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GROUP 1:

NATION-TO- NATION INDIGENOUS EXCHANGE

A Self-Determined
Transformation to Economic
Prosperity in Canada and New
Zealand

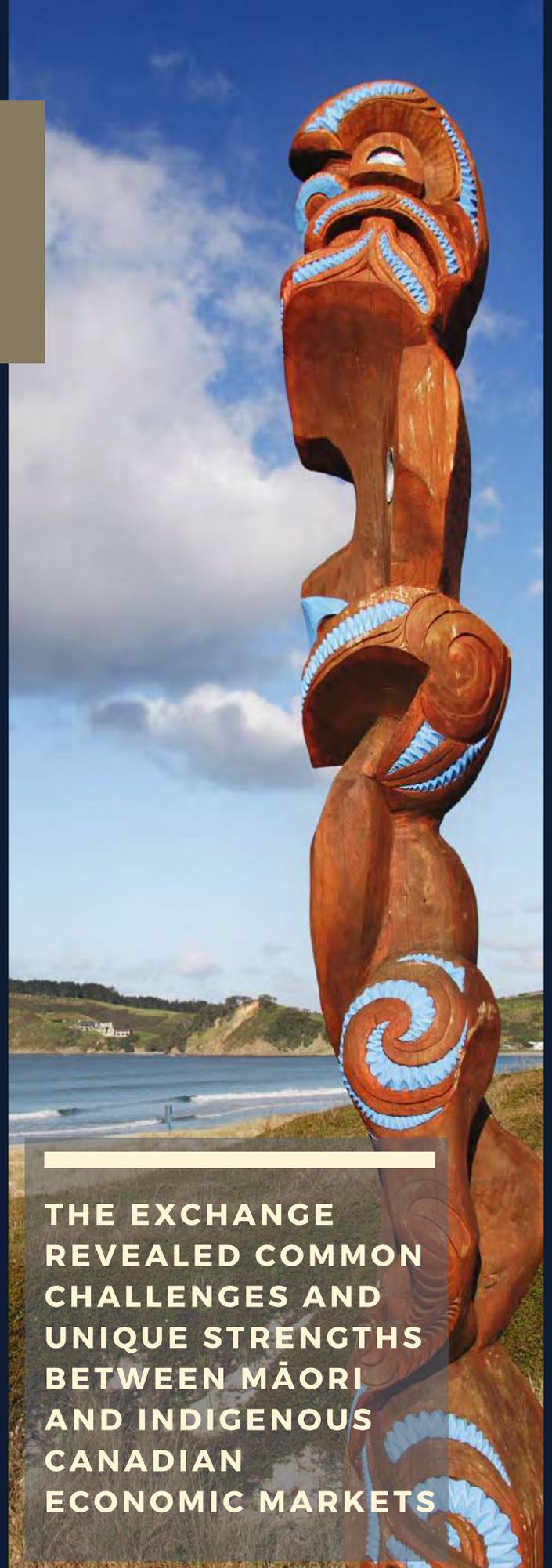
Overview

The INDIGI-X platform provided a powerful example of what global Indigenous collaboration could result in by self-generating solutions to our economic challenges.

Through this forum both Indigenous leaders from New Zealand and Canada seized opportunity to forge transcontinental relationships, share stories, and seek new strategies and solutions for our People's future.

The connection that bonds Māori and Canadian participants is founded in the shared story of colonization and the ongoing intergenerational trauma our people experience.

This sharing and discovered similarities have strengthened our cumulative resolve, created resilience and drives our passion to make positive change for Indigenous people globally.



**THE EXCHANGE
REVEALED COMMON
CHALLENGES AND
UNIQUE STRENGTHS
BETWEEN MĀORI
AND INDIGENOUS
CANADIAN
ECONOMIC MARKETS**

Common Challenges

AND OPPORTUNITIES FOR GROWTH



Common challenges experienced by Indigenous businesses in both countries include:

- Poor socio-economic status;
- Barriers to accessing capital;
- Capacity-building; and
- No Indigenous nation-to-nation channel to foster connections internationally

However, despite these challenges, Indigenous businesses in both countries have experienced unique successes, which has opened an opportunity to learn for both nations:

- **Developed Māori Export Markets:** Māori export markets are much more advanced than the comparative Indigenous Canadian export market.
- **Canadian Indigenous Private Sector Leadership:** Canadian Indigenous businesses have a stronger procurement market in the nation-wide private sector compared to New Zealand.

This report outlines how sharing our Indigenous journeys between Nations will lead to the strengthening of our People, our economies, and relationships with each other.

Aotearoa



**"IT IS TIME TO ACCELERATE OUR
ECONOMIC DEVELOPMENT THROUGH
PRIVATE SECTOR INDIGENOUS
PROCUREMENT STRATEGIES AND
OBLIGATIONS."**

The full potential of Māori economic prosperity will not be realised while we remain passive landowners, allowing others to own and manage the businesses that operate upon our whenua (land).

Māori have a \$15 billion asset and investment base. Māori own a significant proportion of assets in the primary sectors: 50% of the fishing quota, 40% of forestry land, 30% in lamb, 30% in sheep and beef production, 10% in dairy and 10% in kiwifruit production.¹

The Māori economy is estimated at \$50 billion NZD² and according to the Ministry of Business, Innovation and employment figures released in 2018, the Māori economy is growing faster than the overall economy, making it a significant contributor to the national economy.

Diving deeper into this, however, reveals that the landscape is not so auspicious. In many sectors, Māori are landlords only, not the asset managers, and therefore do not fully participate in the value chain.

Moreover, socio-economic indicators highlight the disparities that exist amongst Māori and the general population³- Māori adults have lower rates of school completion and much higher rates of unemployment; Māori adults are more likely to have personal income less than \$10,000 and more Māori adults received income support; more Māori lived in rented accommodation and in crowded households.

Through supporting the economic development of Māori-owned business, these disparities may begin to be corrected.

Recommendation #1: Aotearoa Indigenous Procurement Mandate

International evidence highlights **Indigenous procurement strategies as a solution to providing a step-change for Indigenous economies**, not only in economic value, but importantly in social value generation as well.

In Australia, the Federal Government's Indigenous Procurement Policy, established in 2015, has been used to drive demand for Indigenous goods and services and stimulate the Indigenous business sector.⁴

An analysis conducted by Supply Nation⁵ on the social value created by a sample of Indigenous businesses identified that for every dollar of revenue, Indigenous businesses create \$4.41 of economic and social value.⁶

The total annual supplier expenditure of both government and the private sector procurement is estimated at \$661 billion.⁷ This is \$661 billion of opportunity to lift the Māori socio-economic indicators for the benefit of wider Aotearoa (supplier diversity to spread the wealth, while the sum of the parts stays the same). While there are positive efforts being displayed by some local governments and private sector businesses, for example the Auckland Council, around creating supply chain opportunities for Māori businesses, there is **no established national Indigenous procurement approach**.

The New Zealand government needs to stand up a similar approach to its Australian counterparts and mandate Indigenous procurement policies. We are heartened by the Minister of Māori Development's recent announcement that the Labour government is considering Māori tendering rights so that 16% of government contracts could be set aside for Māori.⁸ We recommend that as part of this work, the Minister ensure that there is analysis demonstrating to all parties the value generated (social and economic) to Indigenous procurement.

In addition, we recommend a framework to guide both sides of the procurement equation on how to participate. We commend the Minister for championing this important kaupapa that goes beyond paying lip service to Te Tiriti o Waitangi and provides a practical opportunity to accelerate Māori economic development.

"IF YOU CAN'T MEASURE IT,
YOU CAN'T IMPROVE IT"

Recommendation #2: Improved Data Collection

We must have appropriate data available to measure whether initiatives are working. In New Zealand, the data indicates that Māori exports have increased over the past decade from 2010-2020, as follows:⁹

- Māori Authorities:¹⁰ from NZ \$284 to \$741 million (260%)
- Māori SMEs: from NZ \$130 to \$202 million (55%)

Māori data is critical and Indigenous data sovereignty recognises the importance of data in the economic development of Indigenous Peoples.





The Ecosystem of Support for Māori Businesses

While not perfect, the Aotearoa experience shows that the ecosystem of support available to Māori businesses is multifaceted and complex. The Ministry of Māori Development's "Roadmap for Development" demonstrates that there are multiple Ministries, networks, statutory bodies and funds that are available to support Māori businesses. This is the public-visible network and the support includes:

- Industry specific initiatives – eg, tourism, primary industries;
- Asset specific initiatives – eg, Māori land development;
- Innovation initiatives – eg, science, research, IT;
- Geographical initiatives – eg, regional, provincial growth;
- Capability building;
- Exports – investment, export, growth; and
- Capital – investment support

Personal experience is that having Māori within these Ministries and networks, who understand Māori and can ensure the support is able to connect to the need, increasing the chances of success.

The Māori network is strong, broad and interconnected and sits across the entire ecosystem.

Canada

**"MANY OPPORTUNITIES ARE
UNTAPPED, ESPECIALLY IN
TERMS OF INTERNATIONAL
EXPORTS"**



Canada has approximately 56,000 Indigenous owned companies that contribute to more than \$30 billion annually to the broader Canadian economy.¹¹

However, we are still in the infancy stages of true Indigenous economic participation. The private sector drives the Canadian Indigenous business sector, and many opportunities are untapped, especially in terms of international exports.

According to the Indigenomics Institute, Indigenous business in Canada has the potential to grow to a \$100 billion sector.¹¹ Given the remote location of many of the 633 First Nations in Canada the propensity to have an Indigenous-owned business who exports or seeks an export market for its goods, is much higher than the rest of Canadian business.

Understanding the conditions that differentiate Indigenous business over non-Indigenous business will lead to an opportunity to replicate and/or seek companies that are afforded the same conditions in Aotearoa for the best-case opportunity to share across culture and country.

In Canada, there is a geographic congruence with the extractive and energy industry that plays a very important role in realizing a mutually beneficial relationship that exists between Indigenous land holders and this sector in Canada. For access and the opportunity to develop extractive, energy, and energy infrastructure projects on Indigenous land, impacted nations received procurement, training and employment, and capacity and legacy development awards.

For example, Suncor Energy Corp., Canada's largest energy company, recently disclosed that in 2019 they were able to award \$836M CAD in contracts to Indigenous businesses in addition to the \$735 million awarded in 2018 - this far exceeded federal government procurement awards in 2018 of \$95 million.

The focus of our Canadian recommendations will be on incorporating learnings and best practices from our Māori counterparts on building export capacity and capabilities that are aligned with Canadian bureaucratic process.

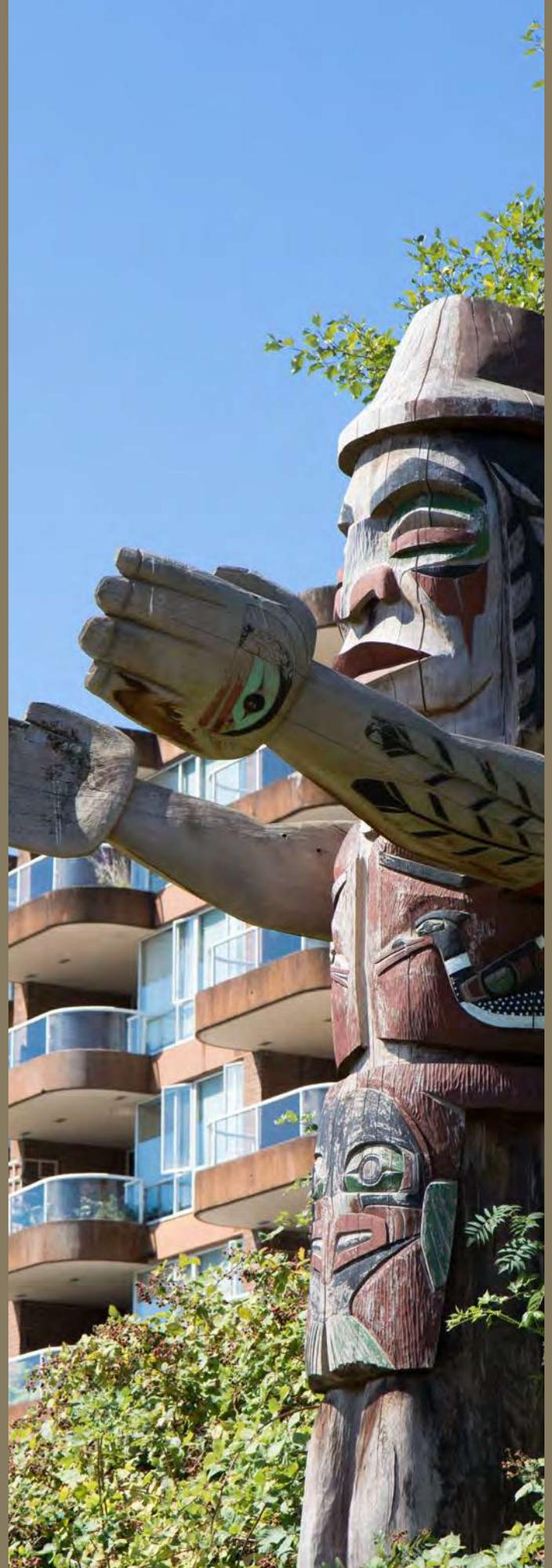


Recommendation #3: Appoint Regional Indigenous Trade Champions/Officers in the Trade Commissioner Service (TCS)

In an effort to develop long lasting and sustainable export capacities and relationships with potential exporters, interest should be held within the TCS with the Indigenous Trade Champions at each of the Regional Offices.

These Champions could be charged with developing a shadow portfolio where opportunities could be realized with the support of the Offices. Currently, within the TCS, Indigenous Trade Champions at each of the Regional Offices have a passive role, meaning they are only there to support Indigenous exporters that come to them, and are not active in engaging the market to meet existing and potential Indigenous exporters.

Including performance metrics to the individual Trade Commissioners annual reviews will further encourage them to have an active engagement with Indigenous businesses as they will have an active mandate to support Indigenous exporting businesses.



It is important to ensure that is that their managers are also held accountable to Indigenous business development so that the client-facing Trade Commissioners also have the support from their managers to build that book of business.

A significant difference between a Māori person or business engaging with the NZTE versus an Indigenous Canadian engaging with the TCS, is that the NZTE employs Indigenous people to work with Māori business owners.

Understanding the values, culture heritage, and unique challenges faced as an Indigenous business all lead to developing stronger relationships and better retention of clients within the TCS.

Recommendation #4: Prioritize the Recruitment of Indigenous people within the Canadian TCS

Hiring Indigenous people to be client-facing with other Indigenous people is a critical component in building trust between Indigenous people/companies and the Government of Canada. Given the historic distrust, this is an important bridging tool.

Recruiting Indigenous professionals to fill these roles is only the start. Indigenous professionals working for the government may be perceived as a traitor by some members of their own Indigenous community. The resulting lateral racism may place an emotional and mental toll on top of the demands placed by the actual work. The government of Canada must empower these employees to report, document, and remedy solutions to these issues largely experienced or realized by only BIPOC.

Recommendation #5: Formalize the Relationship Between the Canadian Trade Commissioner Service and Provincial and National Indigenous Business Associations

National and Regional Indigenous Associations in Canada have access to many Indigenous business owners, economic developers, First Nations chief and councils, and professionals from across Canada through their networks and membership bases. Access to these networks for mutually beneficial growth, as well as to start the feedback loop on the TCS services.

However, we found these linkages to be unclear and irregular at best. Furthermore, leveraging the methodology used with mainstream Canadian businesses for Indigenous businesses does not capture their unique needs and therefore does not serve them in the best way possible.

Starting that feedback loop as to what services from the TCS are needed, wanted, and how those services could be delivered allows the businesses receiving the services to give feedback based on their needs as opposed to the government deciding on the services they will be giving to the Indigenous peoples by themselves.

Recommendation #6 – Convene an International Indigenous Trade Summit of Learning between New Zealand and Canada

In order to determine relevant applications and case studies in both Canada and New Zealand, when it is safe to do so, facilitate an in-person exchange to both countries and set up government and business meetings to bring these recommendations to life.

Recommendations

Prioritise the development of an Indigenous procurement mandate and institute by the government of New Zealand

Improve data collection in regard to Māori business in New Zealand.

Appoint Regional Indigenous Trade Champions/Officers in the Trade Commissioner Service

Recruit Indigenous people to work in the Canadian offices of the Trade Commissioner Service

Formalize the Relationship Between the Canadian Trade Commissioner Service and Provincial and National Indigenous Business Associations

Convene an International Indigenous Trade Summit between New Zealand and Canada

Funding

Preliminary estimates indicate initial funding of \$500,000 CAD (~\$575,000 NZD) will be required to host the summit and to sufficiently explore the feasibility, build and advance a detailed, concrete action plan for each of our recommendations.

Conclusion

BUILDING A PATHWAY TO SUCCESS TOGETHER

The INDIGI-X exchange highlighted the value in sharing our experiences as Indigenous professionals in each of our countries. Our Canadian colleagues were keen to understand the support available to Māori throughout the life cycle of creating, establishing and growing Māori businesses to become successful exporters. Likewise, a deeper dive into the Canadian procurement strategies used in the private sector would benefit the Māori entrepreneurs.

We need a formalised exchange led by Indigenous Peoples for Indigenous Peoples. Where not only information is shared but also personal Indigenous experiences of what has and has not worked, will accelerate Indigenous and government learning. In order to address this, we recommend developing a framework to support non-export ready Indigenous businesses to offer support and guide those businesses towards export readiness.

There is nothing to lose and much to gain – let us show you the way.



Sources:

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3. Statistics New Zealand, 2013.
4. The IPP defines an Indigenous business as one that is at least 50% owned by an Indigenous person or people.
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9. <https://www.stats.govt.nz/information-releases/tatauranga-umanga-Māori-statistics-on-Māori-businesses-2019-english>.
10. 'Māori authorities' are Māori tax authorities being entities holding settlement assets, Māori land owning entities and mandated iwi organisations (being entities holding fisheries settlement assets)
11. <http://indigenomicsinstitute.com/100-billion/>

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