

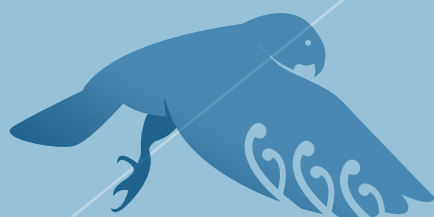
# Action Plan 2012-2017

*Māori Economic  
Development Panel  
November 2012*



## He kai kei aku ringa

**The Crown-Māori Economic Growth Partnership**





**Ka tangi te tītī** — *The migratory bird that searches the globe for economic opportunities, it is connected to the home, but with a global view.*



**Ka tangi te kākā** — *The bird of the forest resources the domestic market.*

# Action Plan 2012-2017

Māori Economic Development Panel  
November 2012

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# **Our strategy sets six goals out to 2040**

GOAL

1

**GREATER EDUCATIONAL  
PARTICIPATION AND  
PERFORMANCE**

GOAL

3

**INCREASED  
FINANCIAL  
LITERACY  
AND SAVINGS**

GOAL

5

**ACTIVE DISCUSSIONS  
ABOUT THE  
DEVELOPMENT  
OF NATURAL  
RESOURCES**

GOAL

2

**SKILLED AND  
SUCCESSFUL  
WORKFORCE**

GOAL

4

**GOVERNMENT, IN  
PARTNERSHIP WITH  
MĀORI, ENABLES  
GROWTH**

GOAL

6

**MĀORI INC AS  
A DRIVER OF  
ECONOMIC  
GROWTH**

**WE HAVE MADE 26  
RECOMMENDATIONS TO ACHIEVE  
THESE GOALS. OF THESE, THREE  
ARE BOLD AND WILL DRIVE  
TRANSFORMATIONAL CHANGE IN  
MĀORI ECONOMIC PRODUCTIVITY,  
SOCIO-ECONOMIC OUTCOMES AND  
NATIONAL ECONOMIC DIRECTION.**

Māori will experience a transformational change in economic productivity when Māori have a more active role in the use of resources which are the backbone of the Māori contribution to the economy. To achieve this, Government and Māori need to find means to address issues relating to Māori lands, forests, estates and associated resources.

Māori will experience a transformational change in socio-economic outcomes when Māori and Government are able to work together to create new models of compulsory schooling that better meet Māori needs. To achieve this, Government and Māori need to find a renewed balance in the provision of these services, including educational-support services.

New Zealand will experience a transformational change in national economic direction when there is greater collaboration between the science and innovation sector, emerging export strategies, and financial markets, and greater participation and engagement by Māori Inc in these systems.

Our Action Plan is about creating the right settings and opportunities for Māori Inc to achieve these changes and realise he kai kei aku ringa: self-generating well-being.

This Action Plan is designed to be read alongside our Strategy, which sets out our vision and goals for Maori Economic Development. While our Strategy is designed to endure to 2040, this Action Plan is designed to be refreshed every five years, to reflect the progress we have made towards he kai kei aku ringa.

# Taking action 201

## HOW ECONOMIC DEVELOPMENT IS ACHIEVED

For most Māori, and most New Zealanders, improved employment opportunities will pave the way to economic prosperity and improved general well-being. Engagement in the labour force is a primary way of participating meaningfully in the economy and contributing to economic growth.

***Asset utilisation:** increasing the availability and participation of Māori human and financial capital and natural resources.*

***Productivity and innovation:** using assets in a way that maximises the benefits derived from them.*

Improved employment opportunities will be created through a more productive and innovative national economy – that is, through increased Gross Domestic Product (GDP) per capita.<sup>1</sup> Per capita GDP is increased through improved asset utilisation, productivity and innovation.

On this basis, we have made recommendations that focus on improving both the utilisation and productivity of Māori assets in order to achieve better outcomes through he kai kei aku ringa.

## WHO DRIVES ECONOMIC GROWTH?

The private sector is the *engine for generating economic growth*, and relies on the contribution of individuals and whānau.

Government *influences* and contributes to growth by creating a business environment conducive to a productive and globally competitive economy. Government also has a role in improving capability, innovation and co-ordination between sectors such as education and the labour market, capital market investment and international exports. This helps to strengthen the attractiveness for those starting and growing businesses in New Zealand.

Our recommendations require action from Māori, Government and the private sector if we are to be successful.

## HOW WE WILL ACHIEVE OUR GOALS

Our Action Plan sets our focus out to 2017. The choice of time period is deliberate. An action plan needs refreshing periodically in order to remain relevant and effective. Allowing too little time before refreshing risks compromising results, while allowing too much time risks inaction. We consider a five-year time period strikes the right balance, given the mix of shorter-term and longer-term actions we recommend. Moreover, such a timeframe aligns well with the Government's Business Growth Agenda.

We developed the recommendations in our Action Plan based on our research, experience and engagement through public hui

and written submissions. In some cases we found that there is a clear problem that needs to be addressed; in others we found that achieving our vision may require us to seize an opportunity, but the problem may be less well defined.

On this basis our recommendations represent the following conceptual groupings where the action:

- responds to an identified problem and is supported by a strong evidence base;
- identifies an opportunity for super-normal returns for the action;
- is Treaty-based, where the special and unique Crown-Māori relationship requires further thought be given to Māori and shared interests; or
- is developmental, and Panel members' experience suggests there is merit in pursuing a new or different path to the current approach.

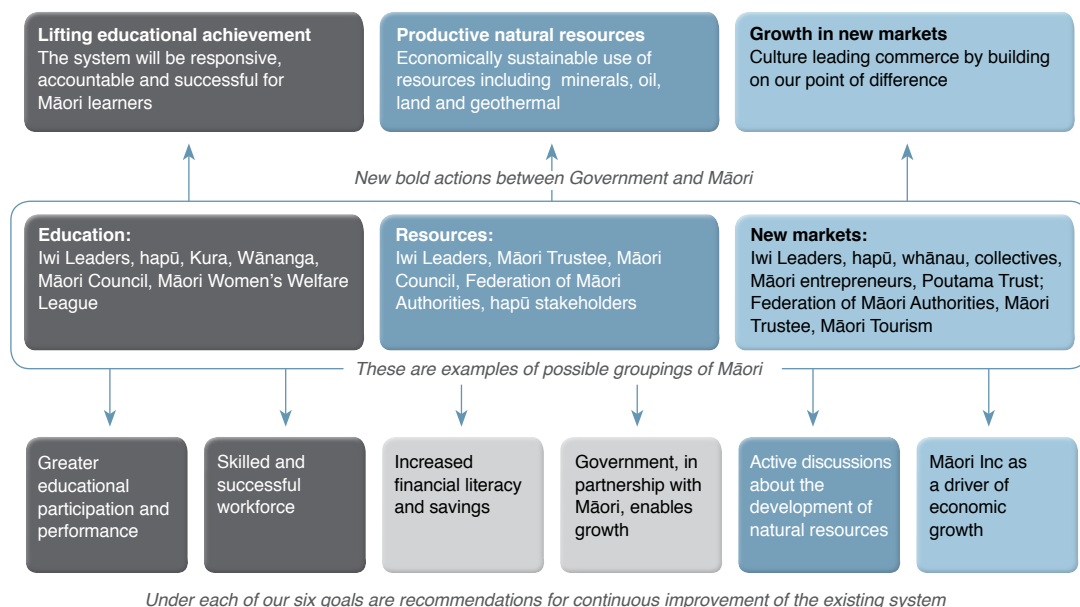
The suite of recommendations is drawn from each of these categories. Some of our recommendations are bold and require transformational action, while others are about continuous improvement.

Figure 1 provides an overview of the relationship between our goals, our bold transformational recommendations, and our views of who could lead change.

<sup>1</sup> GDP is defined as the total market value of all final goods and services produced in a country (or an economy) in a given year. BERL (2011). *The Māori Economy, Science and Innovation*. Wellington, New Zealand.

# 2-2017

**Figure 1: Crown-Māori Economic Growth Partnership Summary**



## CONCLUSION

Our recommendations should not be viewed in isolation – they are interconnected and reinforce each other. New Zealanders will only enjoy improved economic opportunities if the economy has the infrastructure, resources, skills and innovation systems to competitively produce the people, ideas and products the world wants.

The aspirations and capabilities of whānau are key to realising the economic potential of Māori as this is where the human capability of today and tomorrow is sourced.

Additionally, as this capability develops, the capital and investment flows from higher incomes and greater levels of saving will benefit the wider New Zealand economy. This type of change is at least a generation from being achieved, so in the shorter term, Māori Inc is vital to developing the jobs and economic opportunities necessary for economic growth. Government, iwi and the private sector all have a role to play in helping Māori to realise their full economic potential.

# Goal 1

## Greater educational participation and performance

### Attendance at early childhood education

Participation in early childhood education is vital for every child's development and for preparing them for future learning. Early childhood education can support future educational achievement.<sup>2</sup> Currently, Māori children participate in early childhood education at a lower rate, with only 90% of Māori children attending early childhood education in 2010, compared with almost 98% of Pākehā.<sup>3</sup>

### Whānau engagement in education

Whānau and parents need to be actively involved in their child's education. Children are in the best position to achieve at early childhood education and school when their parents, whānau and communities are engaged in the learning experience.

In line with the Better Public Service targets, the Ministry of Education is targeting its partnership developments with communities and increasing whānau involvement in services. Through its regional and national offices, the Ministry of Education

is working through Whānau Ora collectives to connect with Māori communities. We support these approaches to increase participation rates and whānau involvement in early childhood education.

### Achieving NCEA

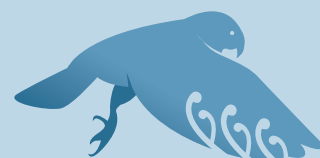
Achieving NCEA Level 2 is a pre-requisite qualification for tertiary education and skilled employment. Māori students continue to achieve lower levels of NCEA qualifications than non-Māori. In 2010, 48% of Māori school leavers achieved NCEA Level 2, compared with 74% of Pākehā school leavers.<sup>4</sup>

The Government's Better Public Services targets include that in 2017, 85% of 18 year olds will have achieved NCEA Level 2 or an equivalent qualification (up from the current 73%).<sup>5</sup> Māori students are currently achieving well below the current level – in 2010, only 50% of Māori aged 18 had an NCEA Level 2 qualification or higher.<sup>6</sup> In order to achieve the Better Public Services target, Māori students need to be explicitly included, and targeted, and schools need to be held accountable for their contribution to the achievement of Māori students.

### Retaining students in education

Learners whose needs are not met and who are not supported are more likely to disengage from the education system early. More needs to be done to keep Māori students engaged in the education system for longer, achieving at higher levels. Central to this is improving the quality and cultural responsiveness of teaching and leadership within schools. Success in education is achieved when the whole whānau is involved in the education experience.

Ensuring learners, their parents and whānau have access to the right advice and support from trusted and knowledgeable people at the right time is critical. Guidance counsellors and mentors need to be engaged to work with Māori students and their whānau throughout the entire secondary school experience, not just in senior years. There is a group of 16 and 17 year olds at risk of being outside all forms of education, employment and training – and Māori youth are significantly over-represented in this group.<sup>7</sup>



2 OECD (2011). *PISA In Focus*, 2011/1 (February).

3 Ministry of Education (2012). *Education Counts: Participation in early childhood education*. Wellington, New Zealand.

4 Ministry of Education (2011). *Education Counts: School leavers with NCEA Level 2 or above*. Wellington, New Zealand.

5 State Services Commission (2012). *Better Public Services: Boosting skills and employment. Result 5*. Accessed at [www.ssc.govt.nz](http://www.ssc.govt.nz). Wellington, New Zealand.

6 State Services Commission (2012). *Better Public Services: Boosting skills and employment. Result 5*. Accessed at [www.ssc.govt.nz](http://www.ssc.govt.nz). Wellington, New Zealand.

7 Statistics New Zealand (2012). *Youth not in employment, education, or training: September 2011 quarter*. Wellington, New Zealand.

## Post-compulsory education

58% of Māori school leavers do not transition to further training or education.<sup>8</sup> More information about the barriers that prevent successful transition for this group is required. Given private and social returns on education, such barriers represent a significant cost to individuals, their whānau and society as a whole.

In addition, around 50% of Māori 18 and 19 year olds who study for a bachelors degree do not complete their qualification within five years.<sup>9</sup> This is wasteful for all. At the moment, some tertiary education organisations are required (as part of guidance around their investment plans) to explain how they intend to lift the performance of Māori learners. This may involve improving pastoral care help to retain more students in tertiary education, as well as to lift their achievement.

## Our support for current initiatives

We support current initiatives aimed at increasing participation rates and improving the quality of services:

- the Better Public Services target that by 2016, 98% of children starting school will have attended quality early childhood education;
- the increase to the early childhood equity funding announced through Budget 2012 to target those who are not currently receiving sufficient support to achieve educational success; and
- the initiative to support Māori-medium early childhood education services announced through Budget 2012 to improve access to and support for Māori immersion services.

These existing targets are a start, but more is required for transformational change. The following recommendations represent our views on how we will achieve greater levels of participation in education and higher qualification attainment rates.

<sup>8</sup> Data provided by Ministry of Education.

<sup>9</sup> Ministry of Education (2010). *Facing the Challenge: Tertiary Education Strategy monitoring 2010*. Wellington, New Zealand.



## RECOMMENDATION

## 01

HOW WE WILL ACHIEVE OUR GOAL: *TRANSFORMATIONAL ACTION*

| Government and Māori work together to consider models of compulsory schooling that better meet Māori needs |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                                      | <p>The education system does not work for Māori students as well as it should.</p> <p>52% of Māori students leave school without NCEA Level 2.<sup>10</sup></p> <p>58% of Māori school leavers do not progress to any level of post-secondary study.<sup>11</sup></p> <p>A larger proportion of Māori youth are not in employment, education or training (NEET) when compared with other ethnic groups – 22.2% of all Māori aged 15-24 years.<sup>12</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Action                                                                                                     | <p>The Government and Māori work together to consider alternative models for educating Māori tamariki and rangatahi, to achieve equitable education outcomes for Māori and non-Māori. This could include:</p> <ul style="list-style-type: none"> <li>• extending iwi education plans;</li> <li>• extending kura kaupapa;</li> <li>• a Māori form of Charter school or Partnership School;</li> <li>• extending Tai Wānanga; and/or</li> <li>• an entirely new model.</li> </ul> <p>The objective of the discussion will be to find models that engage Māori students, so they not only stay in school, but achieve to their full potential. This may mean trying new things in the classroom, in the curriculum, in assessment – a ‘flax-roots’ look at how the education system works for Māori. The role of whānau in schooling will be a key consideration.</p> <p>We see Māori taking the lead in this discussion. New models should empower Māori management of Māori-focused provision of education.</p> <p>The approach chosen will need to ensure appropriate public accountability and transparency, particularly in the use of public funds.</p> |
| Agent                                                                                                      | Government (MoE, Treasury), iwi leaders, Māori parents and whānau, education and voluntary sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Short- to medium-term output                                                                               | <p>Identify models of success (including those existing initiatives that are already demonstrating success).</p> <p>Enter into open and transparent dialogue around process for displaying interest in Māori Charter Schools, to ensure engagement of Māori in developments in the lead-up to targeted implementation of the first Charter Schools in 2014.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Long-term impact                                                                                           | <p>Changes in the education system for Māori, contributing to:</p> <ul style="list-style-type: none"> <li>• an increase in the proportion of Māori school leavers with NCEA Level 2;</li> <li>• reduced number of NEETs;</li> <li>• an increase in Māori students transitioning to tertiary education.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

<sup>10</sup> Ministry of Education (2011). *Education Counts: School leavers with NCEA Level 2 or above*. Wellington, New Zealand.

<sup>11</sup> Data provided by Ministry of Education.

<sup>12</sup> Statistics New Zealand (2012). *Youth not in employment, education, or training: September 2011 quarter*. Wellington, New Zealand.

## RECOMMENDATION

## 02

**Identify and help communities with low levels of early childhood education participation and introduce incentives to enable children aged 0-5 from these communities to attend a minimum of 15 hours' quality early childhood education**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change        | <p>Participation in early childhood education supports future educational achievement at school.<sup>13</sup></p> <p>Better Public Services target is that by 2016, 98% of all children starting school will have attended early childhood education.</p>                                                                                                                                                                                                                                                                                                                                        |
| Action                       | <p>Disaggregate the Better Public Services target for early childhood education to regional and territorial authority levels, so that communities with significantly low levels of participation in early childhood education can be identified, and initiatives prioritised to these communities.</p> <p>Following the work to identify the communities with low levels of participation in ECE, work with agencies such as Work and Income to introduce incentives (financial and/or other) to ensure their children attend at least 15 hours' quality early childhood education per week.</p> |
| Agent                        | Government (MoE led with support from MSD), private and voluntary sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Short- to medium-term output | <p>Communities with low levels of ECE attendance identified by end 2013.</p> <p>Work programme for introducing appropriate incentives developed by June 2014.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Long-term impact             | Increased rate of participation in ECE among Māori children.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

<sup>13</sup> OECD (2011). *PISA in Focus* 2011/1 (February).

## RECOMMENDATION

## 03

**Support schools to achieve equal educational outcomes for Māori students by no later than 2017**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change        | Schools need to be better held to account for the achievement of Māori students. Proportionally, fewer Māori students leave school with NCEA Level 2 than non-Māori students, and fewer Māori students go on to further education or training. <sup>14</sup> This skill gap contributes to the higher unemployment rate among Māori.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Action                       | <p>We want to support schools and students to achieve improved educational outcomes. This could be done by:</p> <ul style="list-style-type: none"> <li>• introducing performance and accountability measures for schools, measuring the educational achievement of Māori students;</li> <li>• combining in-school guidance counsellors and external or community-based services or mentors to best meet the needs of Māori students to support their educational achievement. Working kanohi-ki-te-kanohi is the best way to engage with Māori students and whānau.</li> </ul> <p>We note that the Ministry of Education is completing a review of Career Information, Advice, Guidance and Education (CIAGE). This review is due to report to Ministers soon. The aim of the work is to develop proposals to achieve a high-quality system of CIAGE. The system needs to contribute to improved outcomes for, among other key priority groups, Māori learners. We endorse future changes that allow for diversity in approach to better meet the needs of Māori students.</p> |
| Agent                        | Government (MoE), Māori service providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Short- to medium-term output | Set goals for achievement improvement plans for 50 schools with high Māori populations and poor NCEA outcomes, along with expectations that all schools will set targets for Māori achievement by end of 2013. Identify opportunities and pilot the provision of career guidance using community-based services by June 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Long-term impact             | Contribute to achieving Government's Better Public Services target that in 2017, 85% of 18 year olds are to have achieved NCEA Level 2. Higher percentage of Māori students transition from compulsory to tertiary education.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

<sup>14</sup> Data provided by Ministry of Education.

## RECOMMENDATION

04

| Ensure pastoral care at tertiary education providers is meeting needs of Māori students |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                   | <p>Pastoral care is an important contributor to the success or otherwise of students in tertiary education. Research suggests factors outside of the learning environment, such as personal or financial difficulties, can significantly impact on learner outcomes.<sup>15</sup></p> <p>It is unclear whether pastoral care provided by tertiary education providers is meeting the full range of needs of Māori students.</p> <p>More young Māori are enrolling in bachelors degrees, but only at about half the rate of non-Māori. Māori are less likely to complete a bachelors degree by age 25.<sup>16</sup></p> |
| Action                                                                                  | <p>Tertiary Education Commission, and tertiary education providers, Māori students and their communities work together to consider the effectiveness of pastoral care services for Māori students. This will include considering whānau engagement.</p> <p>The Government to then consider alternative models for more effective student support services. This may include opening the provision of services up to contestability, giving Māori iwi or organisations the opportunity to provide these services by contract to universities, with appropriate accountability and transparency measures in place.</p>   |
| Agent                                                                                   | Government (TEC), tertiary education providers and Māori (iwi organisations).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Short- to medium-term output                                                            | Identification of pastoral care needs of Māori students in tertiary education and possible options to better meet these needs (e.g. through contestability of services) by June 2015.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Long-term impact                                                                        | <p>Higher completion rate for Māori students studying for tertiary qualifications.</p> <p>Higher retention rates for Māori students in tertiary education.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

<sup>15</sup> Ministry of Education (undated). *Hei Tautoko i ngā wawata Māori: Etahi tauira nā ngā kura Wānanga*. Wellington, New Zealand.

<sup>16</sup> Ministry of Education (2010). *Facing the Challenge: Tertiary Education Strategy monitoring 2010*. Wellington, New Zealand.

## Goal 2

# Skilled and successful workforce

### Pathways to employment

Employment is important for economic development for a range of reasons. Acquired skills can be put to use in employment for both direct and indirect gain. Skills provide the route to improved prospects for and return from employment. In addition, skills can reduce labour market vulnerability. Any comprehensive Māori economic development initiative must consider the interplay between skills and employment.

Entry into employment is as important for Māori as the transition through the employment ranks for those already in work. However, rangatahi follow different pathways to employment – tertiary education, vocational training, and apprenticeships. For those who choose more academic subjects in tertiary study, the pathway is fairly well defined. Those who are undecided, those who decide to follow vocational pathways, or those who do not achieve NCEA Level 2 will need more assistance in identifying options.

Examples of those options could include those set out below.

- The Government's Youth Guarantee scheme, which aims to provide new opportunities and more flexible approaches, will go some way towards addressing this. Vocational skills are equally as important as academic skills – opportunities to gain work experience while studying will help develop practical skills for future employment.

- Trades Academies, introduced under the Youth Guarantee Scheme, are partnerships between schools, tertiary providers and industry training organisations (ITOs). Trades Academies provide 16 and 17 year olds with the opportunity to combine a secondary school programme with learning in tertiary education and/or industry settings. Senior secondary students can enrol in a Trades Academy programme to make a start on their trades career without paying fees and earn NCEA credits at the same time.
- Modern Apprenticeships are for 16-21 year olds, and are administered by the Tertiary Education Commission. Under the scheme, apprentices have a co-ordinator to help them get started, and to help them along the way.
- More than 100 registered education providers identify themselves as Māori providers. These providers deliver Māori subjects, conduct their courses in a Māori environment, or focus specifically on the needs of Māori learners.

The labour market is dynamic and outcomes result from the interaction between a range of parties. The degree to which policy and government action can influence these outcomes varies. For example, there are reforms under way that may impact labour market outcomes, including the recent welfare reforms.

Generally speaking, jobs are created and improved in response to economic opportunities. Capitalising on such opportunities is not just the responsibility of Government. Māori have a leadership role to play in finding their own solutions in concert with other stakeholders' interest and contributions.

### Demand for skills

The demand side of the labour market sends valuable signals about opportunities available to learners as well as those already in work. In addition, demand-side signals should guide education and training providers around the types, levels and nature of skills and qualifications sought, which influences education delivery. Māori collectives, incorporations, and other enterprises could also provide useful information about their particular needs that would be of interest to learners and education providers alike.

As well as more general skills and abilities, such information would be valuable in influencing entrepreneurial, management and governance capability. Inclusion of demand-side considerations serves not only to ensure their needs are met, but may also accelerate skill development and the application of such skills in high-value areas of relevance. In other words, an integrated view of employment, with explicit linkages across and between all parties for mutual benefit, is taken.



Demand for skills is likely to impact differently on Māori in different regions. Māori will make up a larger proportion of the employed and unemployed in many regions in the central and eastern North Island and Northland because of their northerly geographic concentration outside Auckland. Māori are over-represented in regional centres where one industry may be responsible for a large proportion of local employment,<sup>17</sup> which makes Māori jobs more vulnerable in recessions and global

downturns. Thus, the role of Māori iwi collectives and incorporations in creating and signalling demand for skills assumes even greater prominence in such small and concentrated markets.

In the end, employment, skill levels and earnings are not just workforce matters, but are fundamentally workplace issues. Employers have an important role to play in determining workplace outcomes, especially on the demand side.

#### Invite Māori iwi and collectives to work with MBIE to conduct skill needs analysis and develop a resulting programme of action

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change        | Improving economic outcomes for Māori relies on effective matching of the supply of skills with the demand for skills. Māori iwi and collectives can play a lead role in identifying their own skill needs and signalling those needs to prospective learners and employees.                                                                                                                                                                                           |
| Action                       | Iwi and collectives to determine future skill needs, either using existing tools available from government agencies (such as Tū Mai Iwi, which two iwi have been provided with), or by developing their own tools/models.<br>Iwi, collectives and education providers/educationists to actively engage to enable career paths and viable work-integrated learning opportunities (for example, mentoring and/or intern-type arrangements based on tuakana-teina model). |
| Agent                        | Iwi, collectives, Government (MBIE, MoE, TEC), education providers, wānanga, private and voluntary sector.                                                                                                                                                                                                                                                                                                                                                             |
| Short- to medium-term output | Additional iwi may have elected to use existing tools and be in a position to prepare workforce plans, including preparing a plan for communicating their needs to members.                                                                                                                                                                                                                                                                                            |
| Long-term impact             | Better alignment of study choice with possible employment opportunities, accelerating acquisition of business/innovation skills in young people.<br>Over time, improved performance of Māori organisations and individuals through enhanced acquisition and utilisation of skills.                                                                                                                                                                                     |

#### RECOMMENDATION

# 05

<sup>17</sup> Department of Labour (2009). *Māori in the New Zealand Labour Market*. Wellington, New Zealand. Wellington, New Zealand.

### Committee for Auckland: Māori Graduate Placement Programme

The Panel appreciated hearing about the Committee for Auckland's Māori Graduate Placement Programme. The Committee aims to improve Māori representation in the corporate sector, where Māori are often under-represented.

The Committee has been working with talented Māori graduates and transitioning them into employment within Committee member

organisations. Graduates gain meaningful employment, lifting their skills, income and capability.

To date, 22 Māori graduates from Unitec, Manukau Institute of Technology, Massey University, Auckland University and AUT have been placed within Auckland-based industries, including architecture, telecommunications, banking, law, accounting, advertising and engineering.

### RECOMMENDATION

## 06

#### Increase Māori in-work training

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change     | <p>We know that much of the potential and talent that exists in the Māori population is under-utilised.</p> <p>Differences in unemployment rates and job turnover rates arise mostly from lower job layoff and employment exit rates among the better educated and trained. Māori are over-represented in the occupations, industries and regions that are more vulnerable to recessions. The volatile construction and primary industry-based export industries hire many low-skilled Māori.<sup>18</sup></p> <p>In-work training provides returns for both worker and employer. It allows workers to demonstrate their ability to take on different and potentially more difficult tasks, while employers can gain from the wider array of more productive abilities training provides. Moreover, the workplace relationship is enhanced (i.e. training demonstrates trust and commitment on both sides of the employment equation).</p> <p>We recommend the Government continue to support industry-based in-work training as a way to reduce inequalities in incomes and workforce participation.</p> |
| Action                    | <p>Develop a Plan of Action on how employers will be engaged and learners motivated to take part in up-skilling in the workplace, including specific approaches and interventions that can be tested to up-skill the workforce at the low-skilled end.</p> <p>We propose that the Investment Plans for ITOs be linked publicly with Education Performance Indicators reflective of outcomes for groupings of learners, as has been introduced in other parts of the tertiary education sector. This will help ensure a clearer focus for in-work training on priority learners such as Māori.</p> <p>These actions need to complement the Tertiary Education Strategy by establishing non age-related targets and plans for up-skilling Māori employees in industries with large numbers of low-wage workers with minimum qualifications.</p>                                                                                                                                                                                                                                                             |
| Agent                     | Government (MBIE, TEC and in consultation with MoE), industry, Māori workers: employees, employers and organisers of training.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Short- to med-term output | Plan of Action developed by June 2013 and implemented by March 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Long-term impact          | Māori (and non-Māori) employed in low-wage, low-skilled jobs have the opportunity to undertake further training, allowing them to progress to higher-skilled and higher-paid jobs. Contributes to upward mobility, enhanced skills and labour market earnings for Māori.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

<sup>18</sup> Department of Labour (2009). *Identifying the Resilience of the New Zealand Workforce in a Recession*. Wellington, New Zealand.

| Increasing level of participation of Māori in the labour market |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                           | <p>Increasing Māori participation in the labour market is a critical factor to realising the potential and talent that exist in the Māori population as a necessary driver for Aotearoa's growth.</p> <p>Stronger Māori participation in the workforce is the best way to strengthen the Māori economy, improving whānau well-being and creating the conditions for whānau to be financially secure.</p> <p>An estimated 30% of all Māori aged 18 to 64 were on a benefit in March 2012. Less than 8% of Pākehā aged 18 to 64 were on a benefit in March 2012.<sup>19</sup></p> <p>As a result of current reforms, there may be beneficiaries looking for labour market opportunities. Being able to adequately manage the transition from benefit receipt to labour market participation (particularly in the case of wāhine Māori) requires foresight and attention in order to obtain economic returns from such a shift.</p> |
| Action                                                          | <p>Develop place-based workforce strategies to identify priority rohe with high Māori populations, sectors with employment potential and relatively poor Māori employment rates.</p> <p>Use a private/public partnership to design place-based Māori iwi-led workforce strategies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Agent                                                           | Government (MBIE, MSD), iwi leaders, industry.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Short- to med-term output                                       | Workforce strategies in five key rohe developed by June 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Long-term impact                                                | A co-ordinated approach to improving and understanding the labour market opportunities that exist where Māori live and the skills required to participate. Contributes to greater labour market participation over time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## Te Puni Kōkiri: Māori Potential Cadetship Initiative

Te Puni Kōkiri's Māori Potential Cadetships initiative was originally developed as part of Te Puni Kōkiri's wider response to the Prime Minister's 2009 Job Summit. Cadetships had historically provided a successful pathway for employment, offering a relatively inexpensive option for employers to recruit and develop capability, and for Māori cadets to gain confidence, employment experience, general and job-specific skills, formal qualifications, industry networks and employment. Between 2009 and 2011, 163 cadets were employed across a range of industries.

In 2012, 150 cadets are being employed across the telecommunications, infrastructure and energy sectors. These industries have been specifically targeted as significant opportunities exist as a result of:

- the nature and extent of current and future business and technological development opportunities;
- global and domestic workforce and skill shortages (leading to highly competitive demand); and
- considerable government investment commitments.

Large employers in these sectors that are capable of taking five or more cadets (to provide sufficient scale for mentoring and training supports and a diversity of workplace experiences) will be invited to consider offering Māori Cadetships.

The initiative has been allocated funding for 1,000 Māori cadetships over the next four years.

CASE STUDY

<sup>19</sup> Department of Labour (2012). *Unpublished paper*, using Household Labour Force Survey data.

## Goal 3

# Increased financial literacy and savings

### Financial literacy

Financial literacy allows whānau to make the most of their income and resources, and places them in the best position to build savings and financial assets – key aspects of economic self-determination. In addition, savings and asset creation initiatives can foster and support educational ambition as well as greater social mobility.<sup>20</sup>

The Commission for Financial Literacy and Retirement Income noted earlier this year that while some Māori perform well in the financial and economic sectors, this has yet to be translated into successful performance in everyday money matters for the general Māori population.<sup>21</sup>

The Commission believes that there is a need to develop financial planning knowledge and skills at all age groups of a whānau. We are supportive of the Commission's work to develop an enhanced Financial Literacy Strategy for Māori, and of the broader work the Commission is undertaking in this area, including joint work with Te Puni Kōkiri.

### Savings and home ownership

Māori households are behind in terms of net economic wealth. It is imperative that the rates of saving by whānau are improved. In 2011 BERL published the results of a modelling exercise which demonstrated that Māori household income was 27% (\$5.5 billion) less than expenditure.<sup>22</sup> BERL's modelling suggests that a number of Māori households are not accumulating wealth. Lower rates of asset formation among Māori can be seen in home ownership rates – in the 2006 census, 29% of Māori indicated that they owned or partially owned their own home, compared with 50% of New Zealand's total population.<sup>23</sup>

Improved levels of household savings will be important for accessing tertiary education, and building wealth for whānau.

Increased levels of sustainable home ownership may indicate that whānau are building wealth while also providing the basis for whānau to develop their asset base (for example by allowing whānau to leverage their home equity to build other investments, including starting up enterprises).



20 Boshara, R. (2010). 'Savings and assets over the life course.' New America Foundation; Yadama, G. and Sherraden, M. (1996). 'Effects of assets on attitudes and behaviours: Advance test of a social policy proposal.' *Social Work Research* 20(1), pp.3-11.

21 Commission for Financial Literacy and Retirement Income (2012). *Financial Literacy Strategy for Māori*. Wellington, New Zealand.

22 BERL (2011). *The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy*. Wellington, New Zealand.

23 Statistics New Zealand. *2006 Census Data: QuickStats about Housing*. Wellington, New Zealand.

## HOW WE WILL ACHIEVE OUR GOAL: *CONTINUOUS IMPROVEMENT*

| Consider the options for education and home ownership savings schemes for whānau and households on low incomes |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                                          | Māori whānau have lower rates of home ownership, assets and savings than non-Māori. Savings schemes designed and managed by individual iwi may help whānau increase their savings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Action                                                                                                         | Government and iwi to explore the merit and feasibility of establishing savings scheme(s) targeted at young Māori and other New Zealanders from low-income households, or increasing flexibility within existing schemes (such as KiwiSaver) to enable accumulation of whānau savings for education, home ownership and other asset development. This may include schemes with a lower minimum savings threshold than KiwiSaver. Possibilities for consideration could include: <ul style="list-style-type: none"> <li>• iwi-managed savings schemes for their members, with possible Government contributions;</li> <li>• managing existing savings scheme accounts so as to allow for whānau-pooling of resources for home ownership;</li> <li>• iwi contributions to the existing KiwiSaver accounts of iwi members.</li> </ul> |
| Agent                                                                                                          | Government (Treasury and IRD) and iwi, private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Short- to med-term output                                                                                      | Feasibility study completed and preferred option presented to Ministers for consideration by December 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Long-term impact                                                                                               | Increased whānau savings.<br>Higher rate of home ownership among Māori.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

### RECOMMENDATION

# 08

<sup>24</sup> Statistics New Zealand. 2006 Census Data: QuickStats about Housing. Wellington, New Zealand; Retirement Commission and Statistics New Zealand (2001). The Net Worth of New Zealanders: their assets and debts. Wellington, New Zealand.

### Ngāi Tahu: Whai Rawa

Whai Rawa is a savings scheme established by Ngāi Tahu to support its members to achieve increased personal financial wealth in the medium to long term. The scheme supports a culture of saving and asset-building, and aims to assist Ngāi Tahu whānau to access higher levels of tertiary education, increased levels of home ownership, and increased emphasis on retirement savings. Currently an estimated 16,700 tribal members have joined the successful scheme, operating for five years with membership continuing to grow.

The scheme offers savings benefits and contributions to members, including matching contributions for children and adult members and additional distributions to all members. Members of Whai Rawa can withdraw their accumulated savings for tertiary education, a first home purchase, or retirement.

The key difference between Whai Rawa and KiwiSaver is that while Whai Rawa members can withdraw funds for education purposes, they are not eligible for the Government subsidies for first home ownership. In its initial stages, Ngāi Tahu has also paid all management fees.

Whai Rawa also supports members to increase their level of understanding of financial and investment matters through education and training programmes. In 2010 Te Rūnanga o Ngāi Tahu commissioned a Financial Knowledge Survey, supported by the Retirement Commission and ANZ. The survey indicates that Ngāi Tahu have similar levels of financial literacy to the New Zealand population, and that members of Whai Rawa are more likely to have high levels of financial literacy. Ngāi Tahu is working to improve the financial literacy of iwi members through the implementation of financial education initiatives.

CASE STUDY

## RECOMMENDATION

## 09

**Ensure financial literacy services are meeting the needs of Māori whānau**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change        | Māori whānau have lower rates of home ownership, assets and savings than non-Māori households. <sup>25</sup> The ANZ-Retirement Commission Financial Knowledge Survey carried out in 2009 indicated that Māori as a group have lower levels of financial knowledge literacy than other groups surveyed. <sup>26</sup> We believe financial literacy services could be more effective for Māori whānau if they were more specifically tailored towards Māori whānau.                                                                                                                                                                                                                                                                                                 |
| Action                       | Commission for Financial Literacy and Retirement Income (CFLRI) to consider how its services could be better targeted, tailored and delivered to Māori whānau. CFLRI to work with individual iwi to ensure services are delivered in an effective way to their iwi, hapū and whānau.<br>This should include investigating new ways to build whānau financial literacy, as well as considering alternative delivery mechanisms such as including financial literacy and budgeting services within the remit of services provided by Whānau Ora collectives.<br>Improving financial literacy could also involve increasing awareness and transparency of reporting by iwi, land trusts and incorporations to enable whānau to understand the value of their holdings. |
| Agent                        | Government (CFLRI, Work and Income, MSD), Māori economists, iwi and land trusts, wānanga, and financial literacy and budgeting service providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Short- to medium-term output | Undertake consultation with iwi by end June 2013, to determine how to better reach whānau. Pilot the delivery of budgeting and financial literacy services through alternative delivery mechanism (such as Whānau Ora) by end 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Long-term impact             | Increased whānau savings and rates of home ownership.<br>Increased uptake of KiwiSaver and other savings schemes.<br>Increased awareness of value of collective assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

<sup>25</sup> Statistics New Zealand. *2006 Census Data: QuickStats about Housing*. Wellington, New Zealand; Retirement Commission and Statistics New Zealand (2001). *The Net Worth of New Zealanders: Their assets and debts*. Wellington, New Zealand.

<sup>26</sup> Retirement Commission (2009). *2009 ANZ-Retirement Commission Financial Knowledge Survey*. Wellington, New Zealand.

**ICAN: Indigenous Financial Counselling Mentorship Programme (Australia)**

The Indigenous Consumer Awareness Network (ICAN) provides consumer education, advocacy, and financial counselling to clients across Australia. A partnership between ICAN and the Commonwealth Bank of Australia has resulted in the Indigenous Financial Counselling Mentorship, described as a 'nation first'.

The Programme provides support to Aboriginal and Torres Strait Islanders (and non-indigenous staff members) primarily working in the financial counselling and money management field to undertake accredited training in the Diploma of Community Services (Financial Counselling).

The course provides practical skills and knowledge to assist clients with a range of financial difficulties, including decision-making and financial counselling, especially in regard to credit and debt issues affecting clients. Graduates also gain a full understanding of the rights and obligations of their clients.

Earlier this year, nine Aboriginal and Torres Strait Islander counsellors graduated from the course. Most of the graduates live in the communities they are going to serve. They will be employed by ICAN to help lift the financial literacy levels of the whole community, further increasing their ability to empower indigenous consumers.

References: Indigenous Consumer Awareness Network (ICAN). *Indigenous Financial Counselling Mentorship Program 2012*. Course brochure. Australia. Indigenous Consumer Awareness Network (ICAN) website: <http://ican.org.au/about-us/ican-program/> Commonwealth Bank of Australia (2012). 'More Indigenous financial counsellors graduate'. Website article: <http://www.commbank.com.au/about-us/in-the-community/sustainable-communities-newsletter/2012-jun/indigenous-counsellors.aspx>



## Goal 4

# Government, in partnership with Māori, enables growth

### An innovation ecosystem

While Māori have an entrepreneurial and innovative culture, we think there is a need to stimulate increased involvement in enterprise creation. There is a need to ensure that there is an effective innovation ecosystem where Māori enterprises can develop their products and management capability, become investment-ready, and know their markets well. Because of an intergenerational approach Māori enterprises may have different exit strategies creating different behaviours within the 'ecosystem', meaning that they may not fit with current programmes. This requires Government to establish the appropriate environmental settings and institutions, and to ensure connectivity between them, as well as appropriate engagement with Māori enterprises and collectives.

The Government contribution to the innovation ecosystem could then complement and work with Māori Inc; for example, a Māori capital intermediary and the combined effort of the Māori Trustee, Federation of Māori Authorities, Poutama and New Zealand Māori Tourism could play an integral role in the commercialisation of innovative Māori businesses.

There is presently a level of disconnect between the services provided and Māori enterprises. Māori are not accessing all services provided by agencies. Different engagement models may be required for working with Māori enterprises.

In addition, enterprises need access to capital to conduct research and development, build scale, export and expand into new markets, and achieve their economic potential. Further support could also be provided to Māori enterprises in growing exports, for example in terms of market intelligence and business networks.

### Growth in Partnership

The emerging presence and contribution of Māori in the economy presents opportunity to both Māori and Government entities to achieve shared economic objectives through long-term partnerships. The provision of information and sharing of knowledge is a key theme in our recommendations to achieve this goal.

We believe that more opportunities exist for Government and Māori to work together and that Crown-Māori partnering has not yet been sufficient explored. The timing is now right to do so.

### Building the Management Practices of Māori Enterprises

To achieve transformational change in the Māori contribution to the economy there is a need for strong leadership and management of Māori enterprises and collective ventures. Management practices – that is, the skills and competencies of management and the procedures and systems used – are a key driver in lifting enterprise performance.<sup>27</sup> Research suggests that this is an area that could be improved within the New Zealand business community.<sup>28</sup> In addition, this is an area that requires relatively low levels of investment but which offers significant productivity gains. There is a need for programmes aimed at building management practices that are accessible and appropriate for Māori enterprises.

27 Fabling, R. and Grimes, A. (2006). 'Practice Makes Profit: Business practices and firm success.' Ministry of Economic Development Occasional Paper 06/01. Wellington, New Zealand.

28 Green, R. and Argarwai, R. (2011). 'Management Matters in New Zealand.' Ministry of Economic Development Occasional Paper 11/03. Wellington, New Zealand.

## HOW WE WILL ACHIEVE OUR GOAL: *CONTINUOUS IMPROVEMENT*

| Set joint outcomes for government agencies to target performance and productivity of Māori contribution to the economy |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                                                  | We see a need for government departments to work more closely together on Māori economic development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Action                                                                                                                 | <p>MBIE (lead agency), MPI, Treasury, NZTE, MfE, MFAT and Te Puni Kōkiri work together to help to facilitate the following outcomes:</p> <ul style="list-style-type: none"> <li>• productivity of Māori assets equals national average by 2040;</li> <li>• Māori unemployment decreases to equal national average by 2040;</li> <li>• median wage of Māori increases to equal national average by 2040;</li> <li>• exports by Māori enterprises increase to equal national average exporting intensity by 2040.</li> </ul> <p>These agencies will also demonstrate how they will contribute to Māori economic development in their Statements of Intent.</p> |
| Agent                                                                                                                  | Government (MBIE – lead, MPI, Treasury, NZTE, MfE, MFAT and Te Puni Kōkiri), private and voluntary sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Short- to med-term output                                                                                              | Process put in place to monitor progress against these goals by June 2013. First annual progress report to Ministers June 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Long-term impact                                                                                                       | Increased alignment and co-ordination across government agencies, which will contribute to improved productivity of Māori-owned assets, exports of Māori enterprises, and increased Māori participation in the workforce.                                                                                                                                                                                                                                                                                                                                                                                                                                    |

RECOMMENDATION

10

## RECOMMENDATION

## 11

**Ensure connection between Māori enterprises and the services available to them to build their management capability**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change     | <p>There is a level of disconnect between Māori businesses and business services provided by Government aimed at building management capabilities. Connecting enterprises with the right services and experts for them will enhance their ability to grow scale and lift productivity.</p> <p>Information on the uptake of business services by Māori enterprises is variable. However, submitters indicated that existing business services are fragmented and Māori are not accessing all business services provided by various agencies.</p> <p>There needs to be a consideration of the design of models for management capability-building programmes to ensure that they effectively engage Māori enterprises. This may mean a need for pastoral care models or services which acknowledge Māori values.</p> |
| Action                    | <p>MBIE to lead a review of the services (including programmes focussed on capability-building, access to capital and innovation) provided by agencies such as NZTE, regional partners, Māori Business Facilitation Service and incubators, and the level of uptake by Māori enterprises. This review will be complemented by consideration of appropriate delivery models for Māori enterprises, and an assessment of whether a new model (or models) should be delivered or piloted.</p>                                                                                                                                                                                                                                                                                                                         |
| Agent                     | <p>Government (MBIE, MPI and Te Puni Kōkiri (Māori Business Facilitation Service)) and the private sector.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Short- to med-term output | <p>Complete the review of the services, present findings to Ministers and identify the next steps for improving services by mid-2014.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Long-term impact          | <p>More effective services provided to Māori businesses, which will contribute to improved productivity and performance of those businesses, including increases in exports and GDP per capita.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## RECOMMENDATION

12

| Review linkages between innovation system and Māori enterprises and collectives |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                           | <p>Engagement in the innovation system is essential to lifting the productivity and performance of Māori enterprises and collectives. Feedback during the consultation process indicated that Māori enterprises are not effectively engaged.</p> <p>The newly established Advanced Technology Institute (ATI) provides an excellent opportunity to model a new approach to engage Māori and help meet their innovation needs.</p> |
| Action                                                                          | Māori and MBIE investigate how to link Māori enterprises and collectives with the innovation system (ATI, CRIs, universities, incubators). This project will include considering how Māori enterprises and collectives undertake research and development, and how they engage with the innovation system, particularly with the newly formed ATI as well as CRIs and universities.                                               |
| Agent                                                                           | A collective group of CRIs, ATI, universities, incubators, Federation of Māori Authorities, Poutama, Māori capital intermediary, collectives, enterprises.                                                                                                                                                                                                                                                                        |
| Short- to medium-term output                                                    | Report to Ministers by December 2012 on next steps for encouraging connectivity. This could include options for how organisations in the innovation system will work with Māori to meet their needs.                                                                                                                                                                                                                              |
| Long-term impact                                                                | <p>An increase in Māori businesses being supported to undertake research and development.</p> <p>An increase in Māori businesses commercialising products and services through working with CRIs, the ATI and/or universities.</p>                                                                                                                                                                                                |



## RECOMMENDATION

## 13

**Prioritise Statistics NZ's Tatauranga Umanga Māori project to produce official statistics for the Māori contribution to and participation in the economy on an ongoing basis**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change     | <p>Many submissions raised the need for more detailed data about the Māori contribution to the economy. Statistics NZ has also noted that the identification of Māori interests within the economic information provided by Statistics NZ has been requested in the past.<sup>29</sup> The most comprehensive study of the Māori contribution to the economy was undertaken by BERL in 2011. This study used a variety of information sources, but noted the limitations of the data and a lack of reliable information.<sup>30</sup></p> <p>Māori economic growth could be better advanced with more reliable, relevant and comprehensive information about Māori business and economic contribution. At a regional level, we think there is a lack of available data to inform economic development opportunities.</p> <p>We heard from Statistics NZ about the work they are doing to respond to the need for statistics about Māori businesses. Tatauranga Umanga Māori is a multi-year project identifying Māori businesses and compiling statistics about them, using existing data collections. The project is currently in its first phase. Future phases may consider information about employers, self-employed and other Māori concepts.</p> |
| Action                    | We recommend priority be given to completing the Tatauranga Umanga Māori project, with a view to building a more comprehensive picture of the Māori contribution to the economy. This will include considering the collection of new data.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Agent                     | Government (Statistics NZ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Short- to med-term output | Completion of first phase of Tatauranga Umanga Māori by end of 2013, with data needs identified for second phase by June 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Long-term impact          | Ongoing reliable information about the Māori economy will provide a baseline against which progress can be measured. It will also inform future strategies and initiatives aimed at Māori economic development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

<sup>29</sup> Statistics New Zealand (2012). *Tatauranga Umanga Māori: Consultation Paper*. Wellington, New Zealand.

<sup>30</sup> BERL (2011). *The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy*. Wellington, New Zealand, p.26.

## RECOMMENDATION

14

| Review governance structures of collectively owned Māori assets |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                           | <p>Current structures available for the governance of collectively owned Māori assets are not necessarily conducive to making the best use of those assets.</p> <p>A number of issues were highlighted by submitters in the area of Māori governance, such as the under-utilisation of assets; the concentration of assets in particular sectors, meaning that Māori organisations are not always taking advantage of opportunities in emerging sectors; the need to develop corporate entities that reflect and protect Māori values; and the need to invest in training and skills development with regards to (amongst other things) governance and management.</p> <p>Having appropriate governance structures available will be an important part of making the most of the Māori asset base.</p> |
| Action                                                          | <p>Government to review the structures currently available for the governance of collectively owned Māori assets. We recommend a report be provided to the Minister of Māori Affairs, including options for developing structures that recognise the diversity in Māori organisations.</p> <p>We acknowledge and support the current review of Te Ture Whenua Māori Act 1993. We appreciate that this review may consider land governance structures. This action should complement that review by including consideration of those assets outside the purview of Te Ture Whenua Māori Act 1993.</p>                                                                                                                                                                                                   |
| Agent                                                           | Government (Te Puni Kōkiri), and the private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Short- to med-term output                                       | Te Puni Kōkiri to report to the Minister of Māori Affairs by June 2014 on including options for developing structures that recognise the diversity in Māori organisations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Long-term impact                                                | Better governance of Māori entities and collectives will contribute to improved economic and social outcomes for shareholders and beneficiaries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## RECOMMENDATION

## 15

**Provide market intelligence and facilitate business networks to enable Māori enterprises and collectives to enter and grow in export markets**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change     | <p>Māori enterprises are likely to experience similar problems to other New Zealand enterprises when entering export markets. Firms developing their in-market operations, or entering an offshore market, often have inadequate contacts and information to develop their business at an optimum rate.<sup>31</sup> Particular barriers encountered by firms are:</p> <ul style="list-style-type: none"> <li>• limited advice on overseas government regulation and tariffs;</li> <li>• limited access to finance;</li> <li>• language and cultural differences;</li> <li>• limited experience in expanding beyond New Zealand;</li> <li>• inadequate knowledge of target markets; and</li> <li>• an inability to rapidly increase supply and limited access to distribution networks.</li> </ul> <p>These barriers mainly emerge when a firm that enters and operates in a new market has less information than established firms. This may constrain efficient market activity. New Zealand businesses entering overseas markets can be seriously disadvantaged in relation to established firms. This arises from the constraints of distance, small size and relative newness, resulting in an absence of the critical information that New Zealand firms need to compete and negotiate.</p> |
| Action                    | Government agencies (NZTE and MFAT) support Māori Inc to enter and grow in export markets by providing market intelligence and facilitating business networks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Agent                     | Government (NZTE, supported by MFAT) and the private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Short- to med-term output | Ongoing market intelligence reports are provided.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Long-term impact          | Generation of export growth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

<sup>31</sup> OECD (2008). *Removing barriers to SME access to international markets*. OECD Publishing; Ministry of Economic Development (2008). *Factors affecting New Zealand firm internationalisation*. Wellington, New Zealand.



## Goal 5

# Active discussions around the development of natural resources

### Creating new economic opportunities

There are significant economic growth opportunities for both Māori and the wider New Zealand economy to work constructively together to realise the potential of natural resources. Taking a constructive and open approach to discussions on the use and development of these resources would lead to economic growth outcomes that are mutually beneficial for Māori and all New Zealanders.

We recommend transformational action in activating these discussions via the establishment of a specific 'resources development forum' born out of the Iwi Chairs Forum. This forum should have a mandate and role to work with Government to unlock the potential of New Zealand's nationally significant public (both non-nationalised and nationalised)<sup>32</sup> resources in order to benefit Māori and all New Zealanders. We believe that Māori are interested in economic development opportunities, and support a constructive discussion about the sustainable utilisation of

natural resources. This could include, for example, working with other industry groups and Māori to develop sector strategies.

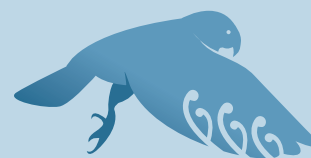
This is a conversation that all New Zealanders need to be involved in. It is a complex and at times tense discussion. In order to overcome the existing barriers we need to understand the costs and benefits that can be realised. Māori can participate in a productive conversation about the benefits and opportunities of sustainable development and use of these resources with all New Zealanders.

### Overcoming existing barriers

In addition to the significant potential in the non-nationalised and nationalised resources discussed above, there are opportunities to improve the productivity and development of assets held by Māori entities. We believe that Māori entities have been constrained in utilising their asset base because of complex regulatory settings and approaches taken by central government and local government.

In 2011, the (then) Ministry of Agriculture and Forestry published a study of the Māori freehold land resource. Based on reference group discussions, the Ministry estimated that up to 40% of Māori freehold land was under-performing and that a further 40% of Māori freehold land was under-utilised<sup>33</sup> – in many cases structural problems within the legislation were cited as the cause. To increase utilisation of Māori assets, legislative impediments and capability issues need to be addressed and Māori need to be empowered to make decisions regarding the use of their assets. We support the current review of Te Ture Whenua Māori Act 1993. The review aims to unlock the economic potential of Māori land for its beneficiaries, while preserving its cultural significance for future generations.<sup>34</sup>

We also support improving effective utilisation of resources, better engagement with stakeholders on land use options, and improving delivery of services to Māori.



<sup>32</sup> Nationalised resources include: petroleum, gold, silver and uranium. Non-nationalised resources are those that may be under Crown ownership or in private ownership.

<sup>33</sup> The MAF report on Māori Agribusiness in New Zealand provides a summary of the current state of Māori freehold land in New Zealand. The report is structured around a framework which was developed through the course of the study. The framework groups land ownership entities into three tiers: 1) well-developed businesses; 2) under-performing entities; and 3) under-utilised lands. The research was conducted through a series of meetings and interviews with relevant individuals and organisations. The proportion of land falling within each of the three tiers was reached by consensus following discussions with interviewees (refer page iv of *Māori Agribusiness in New Zealand: A study of the Māori Freehold Land Resource*).

<sup>34</sup> Finlayson, Hon Chris (2012). Media Release, 3 June 2012: *Te Ture Whenua Māori Act review announced*. Wellington, New Zealand.

There is potential for Māori, the Government and the private sector to create economic growth opportunities in minerals, petroleum, energy, land and aquaculture developments. The Actions below are where we think some of the biggest gains could be realised.

## HOW WE WILL ACHIEVE OUR GOAL: *TRANSFORMATIONAL ACTION*

| The Government and Māori accelerate discussions on the development of natural resources |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                   | There are significant economic growth opportunities for both Māori and the wider New Zealand economy if we work constructively together to realise the potential of the natural resources in New Zealand. Taking a constructive and open approach to discussions on the use and development of these resources would lead to economic growth outcomes that are beneficial for Māori and all New Zealanders.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Action                                                                                  | <p>The formation of a 'Resources Development Forum', established under the leadership of the Iwi Chairs Forum. The Forum's role and mandate is to work with Government to unlock the potential of a range of natural resources.</p> <p>In particular, the forum would start by:</p> <ul style="list-style-type: none"> <li>• working together to develop opportunities for non-nationalised resources;</li> <li>• considering how and whether Māori can actively participate in the development of nationalised resources;</li> <li>• considering the availability and accessibility of science and other relevant data to inform decisions about natural resources opportunities, particularly at a regional level; and</li> <li>• facilitating conversations between Māori, industry and investors.</li> </ul> |
| Agent                                                                                   | Government and Māori; with involvement of industry and investors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Short- to med-term output                                                               | A Resources Development Forum established and met to determine their programme of work by mid-2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Long-term impact                                                                        | Improved utilisation of non-nationalised and nationalised resources.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## RECOMMENDATION

16



## RECOMMENDATION

## 17

HOW WE WILL ACHIEVE OUR GOAL: *CONTINUOUS IMPROVEMENT*

| Reduce the constraints on raising the productivity of Māori land |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                            | <p>We believe that Māori entities have been constrained in utilising their asset base because of complex regulatory settings and approaches taken by Government and local government.</p> <p>A number of organisations and government agencies have significant resources available to assist in the development of Māori land.<sup>35</sup> However, Māori land owners have to approach these agencies separately.</p> <p>To increase utilisation of Māori assets, legislative impediments, coordination issues and capability gaps need to be addressed.</p> <p>Considerable effort needs to be made between these agencies to co-ordinate services and information for Māori land owners. Investigate whether the Commodity Levies Act 1990 is effectively meeting the needs of Māori land owners.</p> |
| Action                                                           | Ministry for Primary Industries and Te Puni Kōkiri to work with Māori land owners and local authorities in identifying and targeting resources to land blocks with potential for development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Agent                                                            | Government (MPI and Te Puni Kōkiri), Māori, Māori Trustee and the private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Short- to med-term output                                        | MPI and Te Puni Kōkiri to implement Māori land development plans for identified blocks with Māori land owners and local authorities by April 2013. This should include investigating potential for rates relief from local authorities during the development phase, and MPI opening a specific Māori agribusiness round of the Sustainable Farming Fund programme.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Long-term impact                                                 | Increased productivity of Māori land.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

<sup>35</sup> Including the Ministry for Primary Industries, Te Puni Kōkiri, Crown Research Institutes (Manaaki Whenua Landcare Research), the Federation of Māori Authorities and other industry groups.

## RECOMMENDATION

18

| Investigate the development of an investment fund for commercial discovery processes |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                | <p>The large resource base held by Māori collectives offers significant economic growth opportunities, but we believe that collectives have low levels of liquid capital to invest in resources or enterprise development.</p> <p>Exploring these resources (often held in the primary sector) can be an uncertain process in that the outcome and/or resulting enterprise opportunities are unknown. This can make it difficult to raise capital for the commercial discovery process.</p>                                                                                                                                                             |
| Action                                                                               | <p>Government to consider whether current primary industry funds (for example, the Primary Growth Partnership) are appropriate for the commercial discovery processes for the development of Māori collective assets in primary industries.</p> <p>This work will consider whether a new fund might be required. A new fund might include criteria requiring the development of a business plan considering later sources of finance or investment, should the proposition be proven. A new fund could also link to current Government interventions aimed at adding value to primary products, such as the Food Innovation Network of New Zealand.</p> |
| Agent                                                                                | Government (MBIE, MPI and Te Puni Kōkiri) and the private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Short- to med-term output                                                            | <p>Stocktake and analysis of the existing funds complete with recommendations to Ministers on the need for a new fund by December 2012.</p> <p>Detailed planning of new fund completed (if required) by June 2013.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Long-term impact                                                                     | Increased development in primary production enterprises will contribute to investment, economic growth, and increased economic benefits to shareholders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## Goal 6

# Māori Inc as a driver of economic growth

### Partnerships and Māori Inc

The emerging Māori participation in and contribution to the economy presents opportunity to both Māori and government entities to achieve shared economic objectives through long-term partnerships. Māori Inc can benefit from 'internal' (i.e. Māori-Māori relationships) and 'external' partnerships (i.e. Māori and Government or private investors).

We consider that more opportunities exist for Government and Māori to work together and that Crown-Māori partnering has not yet been sufficiently explored. We consider the prospect of Crown-Māori co-investment in commercial endeavours presents exciting and attractive opportunities, particularly when interests and objectives are well aligned.

Economic growth opportunities also exist for Māori and private sector collaboration. There is opportunity to encourage collaboration between Māori enterprises, and with non-Māori enterprises, leading to exports. Given the fragmentation of small collectives and small settlements, there may be an opportunity to increase collaboration to 1) pool capital to access greater leverage for larger investment opportunities; and 2) consolidate currently underworked assets to achieve greater economies of scale. The Government (through MBIE, MPI and TPK) can play a facilitation role to encourage activity.

Capital is required for enterprise growth, and we also believe that Māori are significantly under-represented in capital markets activity.

As the Government seeks greater returns for its current investment and expenditure, in this context we believe that medium-term contracting with proven Māori service providers offers an opportunity for reduced transaction costs, efficiencies, and greater service stability.

### Governance

Māori entities and collectives take a long-term strategic approach; are inter-generational in nature; and promote the protection and careful management of assets for the benefit of future generations. The majority of Māori collectives operate a multiple bottom-line approach which promotes accountability and responsibility across social, cultural, environmental and economic outcomes.

Collectives range widely in scale, scope of activity and structural arrangements, but may have similar objectives such as inter-generational wealth creation and preservation. There is a wide spectrum of governance capabilities amongst Māori organisations, with some building significant capacity and capability through their settlement experiences.

### Culture leading commerce – the point of difference

There is the potential for Māori values and ways of doing business to be a source of cohesion and greater productivity in the business environment. If effectively fostered, the point of difference offered by Māori enterprise can create opportunities for the New Zealand brand and associated brands in the domestic and global markets. This could offer a particular benefit in our emerging markets where there is a strong focus on relationships and long-term investment, such as Asia.

### The Māori way of doing business provides a 'unique point of difference' that can be leveraged over other traders

Cultural connections may provide one entry point into new markets. We note that concepts of kaupapa Māori are inherent to a Māori way of doing business. However, the Māori Economic Taskforce heard that 'brand Māori' is currently an under-leveraged global value proposition.<sup>36</sup> With overseas markets increasingly responsive to cultural distinctiveness such as Māori branding and commerce led by culture, there is an opportunity to make more of this comparative advantage through trade and investment opportunities in export markets such as China.<sup>37</sup>

<sup>36</sup> Māori Economic Taskforce Summit (2011). Discussion Paper: *Increasing exports*. Auckland, New Zealand.

<sup>37</sup> Māori Economic Taskforce Summit (2011). Discussion Paper: *Increasing exports*. Auckland, New Zealand.

## HOW WE WILL ACHIEVE OUR GOAL: *TRANSFORMATIONAL ACTION*

### RECOMMENDATION

# 19

| Build relationships and manage logistics in export markets, particularly China |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                          | <p>There is significant potential to increase exports from Māori enterprises. Māori culture and values add a unique point of difference to New Zealand's value proposition in overseas markets, and this provides leverage to improve Māori export performance.</p> <p>Visits to China led by the Minister of Māori Affairs and Te Puni Kōkiri in 2010, 2011 and 2012 have highlighted the unique point of difference that Māori bring to the New Zealand value proposition in the Chinese export market.</p> <p>These visits have led to outcomes in forestry, food and beverage, Māori tourism, seafood, agriculture, and education sectors. They have also highlighted further opportunities for exports – for example, in China's desire for a safe and secure food supply.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Action                                                                         | <p>Māori enterprises and collective ventures form a collaborative model that can leverage off brand Māori and specifically create opportunities in China.</p> <p>We think China offers an excellent opportunity for this recommendation. The collaborative model would:</p> <ul style="list-style-type: none"> <li>• facilitate business entry and growth in the Chinese market by facilitating trade delegations, providing market intelligence or intensive engagement;</li> <li>• raise the profile of the Māori point of difference in this market; and</li> <li>• build the capability of the wider government support in-market.</li> </ul> <p>This action builds on the foundation laid by the visits mentioned above, and should continue the approach taken in these visits, for example:</p> <ul style="list-style-type: none"> <li>• a Māori tikanga approach underpins everything – from meeting and greeting people, to how meetings and gifting ceremonies are conducted, to putting relationships first and then getting down to business;</li> <li>• building relationships and cultural understanding, then developing economic and commercial initiatives from this base.</li> </ul> <p>It will also be important to keep a watching brief on other markets – engagement in China may provide a model for commercial engagement in other markets in future.</p> |
| Agent                                                                          | Māori and Government (NZTE and Te Puni Kōkiri) and the private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Short- to med-term output                                                      | Feasibility/planning study presented to Ministers by December 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Long-term impact                                                               | <p>Increases in exports from Māori enterprises and from New Zealand.</p> <p>Increases in tourism.</p> <p>Greater international linkages and understanding.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## HOW WE WILL ACHIEVE OUR GOAL: *CONTINUOUS IMPROVEMENT*

### RECOMMENDATION

# 20

| Develop opportunities for Crown-Māori co-investment |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                               | There is potential for the Crown and Māori to co-invest in projects that achieve both Crown and Māori priorities, create economic growth, and offer benefits to communities and whānau. Considerable work has been undertaken to explore structures and models for co-investment approaches. An effective testing ground for applying these structures is now needed.                                                                                                                                                                                                           |
| Action                                              | Iwi leaders to prepare a menu of possible co-investment 'deals' that they wish to pursue in areas of new commercial endeavour. These opportunities could be in infrastructure development, or in new and emerging sectors – within or outside their traditional geographic area. Advice should consider the enduring desire of Māori to participate in sustainable economic development and infrastructure activities. Appropriate accountability and financial arrangements will also be required, for example, the impact on public finances of a public private partnership. |
| Agent                                               | Iwi leaders with assistance from advisors as required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Short- to med-term output                           | Delivery of advice to Ministers on opportunities for Crown-Māori co-investment by end of 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Long-term impact                                    | Successful Crown-Māori co-investment collaboration can advance, for example, infrastructure projects, create job opportunities and economic growth.                                                                                                                                                                                                                                                                                                                                                                                                                             |

### RECOMMENDATION

# 21

| Co-ordinate services provided to Māori enterprises |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                              | <p>Services to Māori enterprises could be better co-ordinated across providers, and that there may be gaps in the range of services currently available.</p> <p>There is opportunity to make the most of the services provided by bringing them together to collaborate.</p>                                                                                                                                                                                                                                                             |
| Action                                             | <p>Existing service providers (Māori Trustee, Poutama, Federation of Māori Authorities and New Zealand Māori Tourism) to collaboratively consider the services they provide, and to present their preferred shared working model to Government, so economic agencies can co-ordinate with this model.</p> <p>This will also include identifying gaps in the range of services currently available to Māori enterprises. Service providers and MBIE could consider how those gaps could best be filled, as part of Recommendation 11.</p> |
| Agent                                              | Māori business service providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Short- to med-term output                          | Service providers present shared working model to Government within 12 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Long-term impact                                   | More effective services provided to Māori businesses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## RECOMMENDATION

22

| Share governance best practice knowledge and experience |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                   | <p>In our engagement with stakeholders, we found some highly successful Māori entities returning exceptional economic and social outcomes to their beneficiaries and/or shareholders.</p> <p>We also heard from submitters that governance knowledge and capability pose challenges for some Māori entities and collectives. Many suggested governance and leadership training was essential to enable Māori to make the best use of resources.</p> <p>Such stewardship can benefit other collectives and entities through better information- and knowledge-sharing processes.</p>                                                                                                                             |
| Action                                                  | <p>Māori establish a knowledge repository to facilitate knowledge-sharing among entities and collectives.</p> <p>We suggest this knowledge repository be an online resource that entities and collectives can access and contribute to. It could comprise case studies, best practice examples, and other material stakeholders consider relevant. The resource could reduce information asymmetries and transaction costs, and allow entities to learn from others' experience. For example, collectives could consider best practice in communicating and reporting back to shareholders.</p> <p>We further recommend that the Government provide assistance with establishing this resource as required.</p> |
| Agent                                                   | Māori, led by iwi leaders, with assistance available from Government (MBIE, Te Puni Kōkiri), University Māori-based Research Centres, and private sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Short- to med-term output                               | Online knowledge repository website established within two years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Long-term impact                                        | Better governance of Māori entities and collectives will contribute to increased economic and social outcomes for shareholders and beneficiaries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## RECOMMENDATION

## 23



| Improve engagement between industry groups and Māori enterprises |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                            | There is potential for improved engagement between industry groups and Māori enterprises.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Action                                                           | <p>Industry groups and Māori enterprises to collaboratively consider how Māori enterprises could be better engaged, for example in discussions and networking events. MBIE, NZTE and Te Puni Kōkiri are able to provide assistance to industry groups and Māori enterprises, by facilitating these discussions and providing advice.</p> <p>Conversations could initially focus on what strategies are in place to actively engage Māori enterprises.</p> <p>We were encouraged by the signing of a Memorandum of Understanding between Business New Zealand and the Federation of Māori Authorities in July 2012. The two organisations intend to work together for the benefit of the thousands of businesses associated with both organisations.</p> |
| Agent                                                            | Industry groups and Māori enterprises, with involvement from government agencies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Short- to med-term output                                        | To be determined by agents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Long-term impact                                                 | <p>Better responsiveness to Māori enterprise needs.</p> <p>More partnerships and joint ventures, leading to job creation and economic growth.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



## RECOMMENDATION

24

| Develop Māori Inc concept to operational status |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                           | <p>Developing the concept of Māori Inc offers real opportunity for Māori economic growth, by encouraging collaboration and partnerships, by creating scale.</p> <p>Economic growth opportunities exist for Māori and private sector collaboration. There is opportunity to encourage collaboration across value chains between Māori enterprises, and with non-Māori enterprises, leading to exports.</p> <p>Given the fragmentation of small collectives and small settlements, there may be an opportunity to increase collaboration to 1) pool capital to access greater leverage for larger investment opportunities; and 2) consolidate currently underworked assets to achieve greater economies of scale.</p> <p>We are also aware that capital is required for enterprise growth, and that Māori are significantly under-represented in capital markets activity.</p> <p>As outlined in Recommendation 13, greater access to regional data will support the success of Māori Inc.</p> |
| Action                                          | <p>As a concept, Māori Inc is about Māori organisations, enterprises, collectives and other groups and individuals coming together. Developing this concept will be an organic process.</p> <p>However, we suggest two steps that could help start this process:</p> <ul style="list-style-type: none"> <li>• Māori and the private sector explore partnerships and joint ventures in a range of sectors, with some Government assistance and facilitation as required.</li> <li>• Investigate the establishment of a financial intermediary to bridge the gap between the supply of and demand for capital, and provide other services to enterprises to help them be 'investment-ready' and enhance knowledge and understanding of Māori enterprise to relevant parties.</li> </ul>                                                                                                                                                                                                         |
| Agent                                           | Māori, and private sector, with support from Government.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Short- to med-term output                       | <p>More partnerships, joint ventures and other collaborative projects formed within two years.</p> <p>The feasibility, role and functions of any financial intermediary would be established within three years.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Long-term impact                                | <p>Ultimately, successful development of Māori Inc will result in greater deal flow, and improved quality of deals, with better matching of capital supply and demand. These deals (e.g. partnerships, joint ventures and collaborative investment projects) will create jobs and contribute to economic growth.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## RECOMMENDATION

## 25

| Make the most of the Māori value proposition in export markets |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                          | <p>Māori culture, values and approach to business add a competitive advantage to New Zealand's value proposition. There is the opportunity to leverage this point of difference further.</p> <p>Delegations led by the Minister of Māori Affairs and Te Puni Kōkiri to China in 2010, 2011 and 2012 were underpinned by a Māori tikanga approach – from meeting and greeting people, to conducting meetings and gifting ceremonies, and putting relationships first, then getting down to business. Delegations found the tikanga Māori approach opened doors, enabling access to senior officials and staff, enabling free and frank discussions at meetings and contributing to real export outcomes.</p> <p>Developing the New Zealand brand 'story' is key to making the most of the Māori value proposition. NZTE is currently leading a piece of work to add focus and clarity to New Zealand's 'story' in international markets.</p> |
| Action                                                         | <p>Māori, Government and business groups to collaborate and determine the best approach to building off the Māori value proposition in relevant markets, particularly in Asia and Australia.</p> <p>We suggest some possible first steps below:</p> <ul style="list-style-type: none"> <li>• Ensure that Māori cultural distinctiveness forms a key part of the New Zealand brand 'story' and draws on relevant lessons as strategies are developed.</li> <li>• Government and Māori promote success stories that demonstrate how the Māori value proposition offers a point of difference.</li> <li>• Government agencies that provide in-market service take stock of their understanding of Māori business trends in market.</li> </ul>                                                                                                                                                                                                  |
| Agent                                                          | Māori, working with private sector and business groups, with Government support and facilitation (MBIE, Te Puni Kōkiri, NZTE and MFAT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Short- to med-term output                                      | <ul style="list-style-type: none"> <li>• Māori Inc and Government establish working group with business groups within six months to collaborate on making the most of the Māori business value proposition.</li> <li>• New Zealand brand story project completed with Māori culture and values as a key component within two years.</li> <li>• Six completed case studies of successful enterprises that demonstrate the Māori value proposition within 12 months.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Long-term impact                                               | Including Māori cultural distinctiveness will contribute to a stronger New Zealand 'story' in export markets. New Zealand's value proposition will feature a unique point of difference in the international marketplace. This will ultimately lead to increased exports and economic growth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## RECOMMENDATION

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| Establish a Māori Economic Development Board to provide ongoing stewardship, monitoring and evaluation of the Māori Economic Development Panel's Strategy and Action Plan |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motivation for change                                                                                                                                                     | While the recommendations in this Action Plan specify particular agents, we think ongoing stewardship and oversight of our Strategy and Action Plan is required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Action                                                                                                                                                                    | <p>Establish a Māori Economic Development Board, made up of external stakeholders. This Board will monitor and evaluate the implementation of the Māori Economic Development Panel's Strategy and Action Plan.</p> <p>The Board will provide advice to and be administered by the Ministry of Business, Innovation and Employment (MBIE). It will also have a direct reporting line to the Minister of Economic Development and the Minister of Māori Affairs.</p> <p>Te Puni Kōkiri will also have a role as the Government's principal advisor on Government-Māori relationships, and as the agency responsible for advising on policy affecting Māori wellbeing.</p> <p>The Board will provide regular reports to these Ministers and stakeholders.</p> |
| Agent                                                                                                                                                                     | Minister of Economic Development and Minister of Māori Affairs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Short- to medium-term output                                                                                                                                              | Board established within six months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Long-term impact                                                                                                                                                          | Successful implementation of the Māori Economic Development Panel's recommendations will contribute to achieving the Panel's vision of <i>he kai kei aku ringa</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |





