

In Confidence

Office of the Minister for Māori Development
Cabinet Economic Development Committee

Going for Growth with Māori | Tōnui Māori

Proposal

- 1 This paper sets out my priorities for Māori economic growth for this Government's term and seeks agreement to include focused actions within the *Going for Growth* agenda, which will accelerate the Māori economy and drive achievement towards the *Going for Growth* goals.

Relation to government priorities

- 2 On 12 August 2024 Cabinet agreed to the Government modernising Māori development portfolios including the goal to support the measured Māori economy to double in size by 2035.¹ I was invited to report back on a Māori economic development strategy and legislative reform programme [CAB-24-MIN-0094]. This paper responds to that request by articulating further practical steps to support continued Māori economic growth in the context of the Government's economic growth priority.

Executive Summary

- 3 The *Going for Growth* agenda sets out how the government will drive New Zealand's economic and productivity growth structured around five themes: developing talent, fostering competitive business settings, promoting global trade and investment, advancing innovation, technology and science and investing in infrastructure for growth. These themes aim to strengthen the country's overall economic framework.
- 4 The Government's support of Māori economic growth plays an important role within this agenda. It aligns with these themes with a focus on initiatives that help create wealth and opportunities for Māori.² Government effectively supporting Māori communities to be more prosperous will help the Māori economy to be a driving force towards New Zealand becoming a leading small, advanced economy.
- 5 In 2024, the Government took steps to enhance Māori economic growth, including over twenty Iwi and Māori-led or supported fast-track projects, investments in regional Māori institutions, and support for Iwi and Māori-led housing.
- 6 The Māori economy is experiencing significant growth, contributing a reported 8.9% to New Zealand's GDP in 2023, with a noticeably diverse shift into sectors like professional services, tourism, and scientific research. Accelerating Māori

¹ Enabling Good Government Through a Modernised Approach to Māori Development, August 2024. Minister for Māori Crown Relations: Te Arawhiti and Māori Development, CAB-24-MIN-0295.

² For the purposes of the paper, references to Māori include Iwi and Māori people and organisations.

economic growth will benefit both Māori communities and New Zealand. It will support the goal to double the size of the Māori economy over the next decade, increasing Māori exports and GDP contribution, and help to address income disparities.

- 7 Within the broader *Going for Growth* agenda, I have identified three areas with immediate opportunity to boost Māori economic growth activity across the current parliamentary term:
 - 7.1 Reform of the regulatory and legislative framework applying to Māori owned land and the Māori Land Court, simplifying planning and related processes, and facilitating capital in-flows;
 - 7.2 Infrastructure investment that drives employment and supports sustainable growth in New Zealand; and
 - 7.3 Boosting export receipts across Māori businesses through trade and tourism, and value creation via intellectual property recognition.
- 8 These actions aim to unlock economic opportunities over this parliamentary term, enhancing Iwi and Māori access to resources and capitalising on existing capability for long-term success.³ By addressing barriers, driving targeted infrastructure investment, and improving coordination across agencies, Māori communities will gain greater control over their economic futures. This will foster sustainable businesses and create an environment where Māori can thrive economically, both locally and within the broader national economy.

Introduction

- 9 *Going for Growth* is the Government's critical agenda aimed to boost New Zealand's economic growth and productivity, and I see Māori economic growth playing a fundamental role towards advancing the nation's prosperity. This paper outlines key areas where government policy and investment can unlock opportunities for and with Iwi and Māori to contribute more significantly to New Zealand's success.
- 10 *Going for Growth* organizes its approach around five themes: developing talent, fostering competitive business environments, promoting global trade and investment, advancing innovation, and investing in infrastructure. These interconnected themes are designed to create a more dynamic and sustainable economic environment, providing the foundation for New Zealand's long-term prosperity.
- 11 At its core, the agenda seeks to build a competitive economy that attracts investment, drives innovation, and cultivates the talent needed to succeed globally. Supporting the Māori economy and Māori communities aligns with this agenda and aims to ensure Iwi and Māori contribute to and benefit from this growth.

The growth potential of the Māori economy

³ The Māori workforce development and Treaty settlements are crucially important to Māori economic growth and will be addressed through other mechanisms alongside system monitoring. This paper focuses on short term growth initiatives.

- 12 The Māori economy is experiencing superior growth in comparison to New Zealand overall and becoming an increasingly important component of New Zealand's overall economic landscape. As of 2023, Māori economic output contributes around 8.9% to New Zealand's GDP totalling \$30 billion – up from 6.5% (\$17 billion) in 2018.⁴ The Māori asset base has also expanded significantly, from \$69 billion in 2018 to \$126 billion in 2023.⁵ This reflects the changing dynamics and growing influence of the Māori economy.
- 13 This transformation is evident across various sectors. While traditional industries such as agriculture, forestry and fishing have long been foundational to Māori business, activity is shifting toward new sectors such as real estate, professional services, scientific research and tourism. For instance, Māori tourism alone in 2023 is estimated to generate \$1.2 billion of productive GDP and support 15,000 jobs.⁶
- 14 Contributing to this transformation is the continued growth of the Māori population, which has increased by 48% over the past decade. In addition to population growth, the Māori workforce is also evolving, with an increased number of Māori people holding high-skilled roles. Notably, for the first time since 2006, Māori workers in higher-skilled positions now outnumber those in low-skilled ones.⁷
- 15 Distinct drivers for this growth include the productivity potential of Māori land, the expanding Māori workforce and a diverse range of Māori owned businesses. These businesses, ranging from small-medium enterprises to large, collectively owned entities such as post-settlement governance entities (PSGEs), Māori incorporations and trusts, are pivotal in building the foundation for future economic prosperity.
- 16 Accelerating Māori economic growth is important to give ballast to New Zealand's broader economic strength.⁸ With a focussed approach to support the doubling of the Māori economy over the next decade, the Māori economy's contribution to GDP could increase from 8.9% to well over 10%. Such growth will help address income disparities among Māori communities and create equality of opportunities for Māori.

Three Key Areas for Māori Economic Growth

- 17 While opportunities to catalyse the growth potential of the Māori economy are present across all five themes of the *Going for Growth* agenda, to drive towards the short-term shifts needed in New Zealand's economy right now, I have identified three areas with immediate opportunities to boost Māori economic growth this parliamentary term:
 - 17.1 *Targeted improvements to the regulatory and legislative framework* applying to Māori owned land, simplifying planning and related processes, and facilitating capital in-flows;
 - 17.2 *Infrastructure investment* that drives employment and supports sustainable growth in New Zealand; and

⁴ *Te Ōhanga Māori 2023*, 2025. BERL.

⁵ See *Te Ōhanga Māori 2023*.

⁶ *The Value of Māori Tourism Report*, 2025. BERL.

⁷ See *Te Ōhanga Māori 2023*.

⁸ Appendix 1 highlights key characteristics of the Māori economy which present distinct opportunities to New Zealand's growth.

17.3 *Boosting export receipts* across Māori businesses through trade and tourism, and value creation via intellectual property recognition.

- 18 Current initiatives for these three focus areas are set out in Appendix 2. *Going for Growth with Māori | Tōnui Māori* – is designed to be a cohesive framework to unlock the growth potential of whenua Māori, infrastructure and to accelerate exports. Focus areas and initiatives within the framework can be broadened or updated over time, as current initiatives progress and further opportunities come to the fore.

Targeted improvements to the Regulatory and Legislative Framework

- 19 Māori freehold land comprising 1.5 million hectares - about 5% of New Zealand's land - represents a significant yet underutilized resource. The majority of Māori freehold land (circa 1.4 million hectares) is in the North Island making up approximately 12% of the North Island's total land area.⁹ While much of this land is suitable for productive use, challenges such as landlocked land, multiple ownership structures, and complex governance arrangements often hinder investment and delay development. Streamlining the regulatory and legislative framework for Māori freehold land is essential to unlock its economic potential and enable Māori landowners to make timely, independent decisions about their land use.
- 20 When assessing the long-term productive use of land, the Land Use Capability (LUC) system shows that the economic utility of Māori land differs at a macro level from all land in New Zealand (see Appendix 3).

	All Land	Māori Land
LUC 1-4 (suitable for cropping, pastoral, forestry, and general use)	26%	17%
LUC 5-7 (suitable for pastoral and forestry use)	52%	63%
LUC 8 and Other (including estuaries, icefields, lakes, quarries, towns)	22%	19%

- 21 Regulatory complexity, along with diverse governance and management arrangements, also affects the economic utility of whenua Māori.
- 22 The Te Ture Whenua Māori Act 1993 and Māori Land Court processes, while important for land protection, create significant barriers to efficient development. Issues such as succession, trustee appointments, IT shortcomings and resource consents often take years to resolve, delaying investment opportunities.
- 23 Parliament needs to simplify processes related to Māori land ownership. Many Māori landowners face significant barriers to accessing, utilizing, and capitalising on their whenua due to complex, outdated systems. Currently an estimated 20% of Māori freehold land is landlocked – inaccessible due to being completely surrounded by other, often Crown, land. This restricts landowners from fully utilizing their own property for economic and cultural purposes. To

⁹ See *Te Ōhanga Māori 2023*; Appendix 3: Whenua Māori.

help mitigate these issues, targeted interventions to facilitate access to landlocked land blocks are required (which may include legislative reform), especially for those that are adjacent to Crown land.

- 24 While efforts such as the Māori Purposes Bill, the Māori Land Court's online portal, and regional infrastructure funding are steps in the right direction, there needs to be a more targeted effort to remove legislative and operational barriers that currently impede development. Faster decision-making and greater support for Māori landowners, for example, through streamlining the government's ecosystem for development funding, are key to unlocking the land's potential.
- 25 Streamlining these processes will contribute to unlocking the potential of up to 600,000 hectares of under-performing Māori land, which, if fully enabled, could generate over \$2 billion in annual revenue and supporting jobs. By reducing these barriers, we can help Māori landowners to more fully utilise their resources, improve the social, wealth and health of communities and contribute to New Zealand's broader economic prosperity.
- 26 Te Puni Kōkiri has convened a Technical Advisory Panel to provide expert advice on meaningful changes around Māori land, including incentivising capital inflows to drive economic development. Note that, in a related paper, I am seeking Cabinet agreement to commence public consultation on proposed amendments to Te Ture Whenua Māori Act 1993, in Q1 of this calendar year.

Infrastructure Investment & Māori Authorities

- 27 There are over 1,500 collectively owned Māori organisations including incorporations, trusts and post settlement governance entities. BERL estimates that the Māori authorities manage over \$40 billion of assets and \$3.5 billion of term deposits and portfolio funding.¹⁰ Given their assets, access rights, ownership structures and localised cultural interests, many of these organisations are key regional investors.
- 28 Māori authorities bring some capital, capability, and a long-term investment horizon to infrastructure projects. Their intergenerational approach has attracted both international and domestic capital investors, with Māori authorities increasingly pooling resources across regions to scale up investment and contribute to national infrastructure development.
- 29 The Government can partner with Māori authorities to curate infrastructure opportunities that leverage Māori capital, access rights, co-investors and local expertise. A demonstrative model in practice is the Waikato-Tainui Ruakura logistics development catalysed through tribal investment and cascading government action by way of a Treaty settlement, the adjacent Waikato Expressway infrastructure, and government support from the Provincial Growth Fund.
- 30 The Government is also addressing capital access issues and encourages domestic partnerships to achieve scale and attract overseas investment, for example, by profiling opportunities to partner with Māori at the Infrastructure Summit earlier in March 2025.

¹⁰ See *Te Ōhanga Māori 2023*.

- 31 In 2024, the Government has endorsed over twenty Iwi and Māori-led or supported projects in Schedule Two of the Fast-track Approvals Act 2024, alongside regional infrastructure investments to support Māori collectives and cultural initiatives, and supporting Māori infrastructure partners like Rauawa associated with the National Iwi Chairs Forum.
- 32 The Government has supported Māori-led housing solutions to address housing shortages and enabling Māori to deliver housing such as the recent \$200 million in funding for Māori housing projects aiming to deliver 400 affordable rental homes in high-need areas by June 2027. Māori housing has provided secure, stable housing, thus improving the health and wellbeing of vulnerable communities and contributing to the advancement of government targets. These efforts demonstrate the government's ongoing commitment to support Māori economic growth through devolution and integrating it into the broader national economic strategy.
- 33 To further enhance Māori investment in infrastructure, I seek Cabinet's support for a cross-agency effort to drive greater Māori co-investment in infrastructure development. To catalyse action, I have recalibrated the Māori Development Fund (MDF) within my portfolio to provide early-stage capital access and capability support to projects advancing towards the Regional Infrastructure Fund (RIF) and other public/private investment mechanisms. Through this, and a joined-up approach, we can support a solid pipeline and maximise infrastructure and business growth outcomes.
- 34 An example of this in action is recent MDF investment in Parininihi ki Waitotara Māori land incorporation to explore the potential for a solar farm which could supply to over 8,500 homes, diversifying its operations, increasing productivity and shareholder returns. So far this year, MDF has invested \$4.645M to bring ten projects to be investment ready for the RIF and other investment pipelines.

Boosting export receipts of Māori businesses

- 35 Māori authorities have interests in large commodity export businesses in farming, fishing and forestry, and increasingly in tourism.¹¹ It is estimated that Māori businesses export between \$4.7 billion in exports primarily through large New Zealand conglomerate businesses like Sealord, Fonterra and Zespri.
- 36 Māori-owned small to medium enterprises (SMEs) are typically owned by younger entrepreneurs and are capital constrained and less able to access government-funded support.¹² While only around 8% of all businesses are identified as Māori businesses, net growth in the number of Māori businesses massively outstrips that for all New Zealand businesses in recent years.¹³
- 37 Māori enterprises employ two times the number of Māori employees than non-Māori businesses. Māori exporters are significantly more productive than non-exporting Māori businesses. Within the government's intentions to double exports over the next decade, I propose this ambition should likewise drive Māori business growth. Current government efforts include NZTE collaborating with other agencies and Māori commodity exporters (e.g. Moana, Miraka)

¹¹ See *The Value of Māori Tourism Report*.

¹² *Improving Māori Access to Capital*, 2022. RBNZ.

¹³ *Te Matapaeroa*, 2024 (unpublished). TPK. Based on enterprises (excluding sole traders) with at least one working proprietor of Māori ethnicity.

through the Accelerate Export Partnership programme and consideration of geographic indicators.

- 38 Notably, recent Free Trade Agreements (with UK, EU and UAE) include specific collaboration chapters in support of Māori trade and development. This provides opportunity for better recognition of intellectual property rights and provenance around indigenous flora and fauna and creates commercial potential for Māori businesses.
- 39 By the end of 2025, I will seek policy decisions on a biodiscovery system that creates clear pathways to take innovations relating to indigenous flora and fauna to commercial markets. The system will better enable the protection of unique knowledge and help generate enterprise opportunities through increased clarity for investors and businesses. Ultimately, this will improve their confidence and their ability to invest and take products to international markets. This work will synchronise with other science, innovation and technology initiatives and, in particular, look to maximise opportunities afforded by the establishment of Invest NZ.
- 40 We need to maximise Māori businesses' international connections to support these priorities and stimulate growth in exports, including tourism and education. I seek Cabinet's support to elevate the level of cross-agency coordination (as noted in the following section) across the pipeline of Māori businesses expanding into export markets, using a range of existing funding tools and programmes, to achieve double Māori export receipts over the next decade.
- 41 Likewise, a focused MDF will additionally target high value, high growth potential exports which leverage our comparative advantages and indigenous value propositions. The coordination includes progressing existing workstreams such as biodiscovery protocols, involvement in international delegations, and revitalising the internationally lauded Te Māori exhibition as a platform for increasing export receipts.

A coordinated approach to Going for Growth with Māori

- 42 To effectively boost Māori economic growth, it is essential to coordinate across the various government-led actions and connect to the *Going for Growth* agenda. Ensuring these initiatives are connected and communicated in a unified framework will maximise their effectiveness and impact, within a constrained resource envelope.
- 43 Outside of *Going for Growth* governance arrangements, informal groupings of the responsible Ministers, including Finance, Economic Growth, Regional Development, Housing, Infrastructure, Science and Innovation, Trade, and Primary Industries can provide leadership for the key workstreams as required. This is already working well to facilitate decisions on the RIF.

- 44 Individual ministries will continue to lead specific initiatives that accelerate Māori economic growth within their remit and be accountable to their respective Ministers. I propose a small focused cross-agency group to coordinate on the key actions and report to stakeholder Ministers. The cross-agency group will be responsible for identifying new opportunities and priority actions as the work programme progresses and as required to respond to changes in conditions.
- 45 Te Puni Kōkiri will act as a central coordinating body to track progress, ensure alignment and optimise resources, ensuring that efforts are harmonized and effectively delivered. I propose to report back to Cabinet on a finalised plan as well as an outcomes, monitoring and reporting framework, by July 2025.

He Kai Kei Aku Ringa (HKKAR)

- 46 HKKAR was established in 2013 as a joint Crown-Māori vehicle for progressing Māori economic development. Within Government, the joint responsibility for HKKAR sits with the Ministers for Economic Growth and Māori Development. HKKAR has had several iterations over the intervening period. It was most recently refreshed by the previous Government in 2022, who approved an updated HKKAR action plan in June 2023. Since then, the Government has restated its economic strategy.
- 47 I propose that Cabinet discontinues the formal HKKAR framework and disbands the Māori Economic Development Advisory Board, which was formed to advise on that strategy. Moving forward, the existing initiatives set out in Appendix 2 will form the basis of a new, growth-aligned, action plan.
- 48 I will continue to engage with senior Māori economic leaders across multiple organisations, such as the Federation of Māori Authorities, to ensure visibility over potential collaboration opportunities.

Financial, Legislative Implications and Regulatory Impact Statement

- 49 There are no financial, legislative or regulatory implications proposed by this paper.

Population Implications and Human Rights

- 50 The proposals in this paper focus on increasing Māori economic growth. There are no human rights implications.

Consultation

- 51 The following agencies were consulted: Treasury, Ministry for Primary Industries, Ministry of Business, Innovation and Employment, New Zealand Trade and Enterprise, Ministry of Foreign Affairs and Trade, Ministry of Justice, Ministry for Regulation, Ministry of Social Development, Social Investment Agency, Tertiary Education Commission, and the Ministry for the Environment. The Department of Prime Minister and Cabinet was also informed.
- 52 The focus areas and initiatives are informed by conversations with Iwi and Māori leaders, notably at the Economic Taumata, held in August 2024.

Communications and Proactive Release

- 53 Subject to Cabinet endorsement, I will issue a press release outlining my priority focus areas and the Government's collective approach to advance *Tōnui Māori*.
- 54 We will proactively release this paper within 30 days of Cabinet, subject to any redactions consistent with the Official Information Act 1982.

Recommendations

The Minister for Māori Development recommends that the Committee:

1. **note** that in August 2024, Cabinet invited the Minister for Māori Development to report back with a Māori economic development strategy and legislative reform programme.
2. **note** that stable Māori economic growth is fundamental to enduring economic growth in New Zealand.
3. **agree** that each of the Going for Growth pillars contain focused actions that respond to the opportunities to accelerate Māori economic growth.
4. **note** that as the Minister for Māori Development, I will focus on three areas with immediate opportunity to boost Māori economic growth activity across this parliamentary term:
 - 4.1. targeted improvements to the regulatory and legislative framework applying to Māori-owned land, simplifying planning processes and facilitating capital in-flows;
 - 4.2. infrastructure investment that drives employment and supports sustainable growth in New Zealand; and
 - 4.3. boosting export receipts of Māori businesses.
5. **direct** officials to integrate Going for Growth with Māori actions into the relevant Going for Growth pillars (Competitive Business Settings, Infrastructure for Growth, Trade and Investment).
6. **note** that the Māori development funding held under Vote Māori Development and administered by Te Puni Kōkiri has been recalibrated to focus on Māori economic growth.
7. **agree** that Te Puni Kōkiri will convene a cross-agency group, reporting to relevant portfolio Ministers (Finance, Economic Growth, Regional Development, Māori Development, Housing, Infrastructure, Science and Innovation, Trade, and Primary Industries) to bring together Māori economic growth initiatives into a unified framework within the broader Going for Growth agenda.
8. **agree** to discontinue the *He Kai Kei Aku Ringa* Plan and delegate to the plan's Ministers to take action to conclude the plan and to disband the Māori Economic Development Advisory Board.

I N C O N F I D E N C E

9. **invite** the Minister for Māori Development to report back on a finalised plan for Going for Growth with Māori and an outcomes, monitoring and reporting framework by July 2025.

Hon Tama Potaka
Minister for Māori Development

Appendix 1 – Focus areas for Māori economic growth – intervention logic
Appendix 2 – Going for Growth with Māori | Tōnui Māori – focused actions
Appendix 3 – Māori Freehold Land information sheets