



He kai kei aku ringa
The Crown-Māori Economic Growth Partnership



Six Monthly Report

Māori Economic Development Advisory Board

To the Ministers of Economic Development and Māori Affairs

December 2013



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Six Monthly Report

Māori Economic Development Advisory Board

*To the Ministers of Economic
Development and Māori Affairs*

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Introduction

*Kanohi ki te kanohi,
pokohiwi ki te pokohiwi,
ka whawhai tonu ake*

Facing the issues,
shoulder to shoulder,
continually striving forward

1

As the Māori Economic Development Advisory Board (MEDAB) our key role is to assist in the implementation of He kai kei aku ringa, the Crown-Māori Economic Growth Partnership.

3

Above all we provide stewardship of He kai kei aku ringa and carry on the work of our predecessors, the Māori Economic Development Panel and the Māori Economic Development Taskforce, which consulted widely with Māori about how economic development can be accelerated. Two members of the Board were also members of the Panel and provide a link between their efforts and ours.

2

In carrying out this role, our responsibilities include providing advice to you, as the Ministers of Economic Development and Māori Affairs, on the progress of He kai kei aku ringa, and on the efforts by the public sector to carry out initiatives and programmes that contribute to the six goals of the strategy. We also provide a link between the Māori economy and the Crown through our knowledge of Māori business initiatives and our developing knowledge of the public sector.

4

He kai kei aku ringa has a horizon of 2040 to recognise the long term effort and focus required to make a difference to development trajectories. We have been appointed for a five-year term and will report on progress every six months to Ministers and annually to the Chief Executive of the Ministry of Business Innovation and Employment. This is the first of the six monthly reports to Ministers and there will be ten during our tenure as a Board. The final report will contain our recommendations to both the Crown and Māori about how He kai kei aku ringa can be refreshed for the following five years.



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.*

Priorities & systems

- ▶ Since our first meeting in May we have concentrated on setting our priorities and developing the systems and processes that will allow us to carry out our work effectively. Both are vital if we are to be useful as a Board. We have limited time and have to determine where that time is best spent. Similarly, the scale and breadth of the initiatives underway in the public sector to accelerate Māori economic development require a robust monitoring and evaluation framework to allow us to both understand what is happening and form views about how effective those efforts might be.
- ▶ Our clear first priority is education and the three He kai kei aku ringa goals that focus on this area: greater educational participation and performance, a skilled and successful workforce and increased financial literacy and savings. The strategy recognises the development of Maori assets and businesses is vital but the greatest development opportunities lie with whanau and ensuring whanau members develop skills that will lift their economic performance over time.
- ▶ As a Board we see the three educational goals as a whole and within this whole we want to concentrate initially in two areas: educational performance up to the age of 10 years when the foundations for later learning and skill development are laid down, and skill development, particularly the transition from school to work.
- ▶ In looking at the efforts of the public sector agencies in these areas we will be focusing on the wider story rather than the efforts of specific agencies, while recognizing that each of the agencies make contributions to that overall picture. To assist us in that task, the Ministry of Business, Innovation and Employment has been developing a framework that will allow us to monitor and evaluate activity across a wide range of agencies.
- ▶ To advance our efforts in the education and skills related goals, we believe the Board would benefit from the appointment of a member with specific experience and skills in education (we understand provision was made for additional Board members when the Board was first established and it is time this provision was utilised).
- ▶ We realise that the education and skill development story as a whole is a long term project. But we also recognise that long term stories are made up of a number of short and medium term adjustments and changes which together contribute to positive progress. No single initiative will have the ability to achieve the first three He kai kei aku ringa goals but each successful initiative is another step towards achieving generational change.

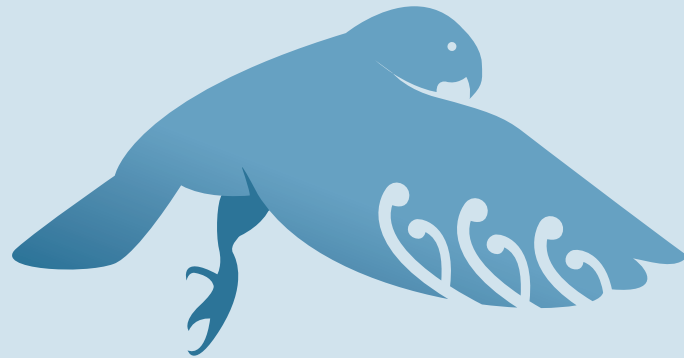


- ▶ The other three goals – Government in partnership with Māori enabling growth, active discussions around the development of natural resources, and Māori Inc as a driver of economic growth – promise greater impact in the short and medium term as they can build on and accelerate existing initiatives and activity by Māori.
- ▶ In these areas our discussions have focused on equitable access to information and assistance. Existing assistance programmes are underutilised by Māori businesses and organisations. In some cases this is because they lack the resources to complete the entrance requirements to such programmes or they lack information about the availability of such programmes. We believe that there may be a role for public sector agencies to be more active in promoting programmes and in delivering information to Māori businesses and organisations.
- ▶ Across all six goals we are also united in emphasising the importance of good data and information flow. Without good data we cannot determine how goals should be defined and, once defined, progress evaluated. And without effective information flow we cannot link knowledge in one area to progress in another. This is particularly important for goals four to six, which broadly cover Māori business and commercial activity. Statistics New Zealand has a project within the He kai kei aku ringa framework to develop data collection and analysis in this area to build on their existing work with iwi.
- ▶ The Board has assigned one member to each He kai kei aku ringa goal. Each member will attend workshops in their specialist area to develop an in depth knowledge of the work of the relevant public sector agencies. The full Board will meet every two months to consider progress across the goals.
- ▶ The Board will link to the wider Māori world through regular consultation and discussion with the Iwi Chairs Forum and other peak groups such as the Federation of Māori Authorities.
- ▶ Three members of the Board attended the recent Māori Business Leaders Boot Camp. The Boot Camp has generated numerous short term and medium term initiatives that are being progressed. The Board considers that many of these projects have strong connections to the goals of He kai kei aku ringa, and we would like to work together in realising their potential.



Māori economic development progress

- ▶ While developing priorities and systems, members of the Board have also been communicating with Māori about He kai kei aku ringa. We believe the He kai kei aku ringa framework can provide a showcase for the dramatic economic achievements of the last two decades, as well as the exciting initiatives that are under way or being considered throughout the country. These efforts deserve to be more widely known both by Māori and the wider community.
- ▶ Businesses based on traditional assets have entered a phase of vigorous growth and diversification while settlements of historic claims under the Treaty of Waitangi have provided an economic base on which the largest businesses owned by Māori have been created. Increasingly, profits from these businesses are being used for community initiatives and the development of whānau and hapū.
- ▶ The largest single area of Māori business activity is in businesses owned by individuals or the self-employed. This area has also shown strong growth and is a significant part of the wider New Zealand economy.
- ▶ Growth in all areas will, in turn, provide a stronger and wider base for future development. This work reflects the meaning of He kai kei aku ringa, that with our own hands we can provide the means by which we can live prosperous and fulfilling lives.
- ▶ This progress has fueled ambition for more development and it is reflected in the number of initiatives undertaken by Māori. Projects include intensification of use of traditional land assets, collective marketing efforts in red meat, wool and tourism, greater processing of primary production and moves into other forms of land use such as dairying and honey production.
- ▶ Iwi and hapū are also moving collectively to look at their work in a wider context through economic strategies, developing strategies of their own and participating in collective strategies put together by regions.



- ▶ Treaty settlements continue to generate real gains and have the potential to stimulate Māori development in some of the regions, such as Northland, where the need for development is greatest. The earlier and larger settling groups such as Tainui and Ngāi Tahu continue to lead the way. Tainui is advancing a major development project, a proposed inland port at Ruakura near Hamilton. Ngāi Tahu has begun major dairy developments on former forestry land and become the largest residential land developer in Christchurch as that city moves into the rebuilding phase after devastating earthquakes.
- ▶ We believe more initiatives – especially those from small and medium sized businesses and organisations - could move along the development pathway and reach key thresholds such as developing a business case, having a dedicated project manager, or completing a complex application process for Government programmes. What these initiatives lack is the support or co-investment required to reach this first step. Māori businesses or organisations are willing to back their good ideas with money but many lack the capability to develop a business case, negotiate an application process or are unaware where they can find help.
- ▶ The Board believes that He kai kei aku ringa has a role to play in supporting such initiatives so that they can begin the transition from good idea to business innovation, find commercial backing or partners and/or assist in providing access to the larger government funding programmes. A small fund under the framework of He kai kei aku ringa and the stewardship of the Board to allow businesses and organisations to make progress along the innovation spectrum would encourage more initiatives. This would need to be complemented by a more significant ability for either MBIE or other He kai kei aku ringa lead agencies with business development responsibilities to identify and support specific initiatives, particularly on a regional basis.

Implementing He kai kei aku ringa

- ▶ Gathering information on the performance of both the public sector in Māori economic development and Māori commercial activity has wider objectives for the Board. He kai kei aku ringa has an associated action plan with 26 recommendations aimed at advancing the six goals of the strategy.
- ▶ The Board will initially look at both streams of activity – from the public sector and by Māori - in relation to the six goals of He kai kei aku ringa. We will try to identify where that activity is having a positive impact, where the activity does not appear to be having an impact and where there are gaps or impediments to moving forward.
- ▶ Where existing activity appears not to be effective or where there appears to be little targeted activity addressing issues we will then consider the role that one of the 26 recommendations might play in making progress. We believe that the strategy and actions in He kai kei aku ringa should act as a catalyst for stepping up existing initiatives and developing new ones. Equally, where existing activity is effective or existing initiatives overlap with the recommendations in the action plan we will be less inclined to suggest to Ministers that a recommendation in the action plan be implemented as a priority.
- ▶ As with Māori-led initiatives, the Board is conscious that a great deal is already being done by the public sector to assist in Māori economic development and a number of agencies are already making progress in areas that are squarely within the He kai kei aku ringa framework. Among these early movers is Statistics New Zealand whose work with gathering data on Māori business activity we have already mentioned. Another is the Ministry of Primary Industry with a programme to improve the management and productivity of Māori owned land, beginning in Northland.
- ▶ Partner Working Groups are also moving forward, with the Financial Literacy Working Group to complete an analysis shortly of current services that will identify any gaps in provision and any alternative models for savings schemes.
- ▶ The process of monitoring and evaluation will also inevitably throw up other options for moving forward within the He kai kei aku ringa framework. As noted in the previous section, to further this work the Board would like to have access to funding that will allow projects to navigate the early stages of development and complete applications for further assistance or seek interest from other possible investors. These projects will not usually be able to reach the threshold for larger development funds but with some modest assistance may be able to do so.



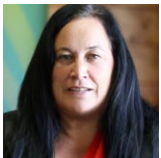
Next Steps

The Māori Economic Development Advisory Board

- ▶ The board has now completed our initial implementation phase, determined how we will carry out our roles and begun substantive work on our priorities.
- ▶ By the end of the first half of 2014 the Board will expect to begin to make assessments about the current activity carried out by the public sector that contributes to Māori economic development. These initial assessments will be included in our second six monthly report and in our annual report to the CE of the Ministry of Business, Innovation and Employment, which will also be completed at that time.
- ▶ The Board looks forward to at least one additional member in 2014 to assist with its work on the key priority of education and skills development. We also think consideration should be given to establishing a Partner Working Group in this area.
- ▶ Finally, we would also like Ministers to give consideration to funding - under the He kai kei aku ringa framework and the stewardship of the Board - that can be used to assist projects to reach the threshold of developing a business case, seeking further funding or attracting support from possible stakeholders.
- ▶ The Board believes this should be complemented by a greater capacity for He kai kei aku ringa lead agencies with business development responsibilities to identify and engage directly with such initiatives. They would so in partnership with the Board, using the He kai kei aku ringa fund proposal noted earlier to move initiatives to the next stage of development. This should have a regional focus and build on existing Māori led projects. In this way, a He kai kei aku ringa fund can act as a catalyst for further development, and/or provide access to private sector partnerships or larger government funding programmes.
- ▶ We will also continue to communicate with Māori about the strategy. A website to assist with an understanding of He kai kei aku ringa, the Māori economy and to provide information and assistance to Māori in business is in development. Being able to provide assistance to develop projects will also assist with communication. In the first six months of 2014 the Board will also hold one of its meetings outside Wellington to communicate directly with our stakeholders about economic development issues.



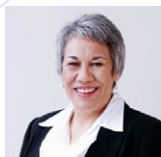
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Hilton Collier
(Ngāti Porou)

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