



# Māori procurement

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# Today's kōrero

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- 1) The Māori economy
- 2) Supplier diversity
- 3) The benefits for Aotearoa



# The Māori economy - \$70b

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*The Māori economy is expected to reach \$100billion by 2030.*

\$39.1b - Māori employers

\$8.6b – Māori self employed / sole traders

\$21b – Trusts, Incorporations, other Māori structures



Source: BERL





# Māori businesses

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- What is a Māori business?

A Māori business is a business where at least 50% of the shareholdings of a company are held by someone with Māori whakapapa (verifiable genealogical lineage) or classified by IRD as a Māori authority.



# Māori businesses

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20,000+ Māori businesses

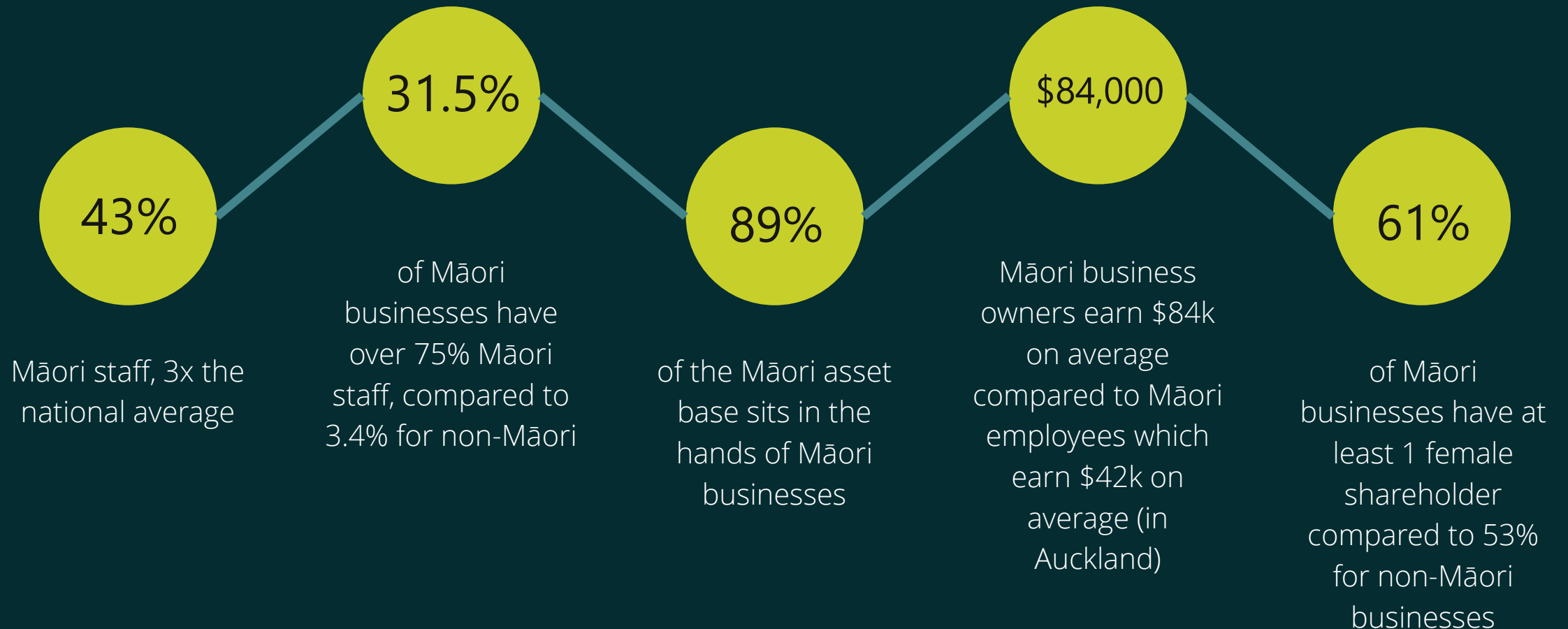
38,000+ Māori sole traders

## Industries

1. Construction
2. Agriculture, Forestry and Fishing
3. Professional, Scientific and Technical Services
4. Rental, Hiring and Real Estate Services

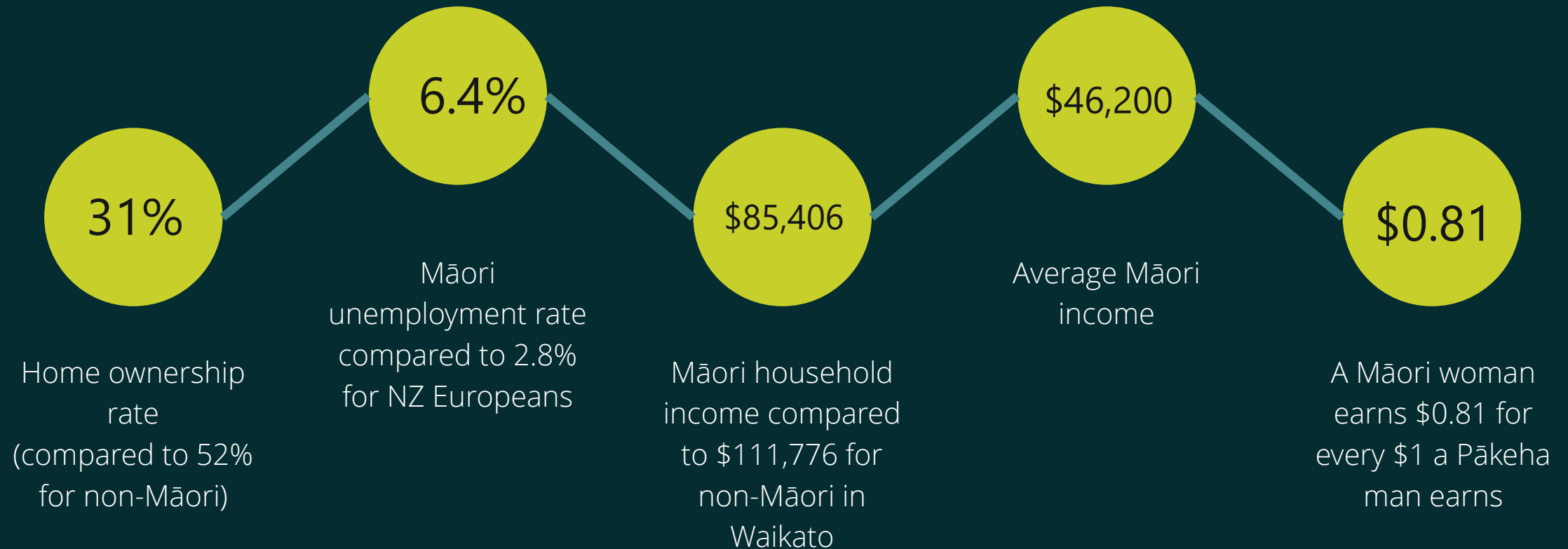
# Māori businesses

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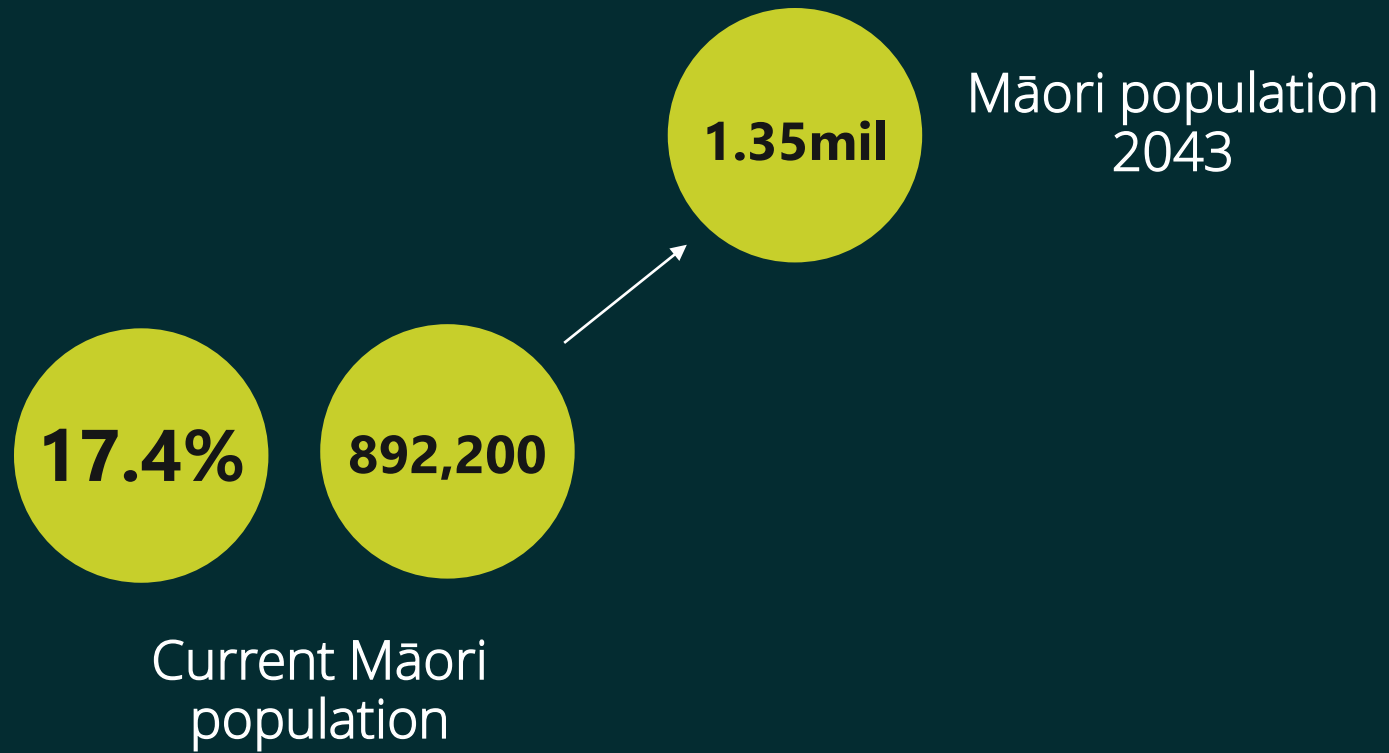


# Wealth Creation



# Māori population

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**Who has heard of  
supplier diversity?**



# Supplier diversity

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- Supplier diversity is a strategic and intentional business process that proactively engages, supports and enables businesses owned by Indigenous peoples, minority groups, women and social enterprises to be engaged in business-to-business (B2B) supply chains.
- Its aim is to level the playing field, so these businesses have fairer access to customers and markets.
- In Aotearoa it is a particular focus on Māori and Pasifika businesses.



# Supplier diversity

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- It's a tool to create equity through procurement
- It is intentional and strategic
- It is not a handout
- It does not by-pass due diligence
- It allows Māori businesses to compete and win contracts





# United States of America

1969 - Executive Order 11458:

- Coordinating a National Program for Minority Business Enterprise

1971 - Executive Order 11625:

- Office of Minority Business Enterprise (OMBE) within the Department of Commerce set up and established contracting goals for agencies

1972 – First supplier diversity intermediary starts

- National Minority Supplier Development Council (NMSDC) born
- Tasked with verified Minority Owned businesses
- Holds a database for organisations to buy from



# USA – impact

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- NMSDC has facilitated over \$1trillion of contracts for minority owned businesses
- Billion Dollar Round table - a corporate advocacy organization that promotes supply-chain diversity excellence.
- Members include Microsoft, Amazon, Ford Motors, Proctor and Gamble, Boeing and many more.
- 97% of U.S. Fortune 500 companies set Supplier diversity goals





A photograph of a person standing in a desert landscape, holding a large Australian Aboriginal flag on a tall wooden pole. The flag features a black upper half, a red lower half, and a yellow circle in the center. The person is wearing a brown jacket and a cap. The background shows a vast, arid landscape under a clear sky.

# Indigenous procurement policy (Australia)

## Annual targets:

- Annual targets for the volume and value of contracts to be awarded to Indigenous enterprises by the Commonwealth and each Portfolio.

## Mandatory Set Asides:

- The Mandatory Set Aside (MSA) requires that Indigenous businesses be given an opportunity to demonstrate value for money before a general approach to market. The MSA applies to procurements to be delivered in remote Australia and for all other procurements wholly delivered in Australia valued between \$80,000-\$200,000 (GST inclusive).

## Targets for all contracts over \$7.5mil:

- Indigenous employment and business participation targets apply to contracts wholly delivered in Australia valued at \$7.5 million or more in 19 industries, known as Mandatory Minimum Indigenous Participation Requirements (MMR).

## Direct engagement:

- Exemption 16 of the Commonwealth Procurement Rules allows portfolios to procure directly with Indigenous small to medium size enterprises, provided the enterprise can demonstrate value for money.

# Indigenous Procurement Policy - impact

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Before IPP

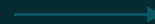
Year 1

Total to date

**\$6m**



**\$600m**



**\$6.9b**

**47,500  
contracts**

# Aotearoa

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- 2012: The concept of social procurement as a tool for economic equity is first discussed and introduced in Auckland Council's community development strategy
- 2014: The first tender is released with weighted social objectives
- 2016: The first tenders are released with specific objectives for Māori and Pasifika economic benefit
- 2018: He Waka Eke Noa is launched to connect buyers with Māori and Pasifika suppliers and holds the country's first social procurement conference
- 2019: Auckland Council sets 5% targets for supplier diversity

# Aotearoa

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- 2020: He Waka Eke Noa rebranded to Amotai, with a nationwide focus and a formal team is established
- 2020 :The New Zealand Government establishes the Progressive Procurement Policy with a 5% target for Māori businesses
- 2021: Over 100 Buyers join Amotai wanting to buy from Māori and Pasifika businesses
- 2022: Amotai has supported the matching of businesses to buyers for an estimated \$435 million worth of contracts
- 2023: The New Zealand Government increase the Progressive Procurement Policy target from 5% to 8% for Māori businesses



# The benefits

Closing the wealth gap in Aotearoa: Entrepreneurship is one of the main ways Māori can build wealth for their families and communities.

Higher employment rates for Māori: Māori businesses have, on average, 43% Māori employees, which is three times the national average.

Māori businesses create role models and culturally safe spaces: Māori business owners are role models in their communities for whānau, community and employees.

Innovation: Māori authorities and small, medium enterprises (SME's) are more likely to export and have higher rates of innovation and Research & Development (R&D), than other New Zealand firms.

Competitive advantage: Successful supplier diversity programmes can create competitive advantage and provide significant financial benefits to companies.



# Tripple ripple effect



# Where to start:

- 1) Join Amotai
- 2) Do a baseline spend report
- 3) Raise awareness
- 4) Interrogate your supply chain and procurement processes
- 5) Pilot something new and give it a go.
- 6) Develop a strategy and implementation plan



**PUNA AWARAU**

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