880	0	631	631	1,321
Parapara, Raramata and Te Mata	1840	5,229	0	676	676	1,416
Māheatai	1840	167	0	22	22	45
Western Division: Kaitāia-Kerekere, Ōtararau, Ōhotu, Waiokai, Ōkiore, Awanui, and Warau/Matako	1840	15,966	0	2,064	2,064	4,322
Waikainga	1840	640	0	83	83	173
Hemu No. 1	1840	640	0	83	83	173
Kapanga	1840	1,542	0	199	199	417
Oparera	1840	303	0	39	39	82
Hemu No. 2	1840	242	0	31	31	66
Ruatorara	1840	1,482	0	192	192	401
Crown acquisitions 1840-1865						
Waikiekie	1856	35	5	5	0	0
Ōtengi	1857	2,722	230	395	165	209
Hikurangi	1861	4,705	250	701	451	508
Toatoa	1865	3,863	386	591	205	205
Waiake	1859	6,942	220	1,021	801	956
Puheke	1859	16,000	300	2,352	2,052	2,450
Mangatete	1862	11,125	509	1,669	1,160	1,268
Taunoke	1864	44	5	7	2	2
Kaiaka	1865	7,367	1,114	1,128	14	14
Waimutu	1864	79	39	12	-27	-28
Maungataniwha West No. 2	1863	11,002	560	1,662	1,102	1,169
Maungataniwha West No. 1	1863	12,940	647	1,954	1,307	1,387
Maungataniwha East	1862	8,649	388	1,298	910	994
Upper Kohumaru	1859	11,062	400	1,626	1,226	1,464
Ōhinu	1859	2,703	100	397	297	355
Poneke	1864	345	43	52	9	10
Ōrūrū	1856	14,700	350	2,118	1,768	2,306
Mangōnui	1863	22,000	100	3,323	3,223	3,419
Kaiawe	1859	1,375	58	202	144	172
Wharemaru	1859	13,555	400	1,993	1,593	1,902
Muriwhenua South	1859	43,000	1,100	6,322	5,222	6,235
Ruatorara	1842	2,482	0	325	325	642
Total land loss		249,444				
Total value of land loss compounded to 1865						39,919

The largest shortfall (by value) was £ 5,222, relating to the Muriwhenua South block, representing a shortfall of 83% of the value of this land at the 1859 date of loss. The next largest shortfall related to the 22,000 acre Mangōnui block. The “consideration” paid of £ 100 was some £ 3,223, or 97%, short of its value at the time of its acquisition by the Crown in 1863. Note that this calculation is based on, as specified earlier, the *average* value of unimproved land in the area.

To accumulate all the losses to a common year, we compound the losses over the period between the date of the loss and 1865 by the yield at the time on British Government gilts (Consols) of 3% per annum. We adopt this rate as a conservative measure of the rate of return on investments at the time. Note that such gilt investments, being long-term British Government bonds, are regarded as being a form of investment that incurs the lowest possible risk.

This calculation finds a total shortfall³, measured as at 1865, of **£ 39,919**. This is listed in Table 1.2.

Comparing this figure to the calculated 1865 value of the land of £ 38,189, as noted above, we assess that the compounded total of the shortfall to 1865 amounted to some 104% of the 1865 value of Ngāti Kahu land seized.

1.3 Value of capital loss to 2011

The economic value of the loss to the present is the opportunity cost, or the value of the opportunities that were lost due to the seizure of Ngāti Kahu land. In other words, the opportunity cost is equivalent to the value of the asset which Ngāti Kahu would now have, had their land not been seized for limited “consideration”.

The economic value of the loss, in turn, depends upon the assumption made as to the possible counterfactual outcomes had the land not been seized for limited “consideration” (i.e. what outcomes could have occurred).

The three scenarios that we have chosen to illustrate credible outcomes are

1. that the land was sold by Ngāti Kahu for its full value, and the additional value gained, namely the **£ 39,919** at 1865 was put on deposit, or in low-risk, long-term government bonds from that time until the present.

³ Note, it is not appropriate to express the total shortfall as the sum of 6th column of Table 1.2. The figures in the 6th column (headed “Shortfall at date of land loss”) are values applying to different dates and so should not be added together.

2. that Ngāti Kahu retained beneficial ownership of the land but that the Crown had designated it as Māori “Reserve Lands” under one or other of the various Native Reserves Acts being enacted in this period, and so Ngāti Kahu retained beneficial ownership only of the unimproved value of the land; that is, everything below the roots of the grass.
3. that Ngāti Kahu retained full ownership of the land; and the development of the land and properties in the rohe proceeded in much the same way as they have under alienated ownership, so that Ngāti Kahu would now own the full capital value.

1.3.1 Scenario 1: Ngāti Kahu placed land value on deposit

The additional value which Ngāti Kahu would have received had the land been sold at full value would have accumulated an additional sum of £ 39,919 by 1865. If Ngāti Kahu then invested these funds in low risk British Government gilts the total value accumulates to

- £ 333,049 in 1945.

Post 1945, if this the capital sum was transferred to the New Zealand long-term (10-year) government stock (at rates listed, initially, in NZ Official Year Books and, latterly, from Reserve Bank Bulletins and web-site information), the total value accumulates to

- \$ 63,209,977 in 2011.

This figure is calculated assuming that a sum equivalent to the shortfall is deposited in British Government gilts from the date of loss (as per Table 1.2) to 1945. Annual interest that is earned on this investment is re-invested in a similar deposit to 1945. From 1945, the investment is transferred to New Zealand Government long-term 10-year stock. Annual interest is similarly re-invested over the period 1945 to 2011.

These assumptions are made in the absence of more readily available detailed information as to alternative investment options over this period of time. The assumptions are consistent with a highly conservative approach to the valuation of lost opportunities.

Therefore in this scenario, which presupposes that Ngāti Kahu sold the land for full value and received minimal return as a low risk deposit, or investment, the value of the loss in 2011 is \$63 million.

1.3.2 Scenario 2: The land became Reserve Land, Ngāti Kahu retained ownership

This second scenario outcome is a possibility because the Crown was designating Māori owned land as “Reserve Lands” under one or other of the various Native Reserves Acts

being enacted in this period⁴. As reserve lands the unimproved value (namely ‘everything below the roots of the grass’) was reserved to Māori. The intention was that the income from the reserve lands would be returned to the Māori owners.

We have estimated the value of the unimproved interest in this land at 2011. Using Quotable Value Limited data on unimproved value of rural land in Census Area Units 500202⁵ and 500208⁶, we find that this land had an unimproved value in 2011 of

- \$307 million in 2011 on the basis of unimproved value.

This figure incorporates assumptions that are consistent with a conservative approach to valuing lost opportunities. In particular, all the land is valued at the unimproved value of rural land.

Given the development opportunities that have arisen in the area over the past couple of decades, there is an arguable case that some blocks of the land loss could be valued as unimproved residential land (or even unimproved lifestyle blocks). Such assumptions would have resulted in a higher figure for the loss. However, to support the inclusion of such assumptions would have required more detailed information on the opportunities that would have been available. In the absence of readily available detailed information on these opportunities, it was decided to retain the conservative approach to valuation of loss.

Thus, given the assumptions adopted in this scenario, the loss of value experienced by Ngāti Kahu is estimated at \$307 million.

1.3.3 Scenario 3: Ngāti Kahu retained ownership and developed the rohe

This scenario assumes that Ngāti Kahu retained full ownership of the land, and thus the development of the properties. The development of the rohe is expected to have proceeded in much the same way as it has under alienated ownership.

We have estimated the total capital value of this land at 2011. Using Quotable Value Limited data on the capital value of rural land in these Census Area Units, we find that this land had a capital value in 2011 of:

- \$380 million in 2011 on the basis of capital (improved) value.

⁴ For example, the Native Reserves Act 1856, and, subsequently, Māori Reserved Land Act 1955. As noted in a note prepared by Te Puni Kōkiri, “There were many different Acts relating to Māori reserved land such as the South Island Native Reserves Act 1883 and the Westland and Nelson Natives Reserves Act 1887.” *Rent Reviews of Māori Reserved Lands*, prepared by Te Puni Kōkiri for the Māori Affairs Committee, 18 May 2011.

⁵ Karikari Peninsula-Maungataniwha

⁶ Motutangi-Kareponia

We note that the use of the capital value of rural land implies that in this scenario the land continues to be used for rural purposes. Again, this is a relatively conservative assumption, noting our earlier comments as to the possibility of residential or lifestyle options.

Therefore, in this scenario, Ngāti Kahu loss of capital value now compared with had they been allowed to retain ownership and develop the land themselves is estimated at \$380 million.

1.3.4 Summary of capital loss

However, the value of the economic loss suffered by Ngāti Kahu will be higher than the figures shown here of capital loss in the three scenarios. These capital losses were

- \$63 million had Ngāti Kahu received full value for the land and invested in low-risk bonds
- \$307 million had Ngāti Kahu been allowed to retain the beneficial interest in only the unimproved value of the land
- \$380 million had Ngāti Kahu been permitted to retain ownership of the land and participate in its development.

The economic loss to Ngāti Kahu includes not just the present capital value of loss, but also the stream of lost annual income from their interest in the land asset. These annual income losses are covered in the following section.

1.4 Annual income losses

The annual income losses over the period from 1865 to the present vary according to the counterfactual outcome that would have played out. These are represented by the three scenarios described above, and the income streams, and other economic outcomes will be described for each.

1.4.1 Scenario 1: Additional value invested in bonds

Had Ngāti Kahu made the decision or been permitted to sell the land at full value, under Scenario 1 we have assumed that the annual income from the interest earnings of the bonds was re-invested. Therefore the total value in 2011 includes the accumulated income between 1865 and 2011 from the bonds.

1.4.2 Scenario 2: Ngāti Kahu rentals from Reserve Lands

If Ngāti Kahu land had been designated Reserve Lands, as Reserve lands the unimproved value was reserved to Māori. The intention was that the income would be returned to the Māori owners. However the income was generated from leasing the land to others, mainly

settler farmers. These leases were made in perpetuity, and had rentals prescribed at a low percentage of the unimproved value of the land. The leases provided for review of the unimproved value every 21 years. While specific rental rates varied, a representative rate was 5% of the unimproved value. However, in various enquiries and submissions⁷ on the issues in recent decades, it has been shown that, because of the long, 21 year review period, the actual return per annum averaged under 2%.

This annual income of under 2% of the unimproved value may have been little more than the returns on deposits in Scenario 1. However, at present under the revised Reserve Lands Act that provides for termination of leases, and shorter rent review periods, the annual income is likely to average over 5% of the unimproved value of the land.

The income loss for the 2011 year would therefore be of the order of 5% of the unimproved value, of \$307 million. This is an annual income of **\$15.3 million** per year.

1.4.3 Scenario 3: Ngāti Kahu owned the land 1865 to 2011

This scenario assumes that Ngāti Kahu retained full ownership of the land, and thus the development of the properties. The development of the rohe is expected to have proceeded in much the same way as it has under alienated ownership and the income and all of the economic benefits would have accrued to Ngāti Kahu. The losses under this scenario therefore include annual income and development benefits (including employment) that would have arisen from iwi, hapū, and whānau members fully participating in economic activities based on their lands.

Were Ngāti Kahu to have retained ownership of their lands and fully participated in economic activities consistent with those in the surrounding areas, we estimate annual income in the form of GDP (i.e. wages, salaries plus gross surplus) as follows

- using the BERL regional database, GDP for the Northland Region in 2011 from the Agriculture industry totalled \$313 million.
- Statistics New Zealand Agriculture Survey estimates the area farmed in 2011 in the Northland Region totalled 776,102 hectares.
- this implies an average GDP per hectare of just over \$403 in 2011.

⁷ P. Trapski, G. Kirby, and R. Cooper, *Report of the Reserved Lands Panel 1993 (The Trapski Report)*, Te Puni Kōkiri, 1994.

Also as noted in Te Puni Kōkiri, 18 May 2011: "Under the 1955 Act leases were continued with a right of renewal in perpetuity. The leases were perpetually renewable every 21 years and annual rentals fixed at 5% of the unimproved value ... for rural land and 4% for urban land."

Applying this average GDP income to the Ngāti Kahu land loss to 1865 of 100,944.8 hectares, results in an income loss for the 2011 year of **\$40.7 million**.

This annual loss in 2011 of \$41 million is only the last of the losses over the years.

Accumulated loss in GDP income

We have been able to estimate the accumulated loss in incomes or GDP by projecting back from the present GDP figure to those in the years 1865 to 2011. We have estimated these numbers by assuming an average rate of *real*, i.e. inflation-adjusted, productivity gain (in terms of increases in *real* GDP income per hectare) of 1% per annum over the period. The stream of GDP losses, expressed in inflation-adjusted 2011 money estimated by this method can be summed to give the total of incomes lost, expressed in the same 2011\$.

This calculation results in an estimate of the loss in GDP income over the period 1865 to 2011, expressed in real 2011\$, totalling approximately **\$3,159 million, or \$3.2 billion**.

This is the indicative figure of the total GDP that would have been generated by Ngāti Kahu consequent on Ngāti Kahu being a fully participating member of land-based economic activity in their rohe.

2 Value of land available by way of resumption

We have been provided with summary details of land equating to approximately 6,380 hectares that is available by way of resumption and were asked to provide an indicative valuation of this land.

Using information from map Wai 45, #R13a and the accompanying table #R13b, we note that the available blocks

- in Cable Bay (map IDs 4 to 23) total approximately 2.88 hectares.
- in Mangōnui (map IDs 24 to 87) total approximately 26.43 hectares.
- in Kaitaia (map IDs 108 to 120) total approximately 1.56 hectares.

To indicate the value of this land, we use Quotable Value Limited data on the unimproved value of land in 2011, as follows.

- the blocks in Cable Bay and Mangōnui are valued using the unimproved value of residential land in Census Area Unit 500203⁸, which is \$1,988,252 per hectare.
- the blocks in Kaitaia are valued using the unimproved value of residential land in Census Area Unit 500302⁹, which is \$491,465 per hectare.
- the remaining approximately 6,349 hectares are valued using the unimproved value of rural land in Census Area Unit 500202¹⁰, which is \$3,049 per hectare.

Consequently, we assess an indicative 2011 value of the approximately 6,380 hectares available by way of resumption, in terms of its unimproved value, to be **\$78 million**.¹¹

We note that this \$78 million total is significantly below the 2011 unimproved value of \$307 million of Ngāti Kahu land loss to 1865 as calculated in sub-section 1.3.2 above.

⁸ Taipa Bay-Mangōnui.

⁹ Kaitaia East.

¹⁰ Karikari Peninsula-Maungataniwha.

¹¹ We note that this valuation is based on a 2011 “open market” valuation, that is, assuming a willing buyer and a willing seller. Where this assumption is not the case (for example, where there are restrictions to an “open market” sale) the valuation is likely to be lower than that stated.

3 Summary

The value of land losses to 1865 suffered by Ngāti Kahu are significant, noting the minimal “compensation” proffered at the time by the Crown.

We estimate the shortfall, between the “compensation” and the value of the land loss, totalled £ 39,919 in 1865. This was equivalent to 105% of the 1865 value of the 249,443.5 acres of loss.

3.1 Capital loss

Depending on the assumption as to the counterfactual, we assess the capital loss suffered by Ngāti Kahu, measured as at 2011, to total

- \$63 million, assuming the land was sold by Ngāti Kahu for full value and the funds invested in low risk, long-term Government bonds.
- \$307 million, assuming Ngāti Kahu retained ownership of the unimproved interest on the land.
- \$380 million, assuming Ngāti Kahu retained full ownership and developed the land accordingly.

In comparison, the indicative unimproved value in 2011 of the approximately 6,380 hectares available by way of resumption is \$78 million.

3.2 Annual income loss

In the counterfactual scenarios where Ngāti Kahu retained ownership of the lands, there would also have been income flowing to Ngāti Kahu from the economic use of these assets. Consequently, we assess the loss in annual income in 2011, only, to be

- \$15 million, assuming the returns were equivalent to 5% of the unimproved value of the land.
- \$41 million, assuming Ngāti Kahu iwi, hapū, and whānau members were able to fully participate in economic activities based on their lands.

3.3 Accumulated loss in income

An indicative figure for the total GDP income over the period 1865 to 2011, in real 2011 terms, that would have been generated consequent on Ngāti Kahu being a fully participating member of land-based economic activity in their rohe is \$3.2 billion.

3.4 Outcome

There may have been a number of outcomes other than Ngāti Kahu retaining unencumbered ownership of and development on their lands. Two of these outcomes have been explored, and show that Ngāti Kahu losses even in those scenarios are very large.

However, the true counterfactual to what eventuated is if Ngāti Kahu had been permitted to retain ownership of their land and to therefore be a fully participating member of land-based economic activity in their rohe. The present position in comparison to that is that

- Ngāti Kahu have lost an asset now worth \$380 million
- over the period 1865 to 2011, Ngāti Kahu have lost the opportunity to generate GDP income to the equivalent of \$3.2 billion.

The separation of Ngāti Kahu from their lands and, hence, their primary income-generating asset has prevented Ngāti Kahu iwi, hapū, and whānau from enjoying the benefits of income of this order of magnitude.

3.5 A sustainable community?

In line with the Brief of Evidence from Professor Mutu (paragraph 123), we have been asked to forward an estimate of “what it might take to financially restore Ngāti Kahu to a sustainable community of 15 Marae communities.”

Assessing this quantum with a degree of rigour and robustness is fraught with difficulty. In particular, we would be required to adopt a range assumptions as to alternative development opportunities and their consistency with an agreed definition of the term ‘sustainable’.

In the absence of sufficient resources to undertake such an exercise, we provide an indicative assessment of a level of GDP income to Ngāti Kahu that is comparable to that of the surrounding area. Given such a level of annual income, we can impute the quantum of assets that would be required to generate the additional level of income.

However, we openly admit, and indeed caution, that the resulting figure should only be used as an “indicative ball-park” estimate to guide decisions. In particular, we do not claim this to be a definitive, or precise, calculation of requirements.

The calculation follows as:

- from the 2006 Census the Ngāti Kahu population numbers approximately 8,300, with approximately 3,200 employed.

- the average annual individual income of Māori aged over 15 years in the Mangōnui and Mangōnui East areas in 2006 was \$21,000, compared with an annual average individual income of all individuals in the area of \$26,000¹².
- this indicates a difference in total individual wage income of the order of \$16 million in 2006. Allowing for the increase in average weekly wages between 2006 and 2011, this difference becomes approximately \$19 million in 2011.
- noting that wage (or employee) income is approximately 60% of total GDP, we obtain a figure for the additional GDP income “required” in 2011 of \$32 million.
- assuming (using national economy averages as a guide) that a “real physical” capital to GDP ratio is approximately 4-to-1, would suggest an asset base of the order of \$130 million would be “required” to generate the additional annual GDP income.

¹² As outlined in section 4.4.

4 Related socio-economic profile

The derived cultural, economic, and social developments, which Ngāti Kahu have had a restricted ability to participate and benefit in, can be described at a high level as the path of urban and productive economic development in their rohe, within the regional or national context.

4.1 Location

Located in Te Taitokerau, the lands of Ngāti Kahu lie around Karikari Peninsula, Doubtless Bay, Mangōnui, and inland to Pampurua, Victoria Valley, Takahue, Kohumaru and Maungataniwha. This area of Mangōnui and Mangōnui East comprises around 797 square kilometres, which represents just over 10 percent of the Region's land area.¹³

Given the available statistics, we examine the characteristics of Ngāti Kahu living across New Zealand or all Māori living in the Mangōnui and Mangōnui East area. The statistics therefore will not reflect iwi members living outside the area, such as in Auckland, and will include non-iwi living in this area.

4.2 Population

Around 8,310 people (1.5% of the total Māori population) identified themselves as Ngāti Kahu in the 2006 Census. About one third (2,628, 31%) of Ngāti Kahu lived in the Northland Region. Just over two fifths (43%) lived in Auckland and the remainder were spread across the country.

Within Te Taitokerau, the Māori population was 43,530, of which 2,628 were Ngāti Kahu. That is, around 6% of the Māori population living in Te Taitokerau were Ngāti Kahu.

Within the Mangōnui and Mangōnui East area, around 28% (1,600 people) of its usually resident population (5,800 people) in 2006 were Māori.

4.3 Demographics

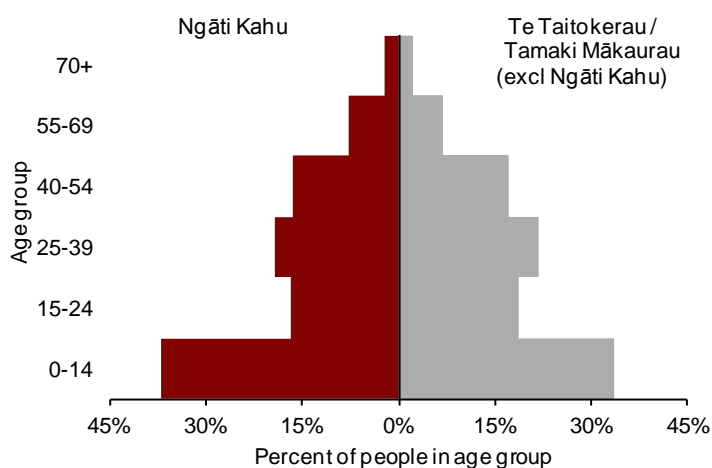
Across the broader Te Taitokerau/Tāmaki Makaurau region Māori are young. Around half the Māori population in this region are under the age of 23 years. Ngāti Kahu are even

¹³ This analysis focuses on people in the Mangōnui and Mangōnui East areas. Statistics New Zealand classifies these areas (Census Area Units 500202 and 500203) as Karikari Peninsula-Maungataniwha and Taipa Bay-Mangōnui.

younger, with the median age for Ngāti Kahu being 21 (i.e. half of Ngāti Kahu were under 21 years old).

This statistic hides the observation that over one third of the Ngāti Kahu population (37%) were below working age (i.e. under 15 years old). For Ngāti Kahu, this means that there are 1.7 persons aged over 15 for every one person aged under 15. Excluding Ngāti Kahu, this ratio for Māori in this region is 2.0 to one.

Figure 4.1 Age pyramid for the Ngāti Kahu population, 2006



In terms of education outcomes, 63% of Ngāti Kahu aged 15 years or over held a formal qualification in 2006, and was equal to the average for the total Māori population. This represents an increase from the 60% at the 2001 Census.

However, these statistics do not compare particularly favourably with those for Northland or the country as a whole. In 2006, two thirds (66.8%) of people in Northland and almost three quarters (73.4%) of people in New Zealand held a formal qualification.

One in three (34%) of Ngāti Kahu achieved their highest qualification at high school, one in five (21%) had a trade or technical qualification, and one in twelve (8%) percent held a bachelors degree or higher. In contrast, almost one in ten (9.5%) people in Northland and one in six (16%) across New Zealand held a higher tertiary qualification.

The youthful profile of Ngāti Kahu appears to have helped with the high uptake of Te Reo. 30% of Ngāti Kahu could hold a conversation about everyday things in Te Reo, which compares with the overall average for all Māori of 20%. However, this is a lower than 32% recorded in 2001.

4.4 Income

Table 4.1 shows the number of people in each income band, for Māori and all people in total, living in the Mangōnui and Mangōnui East area.

Table 4.1 Personal income in Mangōnui and Mangōnui East, 2006

Income band	Māori	All	% for Māori	% for ALL
\$5,000 or Less	156	315	17%	12%
\$5,001 - \$10,000	105	279	12%	11%
\$10,001 - \$20,000	285	831	32%	32%
\$20,001 - \$30,000	147	441	16%	17%
\$30,001 - \$50,000	165	480	18%	18%
\$50,001 or More	45	279	5%	11%
Not Stated	126	183		
Total people	1,038	2,814	100%	100%

Source: Census 2006

Māori in this area are disproportionately represented in the lower income band. In 2006, nearly 17% of Māori in the area who stated an income recording income of \$5,000 or less, compared to only 12% of all people in the area. Alternatively, 50 percent of people earning \$5,000 or less were Māori, and over one third of those people earning less than \$20,000 were Māori.

The average (and median) personal income for Māori aged over 15 years in the area was \$21,500 in 2006. The average personal income for all individuals aged over 15 years in the area was \$26,000 in 2006. This \$21,500 figure is similar to the median of \$21,900 for all Māori overall, but was below the national median in 2006 of \$24,400.

The median annual income for Ngāti Kahu men was higher (\$25,900) than for women (\$19,000). This is partly reflective of the difference in the labour force participation rates amongst Ngāti Kahu men and women (discussed below).

Given the high proportion of Ngāti Kahu living in Auckland, and the lower labour force participation rates in rural areas, the personal income of Ngāti Kahu living in the Mangōnui and Mangōnui East area is likely to have been substantially lower than the overall median.

4.5 Labour force

Table 4.2 provides labour force information for Ngāti Kahu located across New Zealand.

Table 4.2 Labour force status of Ngāti Kahu and Māori by region, 2006

Labour Force Status	Ngāti Kahu	Far North Region	Northland Region	New Zealand
Total Employed	3,181	7,452	15,210	225,357
Employed full-time	2,481	5,472	11,376	175,548
Employed part-time	700	1,980	3,834	49,809
Unemployed	434	1,296	2,460	27,873
Total Labour Force	3,614	8,745	17,670	253,233
Not in the Labour Force	1,624	5,625	10,278	112,173
Working Age Population	5,238	14,370	27,948	365,406

Source: Census 2006

Ngāti Kahu had a labour force participation rate of 69%: the rate was higher in urban areas (70%) than in rural areas (66%). The labour force participation rate amongst Ngāti Kahu men was 75%. The labour force participation rate for women was 64%, who were also more likely to have part time employment and be engaged in unpaid activities.

The unemployment rate for Ngāti Kahu (located across New Zealand) was 12% in 2006. This was one percentage point higher than the Census unemployment rate for all New Zealand of 11%.

Just over 530 Māori were employed in the Mangōnui and Mangōnui East area in 2006, which represented just under one quarter (23%) of employment in this area.

Table 4.3 Employment status in Mangōnui and Mangōnui East, 2006

Employment status	Māori	Total
Paid Employee	381	1,293
Employer	24	228
Self-Employed and Without Employees	66	528
Unpaid Family Worker	36	183
<i>Not Elsewhere Included</i>	30	81
Total Employed	534	2,319

Source: Census 2006

The majority (71%) of Māori in the area were employees. The flipside is that a relatively low proportion of employed people were employers or self-employed. Just under one in twenty (4.5%) Māori, compared with one in eight (12%) non-Māori, were employers in the area. Similarly, just over one in eight (12%) Māori were self-employed versus just over one quarter (26%) of non-Māori in the area.

4.6 Employment characteristics

4.6.1 Occupations

Table 4.4 shows the occupations of these employed people. The largest occupation category for Māori was Service and Sales Workers, with Agriculture, Forest and Fishery Workers the second largest.

Table 4.4 Employment by occupation in Mangōnui and Mangōnui East, 2006

Occupation category	Māori	Total
Managers	63	309
Professionals	45	273
Technicians and Associate Professionals	30	180
Clerks	39	159
Service and Sales Workers	84	291
Agriculture, Forest & Fishery Workers	75	351
Trades Workers	42	228
Plant and Machine Operators	48	174
Labourers and Service Workers	54	135
<i>Not Elsewhere Included</i>	60	207
Total	534	2,313

Source: Census 2006

Overall, Māori make up 23% of the employment in this area. However, a relatively high proportion (25%) of Clerks were Māori, while high proportions of Māori also made up Service and Sales Workers (29%), Plant and Machine Operators (28%) and Labourer and Service Workers (40%). In contrast, relatively few Managers were Māori (20%). Similarly, only 16% of Professionals and 17% of Associate Professionals were Māori.

4.6.2 Industries

In 2006, 17% of those with jobs in the area were employed in primary industries, with another 23% in the retail and distribution industry and 25% in social and recreational service industries.

For Māori employed in this area, 15% were employed in primary industries, 25% in retail and distribution, and 28% in social and recreational services.

Consistent with picture for occupation, Māori in the area have relatively high levels of employment in the retail and distribution industries, social services and recreational services.

Table 4.5 provides a breakdown of employment by industry and ethnicity for the area.

Table 4.5 Employment by industry in Mangōnui and Mangōnui East, 2006

Industry	Māori	Total
Primary	81	387
Manufacturing and construction	66	375
Retail and distribution	135	537
Business services	45	228
Social services and recreational services	150	570
Not Elsewhere Included	57	228
Total	534	2,316

Source: Census 2006

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