



Cabinet Māori Crown Relations - Te Arawhiti Committee Minute of Decision

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Progress on Implementing the Progressive Procurement Policy and Review of the Policy Settings

Portfolios Economic and Regional Development / Māori Development

On 13 December 2022, the Cabinet Māori Crown Relations - Te Arawhiti Committee:

Background

- 1 **noted** that in November 2020, the Cabinet Business Committee agreed to a progressive procurement policy so to increase supplier diversity of services provided to the government [CBC-20-MIN-0072];
- 2 **noted** that the agreed progressive procurement policy has the following settings:
 - 2.1 a Māori business for government procurement purposes is one that has at least 50 percent Māori ownership or a Māori Authority as defined by the Inland Revenue Department;
 - 2.2 a procurement target for Māori businesses starting with an initial target of 5 percent of the number of relevant contracts across mandated government agencies;
 - 2.3 an intermediary independent of government be established to drive a more coherent and coordinated approach;
 - 2.4 long-term sustainable behavioural change across government procurement evidenced by greater supplier diversity;
- 3 **noted** that Cabinet directed Te Puni Kōkiri and the Ministry for Business, Innovation and Employment to review the policy settings, and that this review is supported by a full year of data;
- 4 **noted** that the review of the progressive procurement policy settings was to include consideration of extending the policy to other population groups and non-mandated agencies;
- 5 **noted** that 6 percent of government contracts with mandated agencies were awarded to Māori businesses in the period 1 July 2021 to 30 June 2022;

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Progressive procurement policy setting proposals

- 6 **agreed** to retain the current progressive procurement definition for Māori businesses as one that has at least 50 percent Māori ownership or a Māori Authority as defined by the Inland Revenue Department;
- 7 **agreed** to increase the government procurement target for Māori businesses to 8 percent (to be achieved by the time the target is next reviewed in 2024);
- 8 **agreed** to continue to provide intermediary services, including through more providers;
- 9 **noted** that Te Puni Kōkiri and the Ministry of Business, Innovation and Employment will continue to review and refine the approach to intermediary services and how they are delivered as part of the Te Kupenga Hao Pāuaua initiative;
- 10 **agreed** to continue to support government agencies to achieve long-term sustainable behavioural change;

Future report back

- 11 **agreed** that a further review of the progressive procurement policy be undertaken by Te Puni Kōkiri and the Ministry of Business, Innovation and Employment in 2024; and
- 12 **noted** that this review will include recommendations on whether the progressive procurement policy should be extended to other population groups and non-mandated agencies.

Sam Moffett
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis (Chair)
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Peeni Henare
Hon Kiri Allan

Officials present from:

Office of the Prime Minister
Officials Committee for MCR

Released by the Minister for Māori Development