

EXECUTIVE SUMMARY

Ngāi Tahu enterprises generate significant economic and employment impacts for the national economy, but less for the Ngāi Tahu economy. The results demonstrate that relative to their size, Ngāi Tahu Pounamu generates significantly higher multipliers, or economic benefits per annum, to the Ngāi Tahu economy, than either the Ngāi Tahu Property Wigram development, or Ngāi Tahu Farming. This finding suggests that the type of businesses that Te Rūnanga o Ngāi Tahu develops or invests in generate significant variation in economic benefit to Ngāi Tahu communities.

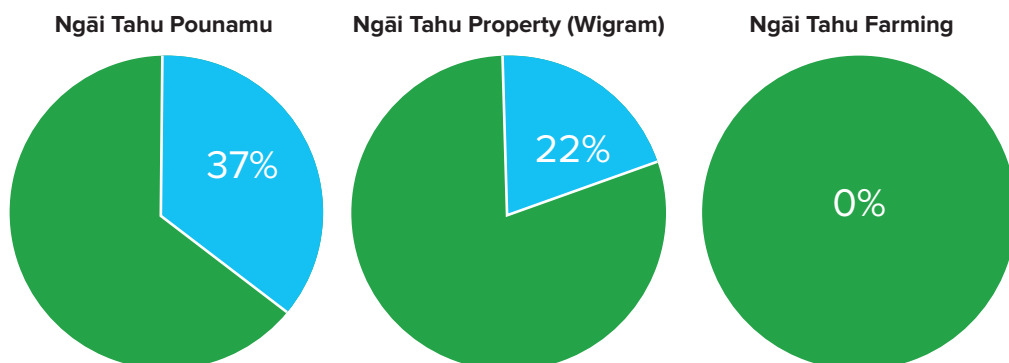
Wigram Skies generated sizeable economic impacts for the wider economy. For every \$1 directly invested in Wigram Skies by Ngāi Tahu, \$2.60 of economic benefit is generated for the wider economy. Additionally, for every full-time equivalent (FTE) job created for this development, 2.7 jobs are created in the wider economy.

Similar results are found in the other two enterprises. For every \$1 directly invested, \$2.2 of economic benefits are generated by Ngāi Tahu Farming, and \$2 is generated if invested in Ngāi Tahu Pounamu. Like Ngāi Tahu Property these two enterprises also produce employment multipliers of 2.6 for Ngāi Tahu Farming and 1.4 for Ngāi Tahu Pounamu.

While significant economic and employment impacts are being generated by all three enterprises, only small or sometimes no direct economic benefits are being captured by other Ngāi Tahu businesses or Ngāi Tahu members. Ngāi Tahu Pounamu has the highest direct economic returns circulated back into the Ngāi Tahu economy, but has the lowest economic impact multiplier to the general economy. In other words, it has the lowest level of leakage from the Ngāi Tahu economy into the general economy. The Ngāi Tahu Property Wigram development did circulate reasonably high returns back to the Ngāi Tahu economy (at 22% of economic activity). However, this is primarily attributed to a 'one-off' return associated with economic opportunities resulting from the Christchurch earthquake. Ngāi Tahu Farming has generally a high economic impact multiplier to the general economy but circulates less than 1% back to the Ngāi Tahu economy.

Each of the three enterprises analysed operates under different business models. Consequently, the report reveals a potential tension between the generation of capital and the circulation of that capital back into the Ngāi Tahu economy. However, there is still potential for Ngāi Tahu to capture more of the significant economic and employment impact being generated and circulate it back into the Ngāi Tahu economy.

Percentage of direct economic output circulated back into Ngāi Tahu economy:



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INTRODUCTION

Te Rūnanga o Ngāi Tahu, or TRONT, (via the Tribal Economies team) commissioned the Ngāi Tahu Research Centre, University of Canterbury, to undertake an economic study of different Ngāi Tahu value chains. The purpose of the study is to work out the multiplier effect, or wider economic benefits, that these enterprises generate for local and national economies, and to also work out how Ngāi Tahu whānau and communities could gain more benefit from this economic activity.

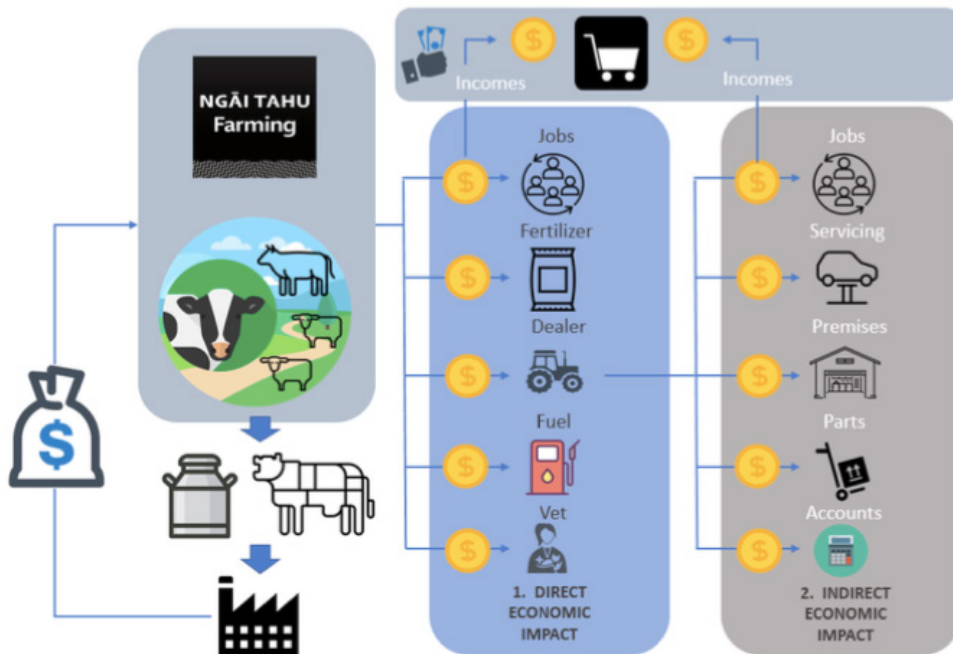
What is a multiplier effect?

When a business generates income it then spends that money on things such as providing dividends to its owners, employing staff, and purchasing goods, and buying services. This money is then spent again by the owners, staff and the businesses that provide goods and services. The money moving like this across is chain is called a multiplier effect. Many economists think that it is good if you can get the money to 'bounce' or multiply as many times as possible within a particular group, or area. For example, a Ngāi Tahu company might employ Ngāi Tahu staff and buy goods and services from other Ngāi Tahu businesses, who in turn employ

Ngāi Tahu staff and buy goods and services from Ngāi Tahu businesses. Such an approach allows more money to circulate among Ngāi Tahu and in turn generate more economic activity for Ngāi Tahu.

The amount of multiplier being generated is referred to as the economic impact. There are three types of economic impact mentioned in this report: direct impact; indirect impact; and income impact. The direct impact is the money that is spent by a business in its operations, and the profit it provides to its owners. In regard to Ngāi Tahu Holdings this would be the dividends it produces, the money spent on wages, and the money it spends on goods and services with outside businesses. The indirect impact is the money that is then spent by those outside businesses on goods and services that generate economic activity in the wider economy. The income impact is the amount money generated for jobs, and the amount of jobs created. The diagram below, with the example of Ngāi Tahu Farms, outlines these three ways of measuring multipliers:

DIAGRAM SHOWING THREE WAYS OF MEASURING MULTIPLIERS



The case studies

This report considers three case studies; Ngāi Tahu Farming, Ngāi Tahu Pounamu, and Ngāi Tahu Property's Wigram Skies development. All of these enterprises generate direct, indirect, and induced economic impacts to the Ngāi Tahu economy and national economy. Each also operates under a distinct business model. This report presents a multipliers analysis of each business. Additionally, the report is concerned with the degree to which each enterprise is returning economic benefits to the Ngāi Tahu economy, either through the contracting of Ngāi Tahu businesses, or the direct employment of Ngāi Tahu members.

If Ngāi Tahu can capture more of the multiplier effects of their economic activities and circulate this back into the Ngāi Tahu economy, there is the potential to generate significant inter-generational economic impacts for the tribe. Critically, these impacts are directly beneficial at the individual, whānau and hapū level, providing security and independence through employment and opportunity, as well as generating capital for TRONT.

The report begins by providing an overview of the three enterprises used as case studies. The methodology is then described, providing an explanation of the input-output tables used to determine the economic and employment multipliers for each enterprise. Next, each enterprise is analysed for three factors; its economic impact, its employment impact, and the degree to which it is directly circulating economic returns to the Ngāi Tahu economy. Finally, the report concludes: **despite the significant economic impact being generated by the three enterprises, most economic and employment impacts are not being circulated back into the Ngāi Tahu economy.**

Holdings Corporation participation issues

The Ngāi Tahu Research Centre had excellent support for this research from Ngāi Tahu Farms, who provided all relevant data to support the research. In addition, Ngati Waewae and Te Rūnanga of Ngāi Tahu provided full access to all of the accounts for Ngāi Tahu Pounamu, which made analysis straight forward. However, the Ngāi Tahu Research Centre was not able to access data from Ngāi Tahu Property in a timely manner. Ngāi Tahu Property was reluctant to share data given concerns regarding the commercial sensitivity of financial information. Nonetheless it was willing to work through a process to allow access to selected data. However, the timeframe for accessing the data did not fit within the timeframe of the research project. The Ngāi Tahu Research Centre found that the data needed could be extrapolated from the public domain. This was costly and time-consuming. Care was taken not to compromise the commercial sensitivities of Ngāi Tahu Property in the expression of data sourced. Ngāi Tahu Seafood, which was to be a fourth case study, did not respond to requests for engagement, despite contact from both the Ngāi Tahu Research Centre, and the Tribal Economies team in Te Rūnanga of Ngāi Tahu. The data for this case study could not be extrapolated, consequently the case study was not included.

CONTEXT

NGĀI TAHU COMMERCE

This section draws on Ngāi Tahu's online informational resources to provide an overview of the three Ngāi Tahu commercial enterprises presented in this report.

Ngāi Tahu Holdings

Ngāi Tahu has a long history of commerce and trade reaching back centuries. In the pre-colonial era Ngāi Tahu was a key actor in inter-tribal trade, with control over the supply of two of the most valued commodities of the traditional economy, pounamu and tītī. The tribe was quick to embrace national and international commerce through involvement in New Zealand's early whaling and agricultural industries. More recently Ngāi Tahu has regained access to significant capital and has worked to re-establish its heritage of commerce in new areas including property, seafood and tourism as well as the restoration of traditional sectors like pounamu.

Ngāi Tahu Holdings is the main institution used by the Iwi to control its business interests. The commercial operations of Ngāi Tahu Holdings provide intergenerational support and development for the tribe and contribute over \$200m annually to the South Island economy through job creation, purchasing, and spending profits locally. Ngāi Tahu Holdings is distinct from the Iwi development and administration activities that are controlled by the Office of Te Rūnanga o Ngāi Tahu. Through the Ngāi Tahu Claims Settlement Act 1998, Ngāi Tahu received a settlement sum of \$170 million. Other fisheries and aquaculture assets valued at \$71 million were also later restored.

By the end of 2018, Ngāi Tahu had assets of around \$1.9 billion. The primary commercial enterprises within Ngāi Tahu Holdings are:

- Ngāi Tahu Capital — buys and sells shares in private companies and publicly listed companies.
- Ngāi Tahu Farming — made up of farming and forests producing milk, meat, wool and logs
- Ngāi Tahu Property — owns, invests, and develops property for sale or lease
- Ngāi Tahu Seafood — sells seafood products to a primarily overseas market
- Ngāi Tahu Tourism — operates tourist attractions around the country.

Te Rūnanga o Ngāi Tahu also has business activities that sit outside of the Holdings Corporation structure. These activities concern businesses designed to generate community benefits, cultural revitalisation, and local employment. Such businesses might be thought of as social enterprises. Typically, these entities are governed by Papatipu Rūnanga. Two such business activities are:

- Ngāi Tahu Pounamu; and
- Taramea Perfumes

This report focuses on two Holdings Corporation enterprises: Ngāi Tahu Farming and Ngāi Tahu Property; and one Papatipu Rūnanga enterprise: Ngāi Tahu Pounamu. Each of these enterprises are now described in more detail below.

Ngāi Tahu Holdings' Vision:

“The goal is that our commercial growth supports our perpetual tribal development journey.”

Ngāi Tahu Farming

Ngāi Tahu manages more than 100,000 ha of farm and forestry land in Te Waipounamu (South Island). Production from farming assets goes through local processors and is exported around the world. Ngāi Tahu Farming identify a commitment to a circular economy as an inherently Māori principle. Farming practices are intended to minimise environmental impacts and provide for the tribe while simultaneously remaining competitive in the wider New Zealand agricultural sector. There is a high level of input from both cultural and technical advisors as well as a commitment to and investment in leading farm technology.

Ngāi Tahu Farming manages dairy, dairy grazing, sheep and beef grazing along with high country Farming operations. At Eyrewell, there are six operational dairy farms that cover 2,000 hectares in total with each farm having a 64-bail rotary dairy shed and a herd of 1,400 cows. In the future the total area of farmland will be 6,700 hectares and will incorporate 150 hectares of native bush. Ngāi Tahu Farming has 36,000 hectares over three High Country Stations at Lake Whakatipu. These properties are farmed as sheep, deer and cattle breeding stations. Ngāi Tahu Farming has plans to grow to become a 60,000-hectare farming operation.

Ngāi Tahu Pounamu

Ngāi Tahu have been the legal kaitiaki of New Zealand pounamu and the only source for authentic Pounamu since 1997, when the New Zealand government returned ownership rights to Te Rūnanga o Ngāi Tahu. After the development of the 2004 Pounamu Management Plan, Papatipu Rūnanga assumed management rights over pounamu supplies, enabling the asset to be commercialised. Ngāti Waewae, through a former partnership with Te Rūnanga o Ngāi Tahu, have established an online market, as well

as a verification, and traceability system to allow carvers to source stone through legitimate means and provide channels to premium markets for product.

Ngāi Tahu Property

Ngāi Tahu Property, with assets valued at more than \$600m, is a leading property development, property management and investment specialist in the South Island. Because of treaty settlements, Ngāi Tahu property has the Right of First Refusal to purchase Crown property assets.

Ngāi Tahu's portfolio includes three of Canterbury's largest master-planned residential developments; Wigram Skies in south west Christchurch, Prestons in north east Christchurch and Te Whāriki in Lincoln. Current commercial developments include a new 3,800m² blood centre for New Zealand Blood Service, Wigram Business Park and The Landing, which is the town centre at Wigram Skies. Rural developments consist of 52,000 hectares of land in Canterbury and the West Coast of the South Island. Ngāi Tahu Property has developed several significant commercial projects such as Queenstown's Post Office Precinct, court properties in Christchurch and Queenstown, Police buildings in Dunedin and Queenstown, and Te Hononga – the Christchurch Civic Building. In addition, Ngāi Tahu Property's investment arm owns several other properties such as Tower Junction in Christchurch and smaller niche properties, many of which have been developed by Ngāi Tahu Property's commercial development team.

This report focusses on only one of Ngāi Tahu Property's developments, Wigram Skies, a significant residential and commercial development built on the site of the former Wigram Aerodrome in Christchurch.

METHOD

MULTIPLIERS ANALYSIS OF NGĀI TAHU VALUE CHAINS

The analysis in this report uses multipliers to identify the direct, indirect and induced impacts of a business. Multipliers measure the extent to which expenditure from an enterprise's direct activities affects other enterprises in an indirect or induced manner. Direct, indirect and induced refer to:

Direct – initial spending of the company (i.e. operational expenditure);

Indirect – the additional inter-industry spending from the direct impact;

Induced – the impact of additional household expenditure resulting from the direct and indirect impact.

These three impacts will be used to examine the economic output, the employment and the leakage for each case study:

1. Economic Output

The first key metric is economic output, which is a measure of expenditure. Expenditure is the value of production, which is built up through the national accounts as a measure of gross sales or turnover. This is typically expressed in \$million

at constant prices (i.e. removing the effect of inflation) and includes GST.

The total economic output is how many dollars have traded hands across all businesses, as a result of the original spending. This is not a measure of profits, or income, but rather, the amount of money being spent across different industries.

2. Employment

The second important metric used is the volume of employment, which is usually expressed as full-time equivalents (FTEs). FTEs provide a measure of total labour demand associated with expenditure - e.g. four full-time jobs running for three months or three part time jobs running for a year would be shown as a single FTE.

3. Leakage

A third critical metric of high relevance to Ngāi Tahu, is the economic impact of the enterprises within the Ngāi Tahu internal economy. That is, the amount of economic output and job creation that is accruing to Ngāi Tahu members or Ngāi Tahu businesses as a direct result of the enterprises' activity. These circular returns can serve to multiply economic opportunities within the tribe.

Input-output tables

The multipliers used in this report are derived from inter-industry input-output tables for New Zealand. Input-output tables have been derived and updated from the national accounts input-output tables produced by Statistics New Zealand. Multipliers data for this analysis were provided by the Agribusiness and Economics Research Unit at Lincoln University.

Economic activity has direct and indirect effects in that the demand for a product draws in inputs from other sectors. For example, a piece of pounamu sold by a retail store will generate income for people who supply the store with inputs (e.g. staff, landlords, suppliers etc.). These people will then spend some of their income on inputs for other businesses. Evaluating the economic impacts of an enterprise requires assessing these flow-on multiplier effects.

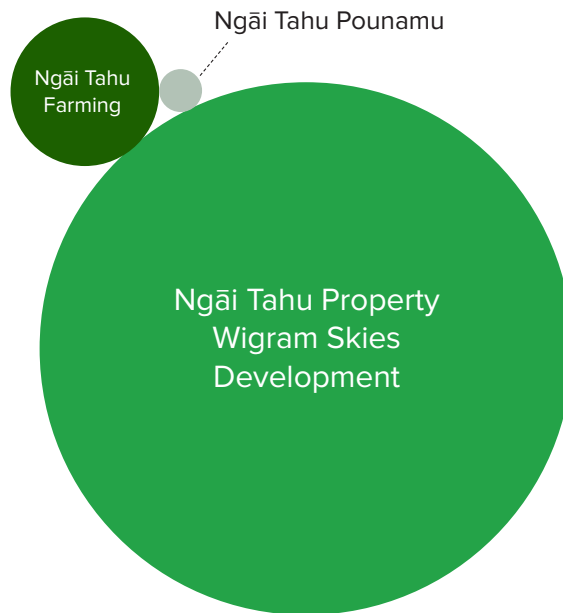
Input-output tables are a powerful analytical tool for describing multiplier effects. Input-output analysis looks at the product of each enterprise as a commodity demanded for final consumption and as a factor in the production of itself and other goods. The process consists of constructing an input-output table where the rows describe how one enterprise's total product

is divided among various production processes and final consumption, and the columns denote the combination of productive resources used within an industry.

The input-output tables produced by Statistics New Zealand were used by the Agribusiness and Economics Unit at Lincoln University to generate multipliers. These tables allow for the study of individual enterprises and their inter-relationships as reflected in sectoral multipliers. In analysing these inter-relationships, it is necessary to think in terms of an equilibrium model, where the effects on an exogenous change in any one enterprise can be traced through the entire economy.

Three types of multipliers are calculated from input-output tables: economic output, income and employment multipliers. Economic output multipliers, which account for changes in output resulting from a unit increase in final demand. Income multipliers, which are concerned with the increased input from households required to fulfil an increase in input. And employment multipliers, which are derived by calculating the employment coefficient for each industry. These represent the number of people directly employed per dollar of output.

FINDINGS

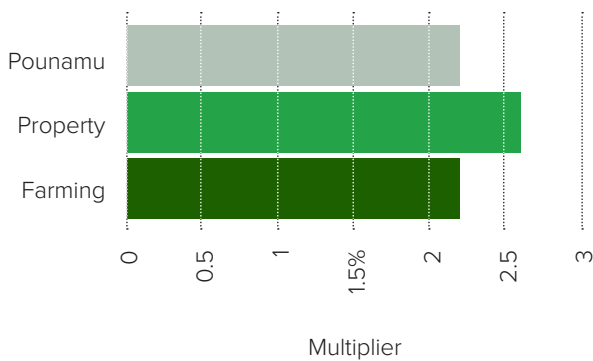


ECONOMIC IMPACT OF NGĀI TAHU COMMERCIAL INSTITUTIONS

This section estimates the economic impact of three Ngāi Tahu commercial enterprises. The enterprises generate three impact effects outlined previously: direct, indirect, and induced. This section also considers the amount of 'leakage' of economic opportunity from the tribe in terms of the direct economic output and the direct income being returned to Ngāi Tahu members or circulated back into the Ngāi Tahu economy.

Each of the three case studies considered operates at significantly different scales of economic activity. The figure above illustrates the relative total economic impact (direct + indirect + induced) of each of the three enterprises per annum. The relative impact is represented by the size of the circle.

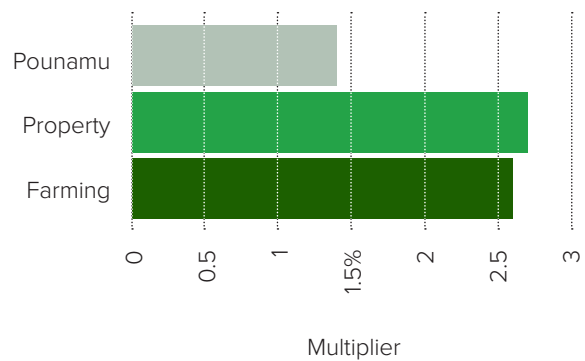
ECONOMIC OUTPUT MULTIPLIER



The first bar chart shows the multiplier effect of each business on the New Zealand economy. It does this by showing how much economic activity is generated through investing \$1 in the business. Both Ngāi Tahu Farming and Ngāi Tahu Pounamu produce about \$2 of economic activity for every \$1 invested, while Ngāi Tahu Property generates about \$2.60.

The second bar chart shows the amount of jobs created outside each business for each job created inside - the induced benefit - whereby people that earn money in a business spend that money to create jobs in other places. The chart shows that Ngāi Tahu Pounamu creates 0.4 jobs for every job created inside, whereas Ngāi Tahu Property and Ngāi Tahu Farming create about 1.6

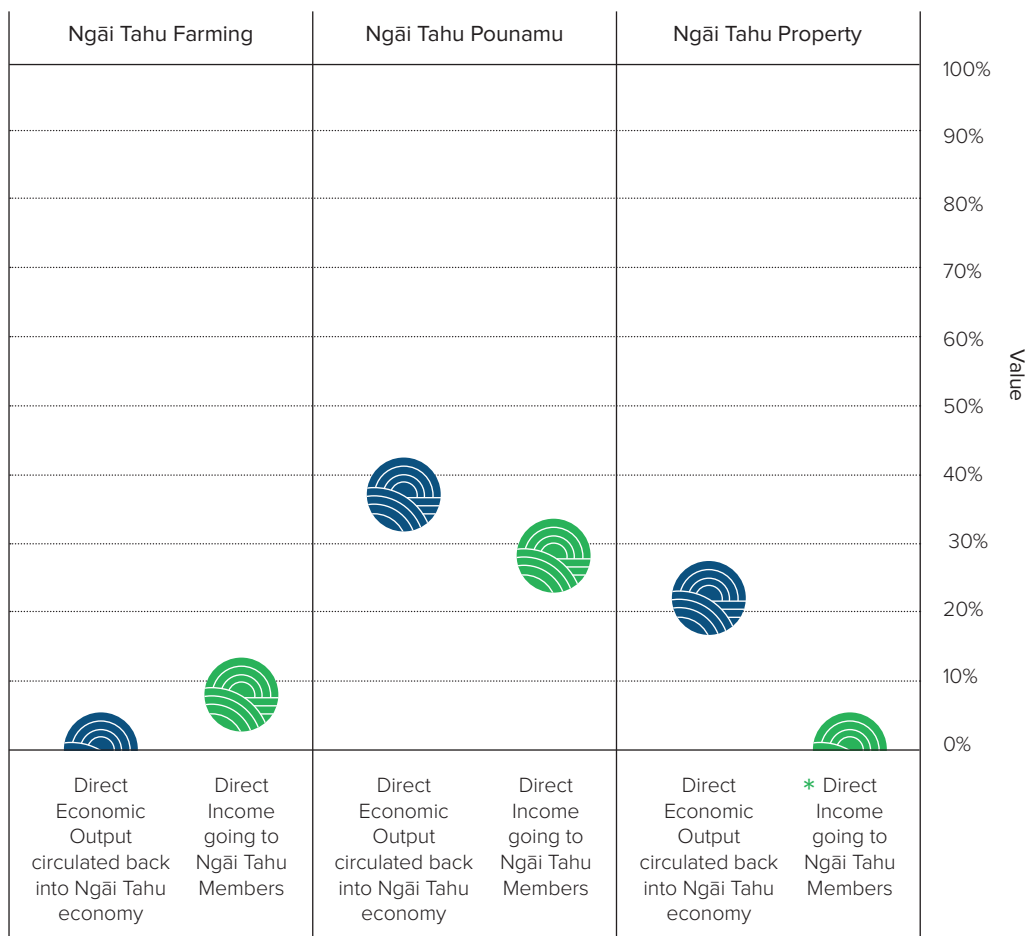
FTE MULTIPLIER



jobs. In addition to the economic output and employment generation, additional economic benefits can accrue to Ngāi Tahu through recirculating beneficial impacts within the Ngāi Tahu economy.

General economic output and job creation are important multipliers of a business unto itself and as part of an economy. However, while Ngāi Tahu businesses are part of the wider New Zealand economy they are also a pivotal part of the Ngāi Tahu economy and preventing leakage by ensuring that this economic output and these jobs are going to other Ngāi Tahu businesses and Ngāi Tahu members is critical for the vitality of the Ngāi Tahu economy

ENTERPRISE



* It is understood that at least 5FTE of direct income went to Ngāi Tahu staff as part of this development – however this income has not been quantified and represents a small proportion of overall incomes.

Ngāi Tahu Pounamu generates economically significantly more for Ngāi Tahu for its size.

Despite Ngāi Tahu Pounamu generating less economic activity and jobs in the New Zealand economy, it generates significantly more economic activity and jobs for the Ngāi Tahu economy, relative to its size. This is illustrated in the chart above which illustrates the degree to which each enterprise circulates economic benefits back into the Ngāi Tahu economy.

Each of the three enterprises operates within very different economic and cultural contexts. While all three enterprises have strong historic cultural connections, the economic systems within which they now operate raise different challenges to

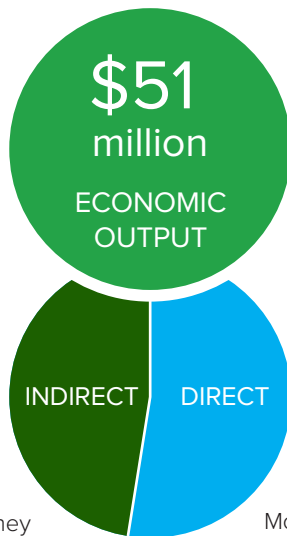
retaining a greater share of the economic benefits they generate within the tribe. The next section considers each of the enterprises separately, providing a deeper overview of their economic impact. Each case study is analysed in three parts; economic impact, employment impact, and members impact (also understood as leakage).

NGĀI TAHU FARMING



All findings presented for Ngāi Tahu Farming are based on data for the 2016-2017 financial year. Economic impact is derived from input-output tables, employment data and positions are provided by Ngāi Tahu, income data has been derived from average income for job position.

TOTAL ECONOMIC IMPACT



Impacts of money spent on upstream suppliers and households in the wider economy

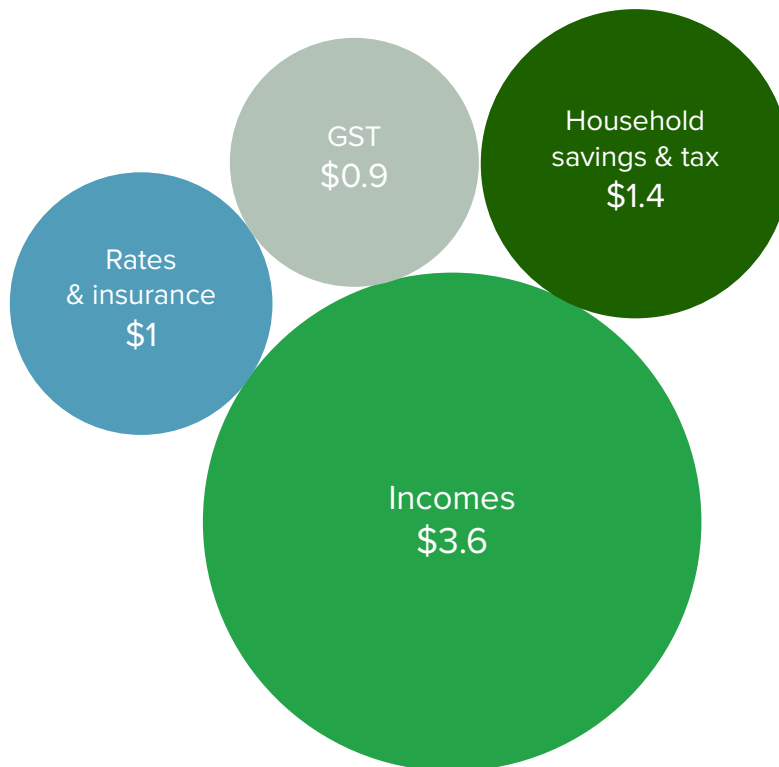
Money spent on wages, paying dividends and buying goods and services

Economic Impact

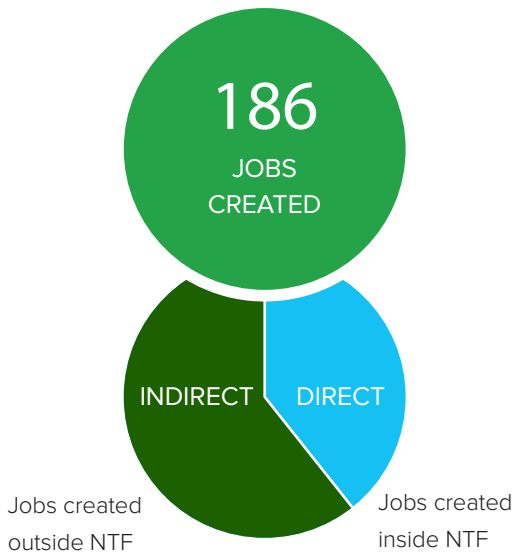
Ngāi Tahu Farming is producing a direct economic output of \$26 million to the New Zealand economy. This encompasses the money that is expended by Ngāi Tahu Farming including the money spent on providing wages and incomes to people, as well as the money spent buying goods and services. The value of Ngāi Tahu Farming's economic output is multiplied approximately 2.2 times up to \$51 million when the indirect impacts on upstream suppliers and associated impacts on household expenditure are considered.

Ngāi Tahu Farming is adding to the wider NZ economy with \$1.4 million in taxes on household savings, \$0.9 million in GST and \$1 million in rates. The direct contributions made by Ngāi Tahu Farming are represented by the circles below.

DIRECT IMPACT (\$M)



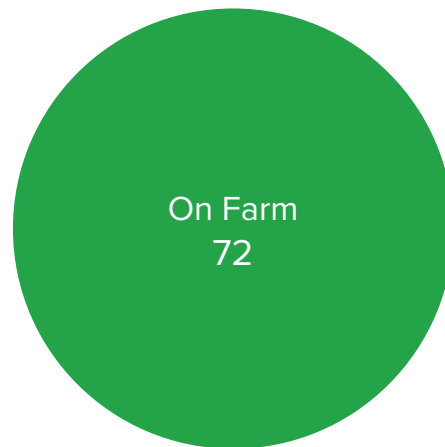
TOTAL EMPLOYMENT IMPACT



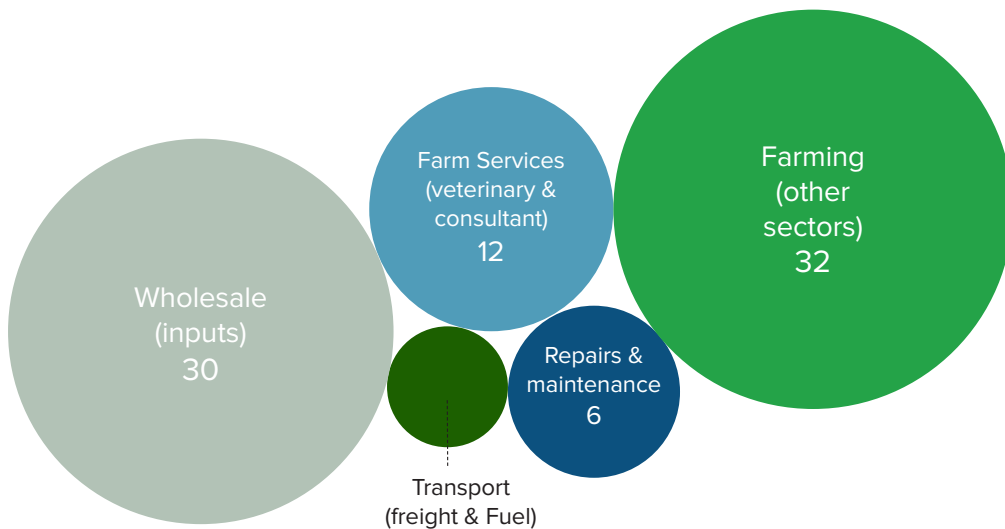
Employment Impact

Ngāi Tahu Farming employs approximately 72 FTEs and pays \$3.6 million in incomes. When upstream impacts are considered, total employment is multiplied approximately 2.6 times to 186 FTEs. How these jobs are distributed are described by the circles below.

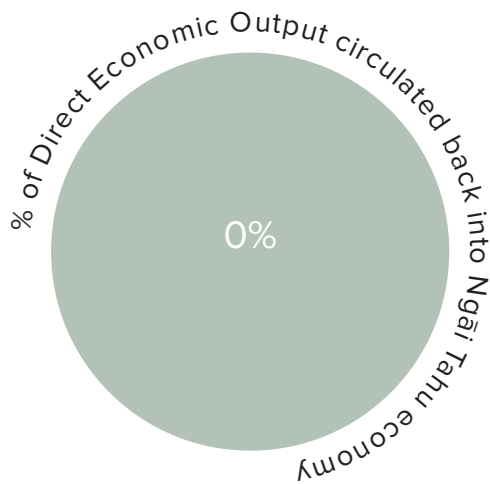
DIRECT IMPACT (FTE) JOBS CREATED ON-FARM



INDIRECT IMPACT & INDUCED (FTE) JOBS CREATED OFF-FARM

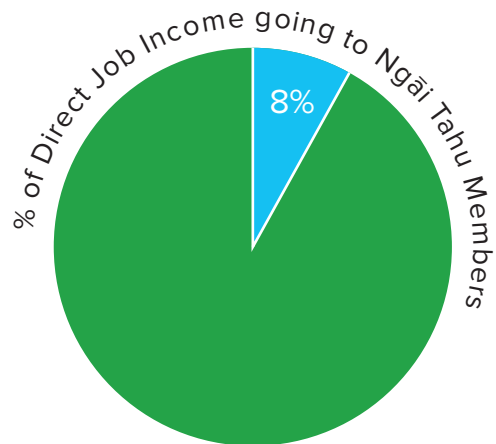


NGĀI TAHU MEMBERS' IMPACT



Members' Impact

Eight percent of direct income generated by Ngāi Tahu Farming is being received by Ngāi Tahu members, however no employment income or service payments are going to Ngāi Tahu businesses contracted by Ngāi Tahu Farming. There is one general manager, one manager, one farm manager, and three other Ngāi Tahu who are employed by Ngāi Tahu Farming. Payscale data were used to determine the average salaries for these six roles, which combined, account for eight percent of all direct incomes generated by Ngāi Tahu Farming.

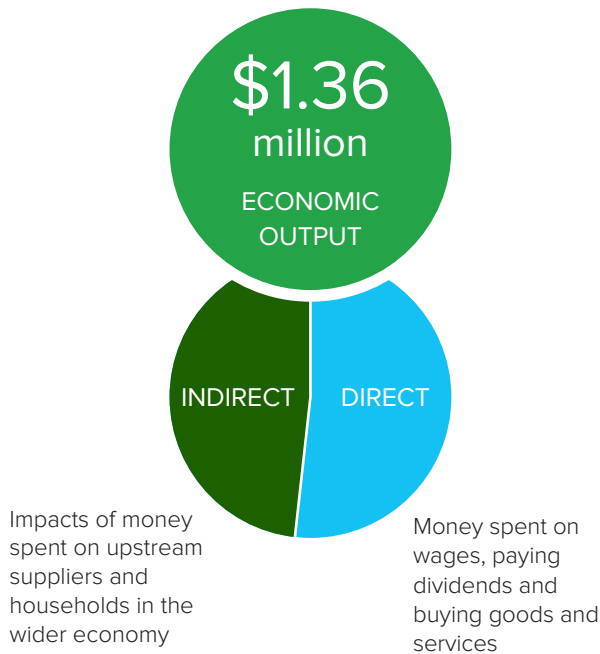


NGĀI TAHU POUNAMU



All findings presented for Ngāi Tahu Pounamu are based on data for the 2016-2017 financial year. Economic impact is derived from input-output tables, employment data and positions are provided by Ngāi Tahu, income data has been derived from average income for job position.

TOTAL ECONOMIC IMPACT

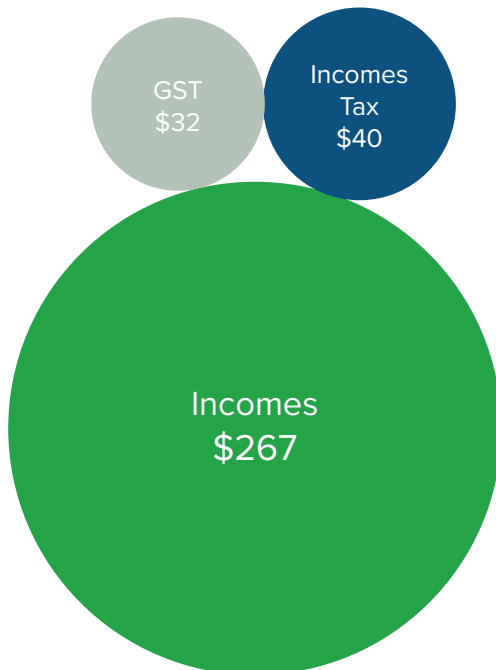


Economic Impact

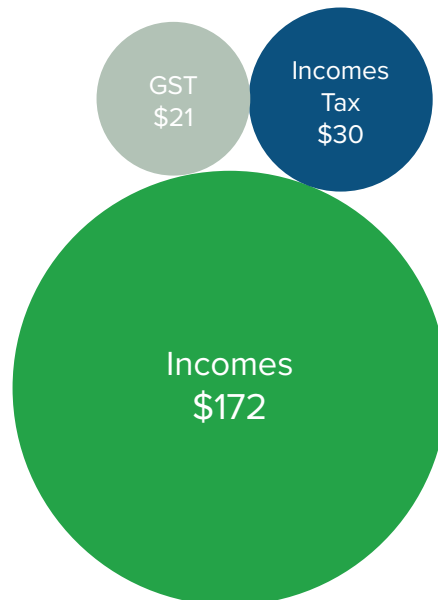
Ngāi Tahu Pounamu is producing a direct economic output of \$692,000. This encompasses the money that is expended by Ngāi Tahu Pounamu including the money spent on providing wages and incomes to people, as well as the money spent buying goods and services. The value of Ngāi Tahu Pounamu's economic output is multiplied approximately 2 times up to \$1.36 million when the indirect impacts on upstream suppliers and associated impacts on household expenditure are considered.

The circles below break down some of the way in which Ngāi Tahu Pounamu is adding to the wider NZ economy both directly and indirectly. The remaining output not accounted for in the circles is other expenditure.

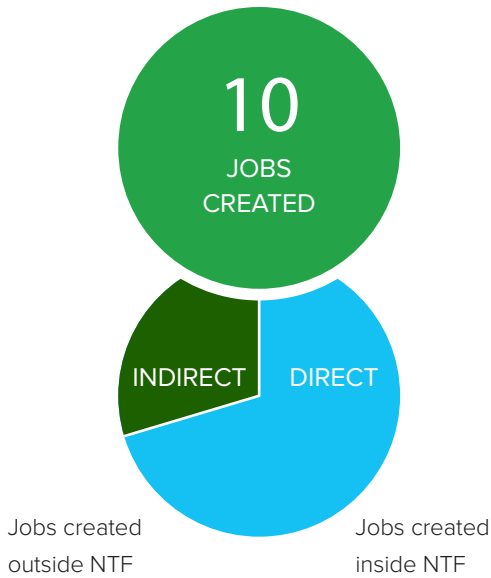
DIRECT IMPACT (\$,000)



INDIRECT & INDUCED IMPACT (\$,000)



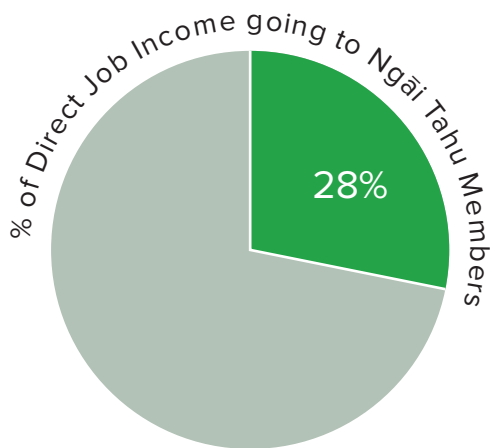
TOTAL EMPLOYMENT IMPACT



Employment Impact

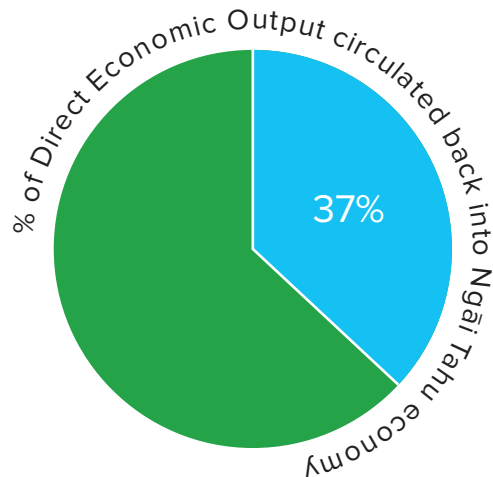
Ngāi Tahu Pounamu employs approximately 7 FTEs and pays \$267,000 in incomes. When upstream impacts are considered, total employment is multiplied approximately 1.4 times to 10 FTEs. No data are available on the individual job positions

NGĀI TAHU MEMBERS' IMPACT



Members' Impact

Ngāi Tahu Pounamu is returning 28 percent of job income directly to Ngāi Tahu members, and 37 percent of employment income or service payments are going to Ngāi Tahu businesses contracted by Ngāi Tahu Pounamu.



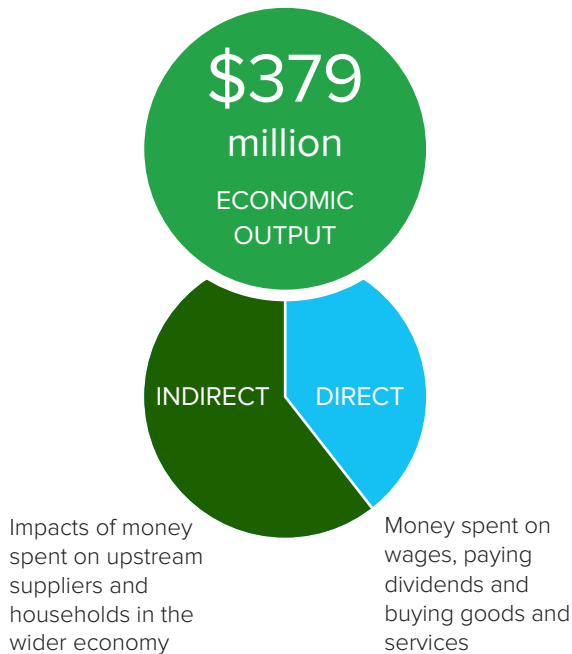
NGĀI TAHU PROPERTY

WIGRAM SKIES DEVELOPMENT



All findings presented for the Ngāi Tahu Property Wigram Development are based on data from 2010-2016. These data have been adjusted for real house prices over that time period. The average over the six years was taken to provide yearly figures so that the data aligned with the other two case studies reported here. Economic impact is derived from input-output tables, employment data and positions are provided by Ngāi Tahu, income data have been derived from average income for job position.

TOTAL ECONOMIC IMPACT



Economic Impact

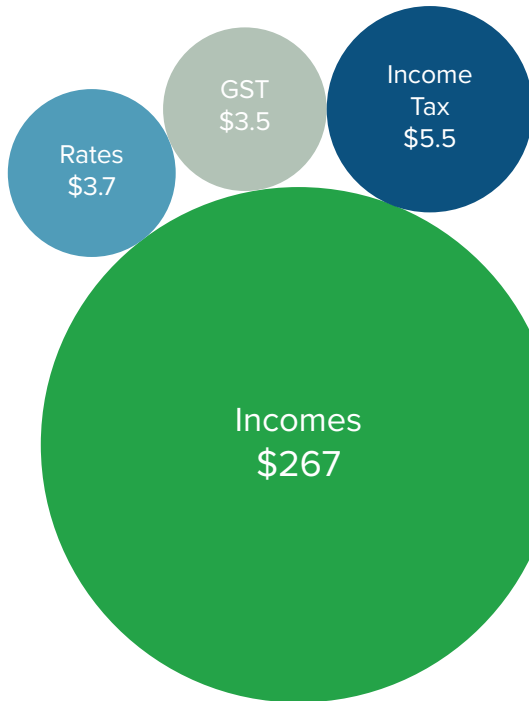
Ngāi Tahu Property, through the Wigram Skies development, produced a direct economic output of \$148 million p.a. across the initial six years of the development. The development is now however nearing completion and as a consequence economic output will significantly diminish. The economic output encompasses the money that is expended by Ngāi Tahu Property including the money spent on providing wages and incomes to people, as well as the money spent buying goods and services. The value of Ngāi Tahu Property's economic output is multiplied approximately 2.6 times up to \$379 million p.a. when the indirect impacts on upstream suppliers and associated impacts on household expenditure are considered.

Ngāi Tahu Property, through the Wigram Skies development, contributed between 2010 and 2016 to the wider NZ economy (direct, indirect, and induced) \$14 million in income tax, \$9 million in GST and \$3.7 million in rates per annum. Unlike the farming and pounamu case studies, annual financial data were not available for the Wigram Skies development. Instead, a combined six-year data set was available. The numbers reported here are therefore the average yearly figures, derived from the combined six-year data.

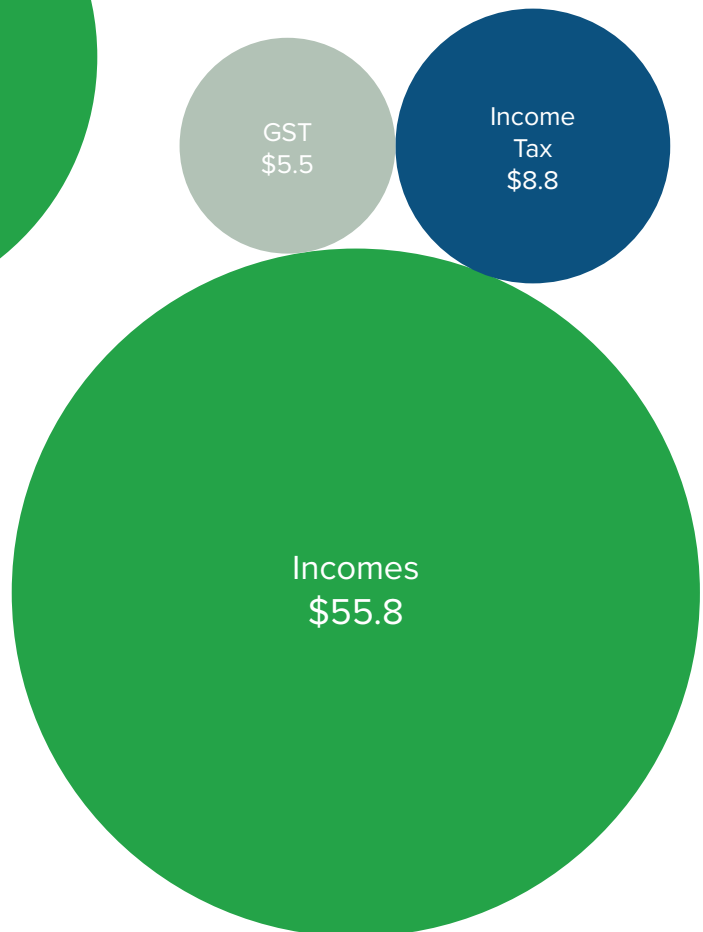
The direct and the indirect/induced economic impacts generated by the Wigram Skies development are illustrated on the next page.

WIGRAM SKIES ECONOMIC IMPACT

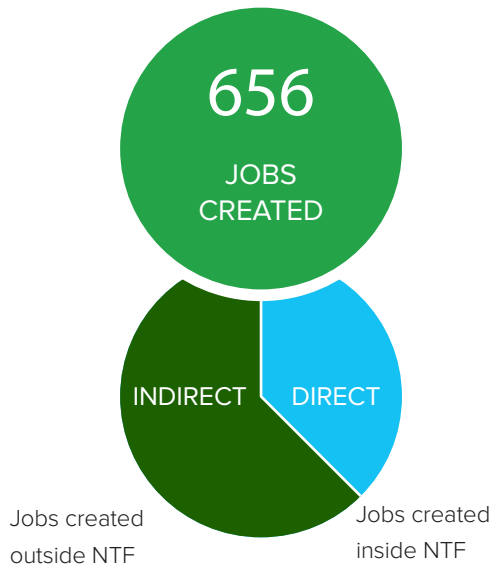
DIRECT IMPACT (\$M)



INDIRECT & INDUCED IMPACT (\$M)



TOTAL EMPLOYMENT IMPACT

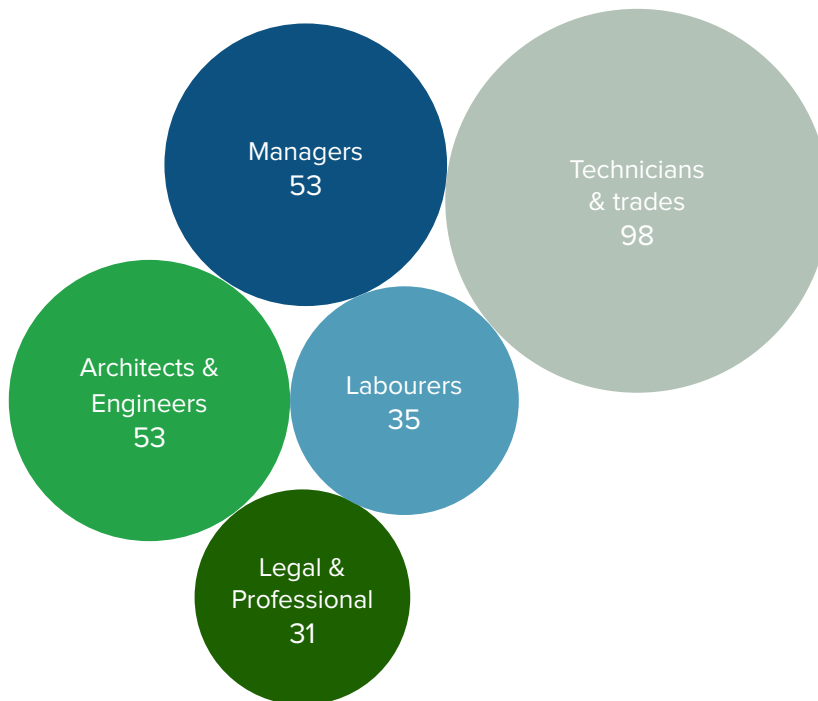


Employment Impact

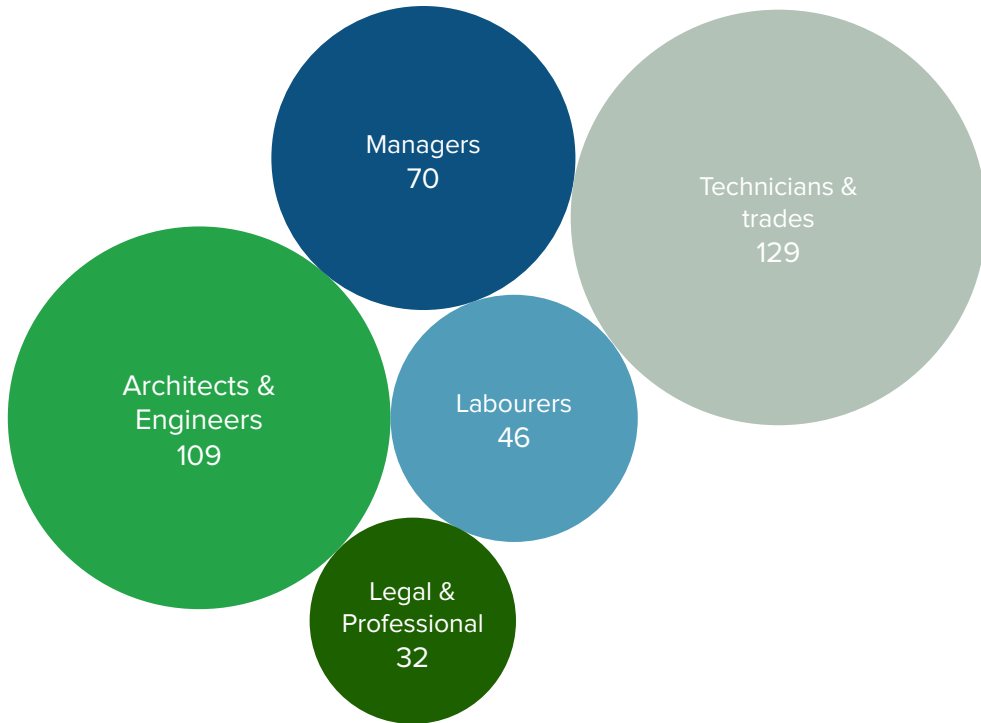
The Wigram Skies development directly employed approximately 270 FTE positions a year and paid \$34.7 million in incomes. As above, a combined six-year data set on employment was available. The numbers reported here are therefore the average yearly figures, derived from the combined six-year data.

When upstream impacts are considered, total employment is multiplied approximately 2.4 times to 656 FTEs.

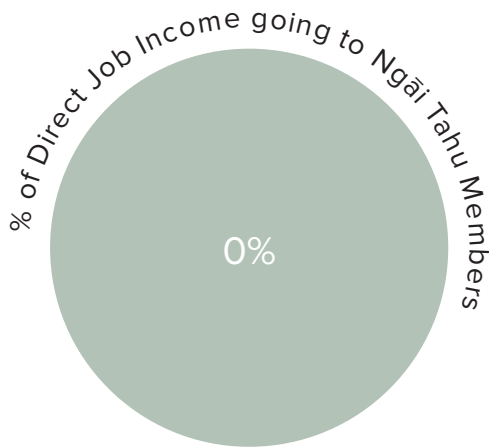
DIRECT IMPACT (FTE)



INDIRECT & INDUCED IMPACT (FTE)

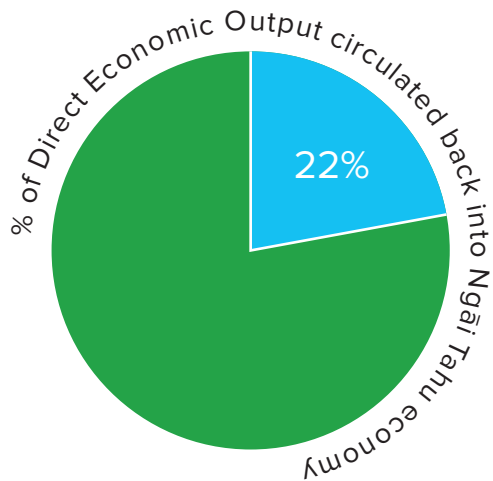


NGĀI TAHU MEMBERS' IMPACT



Members' Impact

A detailed accounting of income accruing to Ngāi Tahu members as part of this development has not been made available. However, it is understood that there were 4 FTE management level positions and 1 FTE director position held by Ngāi Tahu members in this development. While this level of income is not insignificant, it represents only a very small proportion of the \$90.5m of incomes generated by this project, likely to be less than 0.5%. Overall, 22 percent of direct economic output generated by Ngāi Tahu Property is circulated back to the Ngāi Tahu economy – mostly in dividends to Te Runanga o Ngāi Tahu. Although this has been a significant source of income for Te Runanga o Ngāi Tahu, and appears as a reasonably strong multiplier, it is primarily the result of a rare economic opportunity associated with the Christchurch rebuild.



CONCLUSION

Ngāi Tahu enterprises are generating significant economic benefits for local and national economies. This report has provided a multipliers analysis to identify the direct, indirect and induced effects in terms of expenditure, overall economic impact, and full-time equivalent (FTE) employment generated by three Ngāi Tahu enterprises; Farming, Pounamu, and the Wigram Skies property development.

These enterprises produce significant economic multipliers, in that for every dollar invested in the enterprise, at least two dollars in economic activity is generated. For the Wigram Skies development, this multiplier was found to be as high as 2.6, so that for every dollar invested, \$2.60 in economic activity is generated. Each of the three enterprises also generates employment multipliers. At the low end, for every 1 FTE position created in Ngāi Tahu Pounamu, and additional 0.4 FTE of employment is generated through indirect and induced effects. At the high end, Ngāi Tahu Property is generating 2.7 FTE positions for every 1 FTE position directly created for the Wigram Skies development.

The analysis was conducted using all available information, however, there are likely data missing from the analysis. This limitation applies more to the determination of economic flows being circulated back to Ngāi Tahu than it does to the multiplier analysis. The report sought to determine the percentage of direct economic output circulated back into the Ngāi Tahu economy through the contracting of other Ngāi Tahu affiliated businesses, and the percentage of direct job income going to Ngāi Tahu members.

Ngāi Tahu Pounamu generates the lowest total economic impact of the three case studies and generates the lowest economic and FTE multipliers. It is also the only of the three cases in which most of the employment impact is generated through direct employment in the enterprise. However, Ngāi Tahu Pounamu is circulating the highest percentage of direct economic output back into the Ngāi Tahu economy (37%) and is contributing the highest percentage of direct job income to Ngāi Tahu members (28%).

A large contrast in economic, employment, and circular return characteristics is evident between all three enterprises, with Ngāi Tahu property delivering significant national economic and employment impacts but circulating relatively little impact back to the tribe. Conversely, Ngāi Tahu Pounamu generates a comparatively low level of national economic and employment impacts but is circulating significantly more impact back to the tribe. Ngāi Tahu Farming has mixed characteristics, like Ngāi Tahu Pounamu, it generates most of its economic impact through direct investment, however, like Ngāi Tahu Property, it generates significant levels of indirect employment. Farming also returns very little direct income back to Ngāi Tahu members (8%) and is the only case that returns no direct income to the Ngāi Tahu through contracting other Ngāi Tahu affiliated businesses.

At present, there is a high level of economic and employment leakage across all three enterprises, with the primary economic benefits being lost to a large range of external entities. Further investigation on potential pathways to circulate higher levels of economic and employment benefits back to Ngāi Tahu could generate significant opportunities for inter-generational growth.

