

*Kotahitanga Te Reo Wairuatanga
Kaitiakitanga Ukaipotanga Whakapapa
Pukengatanga Rangatiratanga Manaakitanga
Whanaungatanga*

MĀORI ECONOMIC TASKFORCE

Led by the Minister of Māori Affairs, **Hon Dr Pita R Sharples**



Hon Dr Pita R Sharples

Introduction

This information sheet highlights the Ministerial Māori Economic Taskforce response to the Māori Economic Summit. It sets out some of the Taskforce's current and future work priorities to support Māori through the economic recession; and position Māori to play a vital role in the future economy.

Background

In January 2009, the Minister of Māori Affairs hosted a Māori Economic Summit where over 150 people gathered to discuss issues and actions that government and Māori could take to address the recession, create jobs and grow the Māori economy.

The Summit identified how the impact of the recession could be mitigated for Māori including various forms of support for Māori enterprises and community-oriented job creation like whānau gardens.

Other ideas included a more equitable distribution of funding for Māori providers to deliver services to support whānau in need; greater collaboration

amongst Māori asset holders to achieve better returns; and a longer term focus on education and training to alleviate poverty.

The Māori Economic Taskforce was established as a result of the Summit with three main goals to:

- Support Māori through the economic recession
- Position Māori for future strategic economic opportunities
- Promote kaupapa Māori and Māori structures as drivers of prosperity.

Chaired by the Minister of Māori Affairs, the Taskforce is also attended by the Associate Minister of Māori Affairs, the Hon Georgina te Heuheu and Te Puni Kōkiri Chief Executive, Leith Comer.

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Māori economic development is important not only for Māori, but is crucial to New Zealand's overall economic performance.

Māori Economic Taskforce members were appointed for their expertise in a wide range of disciplines and each leads progress in one of the following Taskforce work streams:

- Daphne Luke (Small and Medium Enterprises)
- Bentham Ohia (Education, Training & Information Technology)
- June McCabe (Investment Capital and Enterprise)
- Hon John Tamihere (Social and Community) Resigned February 2010
- Mark Solomon (Tribal Assets)
- Ngahiwi Tomoana (Primary Sector)
- Rob McLeod (Economic Growth & Infrastructure)

The Taskforce has a budget of \$4.5 million per annum to research and implement Māori economic development initiatives.

In 2009 Taskforce members focused their efforts to:

- deliver community and sector initiatives to assist Māori through the economic recession;
- identify projects including research designed to support longer-term initiatives that contribute to Māori economic prosperity; and
- utilise their leadership to influence different sectors and communities across New Zealand, including promoting kaupapa Māori and mātauranga as drivers to achieve well-being and economic prosperity.

The Taskforce recognises that supporting Māori through the economic recession was a core reason for its formation, and potentially towards a movement to sustain and engage Māori economic self determination.

The Taskforce has instead adopted an approach that supports the creation of employment opportunities that keeps Māori in employment;

supports Māori enterprises through the recession; and establishes the conditions for Māori to take strategic advantage of an economic recovery.

The Taskforce has done this by initiating a mix of short and longer term projects – a selection are highlighted in this sheet. Whilst efforts so far have been to identify and scope the potential of projects, the next stage will be to test those ideas with Māori enterprises and communities; and to use the results to inform policy; enhance Māori business sector planning and decision-making, and canvass support across Government.

Māori Economic Development

Māori have made significant social and economic gains in recent years. More Māori are employed in a wider range of jobs and have better qualifications than a decade ago. Māori assets have also increased in value and there are now more Māori businesses engaged across sectors.

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For the New Zealand economy to achieve its long-run potential growth, it must make the best use of all available resources. One resource not well utilised in New Zealand's economic growth potential is the contribution of Māori.

Māori are affected by economic trends in specific ways, reflecting the unique distribution of Māori economic activity across regions, sectors of the economy and types of jobs.

Māori will determine their own priorities and aspirations for economic development and will foster development activities relevant to their circumstances and need.

However, Māori economic activity also relies on a diverse range of players working together – in

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particular, Māori individuals in the labour market, the self-employed running Māori businesses, and tribal and pan-tribal Māori commercial entities.

People are our greatest asset and improving the skills, training and qualifications of young Māori is paramount.

There is significant untapped potential in the Māori tourism sector and a need for more capability and capacity in Māori innovation, specifically in research, science and technology.

Māori enterprises are increasingly playing their part as a significant export earner for New Zealand however further support is still required to take Māori enterprises to the world.

Future Work Programme

Primary and Related Sector Projects

Koura Inc

In 2009, the Taskforce engaged Te Ohu Kaimoana to research the feasibility of establishing a lobster export market to China. This proposal explores the opportunity for Māori lobster quota owners to establish an export market presence and capture some of the down-stream value that local/in-country distributors receive.

The project relies on an initial assessment of the risks and returns inherent in such a market. This will be used to develop a detailed business plan to help gain the interest of Māori lobster quota owners and show how an export market could be achieved. Quota owners will be encouraged to raise finance and funding to implement the business plan.

The project will include an evaluation of its success and the development of resources to promote this approach to the primary sector – wherever the productivity of Māori assets can be improved.

Shanghai Expo 2010

The Shanghai Expo 2010 – expected to be the largest World Expo ever – presents significant opportunities for Māori businesses to leverage into growth industries; increase Māori exports; and increase the profile of Māori tourism experiences to overseas providers and visitors.

The Taskforce has continued to progress planning for a Minister of Māori Affairs' led delegation to the Shanghai Expo, from 6 – 11 September 2010.

The delegation will provide an essential platform for increasing market exposure for sectors and businesses that have existing relationships with the Chinese. It will also provide opportunities for some Māori businesses to build and cultivate new relationships.

The Ministerial-led delegation will showcase key Māori business sectors, consistent with the strength of the Māori asset base.

This will include the:

- primary sector (encompassing dairy, meat, agriculture and horticulture, as well as the value-add food and beverage sector);
- tourism sector (pursuing opportunities to attract independent Chinese tourists to New Zealand by marketing Māori cultural tourism experiences);
- investment sector (in order to promote opportunities between Māori owned entities and Chinese interests to invest in New Zealand); and
- education sector (particularly to pursue the potential for knowledge transfer in the primary sector industries).

Significant cultural aspects expected of the visit include the gifting to China of a waharoa carved by the New Zealand Māori Arts and Crafts



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The final report will help Māori investment decisions in terms of time, energy, resources, asset strategies; and implementation of smart R&D and technology opportunities.

Institute and links with institutions like the Baoshan Folk Art Museum, a leading repository for indigenous cultural works in Shanghai.

The delegation will include Māori business leaders representative of their sectors. To pursue opportunities in China, delegation members will establish follow-up meetings in the final weeks of the Expo.

Māori Brand Strategy

This project will explore the usefulness and value of a Māori brand to build global awareness of products and services produced by Māori for export.

Two workshops were facilitated by Te Puni Kōkiri, and a small group set up to develop work on a Brand Strategy including:

- presentation of material to engage with key stakeholders;
- consultation with Māori stakeholders, principally key primary sector Māori incorporations;
- facilitating brand development workshops; and
- producing a strategy 'blueprint' document for the Taskforce.

The Taskforce will decide on further work to take place from mid-2010.

Māori Research Innovation Project

Critical research is currently taking place to inform the delivery of a number of key projects in 2010.

The Taskforce has engaged BERL to investigate the:

- benefits for Māori in pursuing innovation, research and development (R&D), and technology activities including the opportunity cost of not undertaking this work; and
- implications for the wider New Zealand economy, if Māori do not get an appropriate level of innovation investment in the Māori economy and the Māori world.

The final report will help Māori investment decisions in terms of time, energy, resources, asset strategies; and implementation of smart R&D and technology opportunities. It will outline the skills and education opportunities that open the door to innovation, and will provide a platform for government, policy makers and Māori entrepreneurs.

Getting investment decisions right has quantum earning possibilities. The Māori economy is conservatively estimated at \$16b today, without R&D and wider innovation-related investment. Technology is at the forefront of many, if not all, of New Zealand's business endeavors, Māori included. Consultation with key stakeholders at the end of 2009 informed the development of a detailed scoping report and implementation plan by BERL.

The Taskforce is considering the scoping report and full implementation will occur in 2010, with a final report due for completion in early 2011.

Māori Investment, Capital Market and Enterprise

A scoping study is underway to help define the market within which Māori consumers of capital and the suppliers of capital operate.

It will:

- draw out issues affecting the demand and supply of capital to Māori enterprises;
- provide a series of in-depth interviews with key stakeholders in the sector in particular, those managing collectively owned assets and those operating in and advising on the capital markets; and
- identify areas of subsequent work to assist Māori enterprises to access capital needed to reach their potential.

This is the first phase of the Māori Investment, Capital Markets and Enterprise Reference

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Group's work programme. Phase two will develop and test prospective solutions in 2010 and early 2011. This work sits alongside the recent report of the Government's Capital Markets Development Taskforce.

Infrastructure Investment Opportunities

The Taskforce has completed a research report examining iwi collaboration with government in a public private sector partnership arrangement.

It outlines the public policy framework for Crown-iwi co-investment, focusing on infrastructure assets; and the risks and opportunities associated with this endeavour.

The Taskforce will advance the next stage of work, which will include:

- identifying potential collaborative investment opportunities;
- financial modelling scenarios and structuring;
- evaluating potential deals and opportunities; and
- engaging iwi, hapū and whānau to form a consensus on potential deals.

Investments in infrastructure assets are major undertakings and the production of a range of tools and advisory products will help to inform iwi, hapū and whānau discussions. The Minister of Māori Affairs will release these tools in May 2010 at the Iwi Leaders forum in Akaroa with Taskforce member Mark Solomon.

Website – Māori Economic Taskforce

The Māori Economic Taskforce launched its website in January 2010: <http://www.tpk.govt.nz/en/in-focus/taskforce>. The website provides useful information about the goals and priorities including the work stream activities of the Taskforce.

Information about Taskforce members and some recent work highlights are also included in the website that also encourages public feedback and advice.

The Taskforce expects an increase in interest and enquiries about its work as awareness of the website continues grows.

Existing and Continuing Work Programme

Māori Business Network Association

- This initiative is designed to enhance Māori regional networks and support Māori businesses. The Association, **Kōtuitui Inc.** was launched in November 2009 and brings regional Māori Business Networks into a national association to provide support and services that build capacity and capability.

Other projects initiated within this work stream include:

- **Local partnership support** for service providers to Māori enterprises and communities to advance business growth, employment and sustainability. This approach provides targeted support to Māori Small and Medium Enterprises (SMEs) from start-up at a local level, to national delivery and where appropriate – export.
- **An information portal** for Māori SMEs being developed to provide online support and access to quality content and information, including existing government online tools and resources.
- **Hā hapori whakatupu mātauranga** - a Māori research framework to identify community needs and development opportunities. Pilot studies are underway in Kapiti, Horowhenua and Heretaunga communities.



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Rugby World Cup 2011

The Taskforce and Te Puni Kōkiri are working on a Commercial Engagement Plan for Māori groups and businesses to capture predicted economic opportunities associated with Rugby World Cup 2011 (RWC 2011).

A key aim is to connect Māori SMEs with tourism opportunities; and ensure targeted, sector specific, up-to-date information is available to help inform their decision making.

To date, the Taskforce and Te Puni Kōkiri have produced preliminary proposals to identify:

- what general RWC 2011 business opportunities exist;
- Māori businesses that may directly benefit from RWC 2011 opportunities;
- distribution channels for tourism operators to leverage opportunities provided by RWC 2011 activities;
- appropriate channels and tools to effectively communicate RWC 2011 information to Māori businesses; and
- a physical location during RWC 2011 to showcase and exhibit Māori commercial products, leadership and excellence.

Māori Professional and Group Training

The Māori Economic Taskforce and Te Puni Kōkiri have invested in five projects to increase the number of Māori professionals in key industries. These initiatives are concentrated in accounting/auditing; architecture; business/IT; and the sciences.

Boosting the number of Māori professionals is leverage for Māori economic development, adding both depth and breadth to the skills and acumen available to Māori entrepreneurs, asset holders and wider business interests, while increasing household incomes.

Accountancy

Accountancy is a profession critical to building commercial success, and a field in which Māori are not well represented.

Working with the New Zealand Institute of Chartered Accounts (NZICA) and the National Māori Accountants Network (Ngā Kaitatau Māori o Aotearoa), Te Puni Kōkiri and the Taskforce are promoting a greater number of Māori graduates into accountancy professions. In December 2009, a contract was signed with Kete Pūmanawa Solutions Limited to place 15 Māori accountancy graduates into employment.

Architecture and Design

Architecture and design was identified as a field with the capacity to connect Māori culture and heritage up with a demand for more professionals. Despite some pockets of success however, the number of Māori in this profession continues to be low.

Te Puni Kōkiri and the Taskforce have joined with Ngā Aho (the Māori Design Professionals Association) to promote more Māori into architecture and design, and increase the number of employed Māori graduates. In November 2009, Kakariki Consulting Limited was contracted to secure positions for 10 Māori graduates.

Information Technology

Information Technology is a growth sector offering significant domestic and international opportunities to skilled professionals.

Māori are under-represented across the IT sector, with the disparity particularly noticeable in the more lucrative positions.

A consortium of Software Education Limited (IT Trainers), Candle (IT Recruitment) and Kete Pūmanawa Solutions Limited (Māori Human



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Resource Management) was contracted in November 2009 to place 30 Māori in business analysis training with over 60 percent subsequently placed in employment.

Teaching

An ongoing shortage of Māori teachers continues across the compulsory education sector, particularly those fluent in te reo Māori. There are also shortages in particular secondary subject areas, for example; mathematics, technology, physics, chemistry and home economics; and in specific sectors including Māori medium and early childhood education.

Education specialists, Asset Rich Limited aim to recruit 50 new Māori teacher trainees. The primary target group is Māori eligible to enter one-year postgraduate secondary teaching diploma programmes in 2010, and in subjects/sectors of highest need.

LENScience

A range of high paying professional opportunities exist across the health and pure science sectors, and are available to those who perform strongly in science at secondary school. Māori have historically not taken advantage of these opportunities and are consequently under-represented in these sectors.

The LENSscience initiative will create a cohort of young Māori able to take advantage of professional opportunities in the sciences. Auckland UniServices Limited (on behalf of Auckland University and the Liggins Institute) has been contracted to target Māori students in 25 South Auckland secondary schools over three years.

The project will introduce young Māori in these schools to science mentors; improve access to science based resources; and open up a pathway to study science at university. The programme

began in the 2010 school year. Eighteen of the 25 targeted schools (across 77 classrooms and approximately 850 Māori students) are currently engaged in the programme.

InfraTrain – Civil Infrastructure Industry

Te Puni Kōkiri, in conjunction with the Taskforce has also initiated a project involving the civil construction industry, which complements the Māori Professional and Group Training programme. Launched in July 2009, InfraTrain delivers training to Māori working in the civil infrastructure industry such as roading and bridge building in Tāmaki Makaurau, Tai Tokerau, Waikato, Te Moana a Toi, Te Tairāwhiti, Takitimu and Te Arawa.

Māori make up an estimated 30 percent of workers in the civil infrastructure industry in the North Island. Workers without qualifications and skills are often the first to be affected during an economic downturn.

With the government investing heavily in infrastructure over the next five years, this initiative ensures that Māori in the industry have the skills and qualifications to take advantage of industry growth, and safeguard their jobs and earnings into the future.

Māra Kai – Community Gardens

The Māra Kai initiative assists Māori communities to meet the establishment costs of setting up small non-commercial māra kai (community vegetable gardens) on marae and in Māori communities.

The objectives of Māra Kai are to promote self-sufficiency, wellbeing, and good nutrition; the sharing of gardening knowledge, including customary techniques; and community cooperation.

Māra Kai funding boosts Māori involvement in sustainable community gardening projects and is expected to produce significant health, financial and social benefits. In 2009/10, Māra Kai funding





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was \$500k and another \$500k will be allocated for 2010/11. So far, 265 project applications have been received and 214 contracts issued to projects located from the Far North to Bluff in the South. Highest demand is Te Tai Tokerau, with a total of 32 projects underway, followed by Takitimu with 30 contracted projects.

Other Activities

The Taskforce has been active in supporting Māori innovation and investment through its submission-making on key issues including the country's research science and technology priorities and government broadband investment initiatives.

Submission on New Zealand's Research, Science and Technology Priorities

In November 2009, the Taskforce presented its submission on the Government's Research, Science and Technology Priorities.

In summary, the submission noted that Māori development was not a key outcome or platform area. The roadblocks in the past have been the inability for Māori enterprises to engage with and access the science that is taking place in innovation.

The Taskforce outlined its current work to commission an economic modelling exercise to help identify appropriate levels of investment in innovation in order to realise Māori goals and aspirations.

Submission on the Government Broadband Investment Initiative

In April 2009, the Māori Economic Taskforce and Te Huarahi Tika Trust (formerly known as the Māori Spectrum Trust), made a submission on the Government Broadband Investment Initiative.

The submission focused on:

- resolving and exploring the flexibility of ownership and operating settings for Local Fibre Companies so Māori have the greatest opportunity to enjoy the benefits of the new infrastructure;
- seeking assurances that the proposal does not increase any rural/urban digital divide; and
- seeking a commitment from government to involve Māori, iwi and hapū organisations as part of the priority infrastructure roll-out over the next six years.