

Public Feedback on Improving Māori Access to Capital Issues Paper.

Summary of
Submissions

October 2022



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Overview

1. In early August 2022, Te Pūtea Matua - Reserve Bank of New Zealand (Te Pūtea Matua) published its Issues Paper: Improving Māori Access to Capital¹ (Issues Paper). The Issues Paper outlines some potential factors that act as barriers between Māori and specific forms of capital in the financial system. Furthermore, it summarises potential pathways towards solutions informed by stakeholder engagement to overcome the barriers identified.
2. This document provides a summary of the information submitted by members of the public and interested parties throughout a six-week consultation period on the Issues Paper: Improving Māori Access to Capital. In total, 28 submissions were received.
3. The information presented across all submissions will inform ongoing discussions and work to realise outcomes across the broader Aotearoa financial system, to support Māori access to capital. We intend for this work to be progressed in the new year.
4. We also received constructive feedback on the role that Te Pūtea Matua can play in directly contributing to a more inclusive financial system. We will look to develop our own work programme that will support a broader cross-sector action plan.

Consultation process

5. Te Pūtea Matua held a six-week consultation phase on the Issues Paper: Improving Māori Access to Capital, which opened on 9 August 2022 and closed on 20 September 2022. The general public was invited to provide written feedback on the Issues Paper through an email submission.
6. Te Pūtea Matua was seeking broad feedback from the public on the following key themes:
 - i. Does this paper capture correctly and in full the key challenges around Māori access to capital? If not, what could be improved or clarified?
 - ii. Do the proposed pathways capture the key interventions needed to create a more equitable market for Māori in accessing capital? If not, what else could be included?
 - iii. Are there particular interventions that should be prioritised and by whom?
 - iv. Do you have suggestions on the right leadership, structure and resourcing needed to support the delivery of potential pathways?
 - v. Do you have views on the role for Te Pūtea Matua, broader government, capital providers including banks, and Māori?
7. During the consultation phase a series of online webinars were held, both with internal staff at Te Pūtea Matua and the general public. Approximately 182 individuals attended these webinars, where participants had the opportunity to ask questions.
8. We have also engaged in bilateral discussions with key stakeholders during the consultation period, and since it closed to support this work to be progressed.

¹ <https://www.rbnz.govt.nz/-/media/d8d41f52600f4c9198fdbac35bddbc80.ashx>

9. In total, 28 formal submissions were received:
- i. eight from Māori capital seekers - Raekahu 17B, Tawaroa Toopu Trust, Te Waiti 2B2B, Wai o Kaha Gold JV General Partner Limited, Ngāti Torehina Ki Mata-ure Ō Hau, Ngati Porou Holding Company, Māori Kiwifruit Growers Incorporated and Zespri International Limited, and Ngāti Tamaterā Treaty Settlement Trust;
 - ii. seven from capital providers (banks, non-bank deposit takers and government agencies) - Nelson Building Society; ASB Bank Limited, Kiwibank, TSB Bank Limited, Bank of New Zealand and BNZ Chair, and Te Puni Kōkiri;
 - iii. nine from special interest groups - Te Taumata, Auckland Uniservices Limited, KPMG, Poutama Trust, Whāriki Māori Business Network, Te Matarau a Māui Charitable Trust, FINSIA, Internal Consulting Group, New Zealand Council of Christian Social Services (NZCCSS); and
 - iv. four from individual members of the public.
10. These submissions can be found on our website.

Executive summary

11. While there was a range of feedback received across the submissions, overall there was general support for improving Māori access to capital as outlined in the Issues Paper. In addition to this, many of the submitters expressed an eagerness to engage further on and contribute toward advancing the kaupapa².
12. This paper provides a high-level summary of the submissions received, rather than presenting an exhaustive compilation of all feedback.
13. The summary of feedback on each key theme are captured in the following sections:
- i. section 3 – feedback on key challenges Māori face in accessing capital
 - ii. section 4 – feedback on key interventions needed to create a more equitable market
 - iii. section 5 – feedback on intervention prioritisation
 - iv. section 6 – a summary of feedback on the leadership, structure and resourcing needed to support the delivery of potential pathways
 - v. section 7 – summarises submitters' views on the role for Te Pūtea Matua, broader government, capital providers including banks, and Māori.
14. There was broad agreement on the challenges Māori face in accessing capital identified in the Issues Paper and in response to the proposed pathways, it was emphasised that there is no "one-size fits all" but rather a suite of solutions is needed to create systems change.
15. Submissions emphasised the importance of having all interventions available and understood under one agency, rather than navigating a system of ever-changing. Submissions indicated a

² Project

preference for an existing agency to act as a centralised repository for information sharing on the funding ecosystem.

16. The majority of respondents deemed that interventions related to the establishment of a Māori capital provider, as well as the use of whenua Māori as collateral, should be prioritised.

Key challenges around Māori access to capital

17. Submitters broadly agreed with the key challenges around Māori access to capital identified in the Issues Paper and acknowledged its comprehensiveness. Some submitters outlined additional challenges Māori face in accessing capital. A summary of these additional challenges is provided in [section 3.1](#). Some submitters also provided suggestions that they feel may improve the Issues Paper. [Section 2.2](#) provides a summary of these suggestions. The additional challenges identified and suggested improvements are combined and outlined in [table 1](#).

Table 1. Other potential challenges and improvements identified by submitters

Additional challenges Māori face accessing capital

Institutional distrust impacting on the willingness of Māori to engage with the public sector.

Banking system behaviours: categorising Māori as high risk communities, and a lack of interest in providing Māori with financial services.

Lack of regional access to branches and relationship managers discouraging capital seekers, and informing a more conservative lending approach.

Commercial banks 'cost to service' a relatively smaller Māori SME sector with limited security options dis-incentivising the flow of capital.

Recommendations for improving the robustness of the Issues Paper

Undertake survey work to understand the magnitude and impact of discouraged capital seekers to the Māori economy.

Engage with entities that were successful in receiving access to loan finance from the Provincial Growth Fund or other funds, as to solicit insights into the specific technical reasons financial institutions are unwilling to lend.

Explore 'discouraged capital seekers' in the empirical analysis underpinning the Issues Paper.

Make a clear statement around low Māori home ownership rates as being a significant issue constraining Māori access to capital.

Provide greater context around the requirement for permanent and enduring capital (equity) for investment in businesses.

Demonstrate in greater depth the nuances of Māori social organisations, Māori relationships, and the economy of Mana, As well, how each these factors impact Māori access to capital.

Additional challenges

18. Two submissions suggest that a lack of trust by some Māori in the public sector is a barrier to accessing capital. One views historical events such as land confiscations, land wars, and inequitable distribution of capital and land, as the epitome of this institutional distrust. Both submitters agree that building trust between the public sector and Māori is key to mobilising potential capital seekers and Māori acceptance of capital.

19. Another submission commented that the behaviours of the banking system act as a barrier for Māori to capital. Citing a study by Indigenuity Limited (2022),³ the submission notes that Māori seeking home loans (who met eligibility criteria but with some additional nuances) were shown significant disinterest/bias by frontline banking staff in providing support. In addition, some tier one frontline banking staff invoke policies that negatively categorise Māori communities as 'high risk'. These result in Māori needing more equity or a higher deposit to get a loan approved. In this submitter's view, frontline banking staff behaviour toward Māori is unlikely to differ between home lending services and business lending services.
20. One submission notes that regional access to branches and relationship managers is a direct barrier affecting Māori access to capital. Two core reasons were provided to support this view. First, the absence of an on-the-ground business relationship manager means that some of the most important data points – quality and drive of a Māori SME owner, and the business viability/competition in the local economy – are missed by lenders, who are then likely to take a more conservative lending approach. Second, a lack of regional access to branches and relationship managers likely discourages a cohort of Māori SME businesses from applying for a loan, subsequently adding to the perception of declining credit demand, when the issue is one of lack of access to finance.
21. In another submission, the ability of commercial banks to service the SME market was considered a barrier that impacts Māori access to capital. According to this submission, commercial banks find it challenging to service microbusinesses and SMEs in a cost-efficient manner, therefore the level of service required to support this segment is negligible. This submission argues that, since the Māori SME sector is relatively smaller and has less security available, obtaining support from mainstream funding sources is difficult.

Suggested improvements to the Issues Paper

22. Some submitters were of the view that the paper would benefit from dissecting the specific structures used by Māori to conduct business and aligning each of the issues accordingly. Among the structures mentioned are, Iwi post settlement government entities, Māori land trusts (differentiating between the different types of Māori land trusts), Māori SME firms (differentiating between collectively owned and individually owned firms), and Māori non-government organisations. These views were premised on the notion that an understanding of the spectrum of structures used would allow for better identification of relevant issues and more bespoke solutions tailored to each structure.
23. In a similar vein, many submitters suggested the Issues Paper would benefit by recognising the different characteristics across Māori businesses, including location (metropolitan versus regional), stage of development, size, and scale. According to these submitters, there is no 'one size, fits all' when determining solutions. Greater specificity would ensure greater equity at all levels and phases.
24. Two submissions shared concerns about the design of the empirical study serving as a main pillar of the Issues Paper. In their view, important variables and data are missing, with one submitter emphasising the need for 'discouraged capital seekers' to be recognized in all assessments.
25. There were a range of other suggestions from the public, for example, one submission notes that it is an understanding of the Māori social organisations, Māori relationships, and the

³ Māori home lending experiences' [unpublished], Indigenuity Limited, 2022.

economy of Mana that gives life to the recommendations of collective financing and increasing the access to capital for Māori. This submitter feels the Issues Paper could address this more.

26. Another submitter comments that whilst the Issues Paper highlights lower home ownership rates by Māori when compared to non-Māori, it is important that the Issues Paper strongly stress the inequities in home ownership as being a significant issue constraining Māori access to capital.
27. One submission notes that the Issues Paper captures good context around Māori businesses looking to raise debt funding, but would like to see greater context around the requirement for permanent and enduring capital (equity) for investment in businesses.
28. Another submission argues that focusing on parties that have been unable to receive funding, may have obscured underlying reasons these capital seekers failed to attract support. This submitter suggests interacting with entities that have successfully accessed funding from the Provincial Growth Fund or other sources as to reveal specific technical reasons why financial institutions are unwilling to lend to others.

Pathways to a more equitable market for Māori

29. On balance, submitters appeared to be supportive of the potential pathways outlined in the Issues Paper. Some submissions recommended ways potential pathways could be operationalised. Others recommended additional potential pathways to explore. These recommendations have been grouped according to their priority area and outlined in sections 4.1 to 4.5. A summary of these recommendations are provided in [table 2](#).
30. The following table captures the recommendations made by members of the public throughout the consultation period.

Table 2. Recommendations from individual submissions on potential pathways

Priority Area	Recommendations
Future goals, data and reporting	<ul style="list-style-type: none"> • Consider any requirements around the collection of data within the context of other significant data demands on banks and other financial service providers. • Recognise customer privacy and data sovereignty concerns when considering and requirements vis-à-vis data collection.
Market functioning	<ul style="list-style-type: none"> • Harness opportunities for private company procurement to support Māori businesses. Follow up progressive procurement initiatives with further investment supporting international trade aspirations. • Establishing an initiative akin to Canada's Aboriginal Entrepreneurship Program. • Establish a Māori capital market • Reducing risk-weightings (for the purpose of calculating capital requirements) for lending to businesses/entities that are achieving kaupapa Māori and sustainability outcomes. • Review the current risk weighting system for non-property secured business lending and move towards a scaled risk approach that takes exposure, industry, and other factors into account. • Investigate whether a Funding for Lending type facility or an innovative form of such, could be established to support improved access to finance for Māori. • Examine alternative methods of underwriting access to capital.

Priority Area	Recommendations
	<ul style="list-style-type: none"> • Te Pūtea Matua routinely consider the impact of current and future financial measures on Māori access to capital (for example, debt to income). • Establish a 100% owned Māori bank / Māori development bank. • Improve access to financing and capital for home ownership / building homes on whenua Māori through collective lending.
Long-term Focus and Leadership	<ul style="list-style-type: none"> • Address the educational gap Māori face in entering business. • Early education intervention, ensuring financial awareness is part of school curriculum. • Increase Māori representation in tertiary education and other forms of vocational education. • Governance training and development of Māori. • Incentivise business, finance, and commerce career paths for Māori. • Establish a co-operative/partnership to operationalise a single assurance brand to promote Māori businesses that meet ESG (environmental, social and governance) criteria
Public sector	<ul style="list-style-type: none"> • A single agency act as a centralised repository for information sharing on the funding ecosystem.
Additional priority areas	<ul style="list-style-type: none"> • Build trust between the public sector and Māori. • Dissect the specific structures used by Māori to conduct business and align each of the issues accordingly so as to design bespoke solutions tailored to the different structures. • Recognise the different characteristics of Māori business and align issues accordingly when determining solutions.

Future goals, data, and reporting

31. Few submissions address the potential pathway - develop financial efficiency and inclusion goals for Māori access to capital and indicators of these goals being achieved, as well as require banks and other financial service providers to identify and provide information on these indicators. Some that did, noted this as 'nice to have' and useful for gaining an understanding of the situation, but, unlikely to deliver any tangible solutions.
32. Two submission commented on the potential pathway - require banks and other financial services providers to identify and provide information on these indicators. In both submissions, it was noted that regulators should prioritise and coordinate initiatives which require the collection and reporting of new data, taking into consideration the challenges in data collection not just from the perspective of privacy and data sovereignty, but also in the context of other significant data demands on banks and other financial service providers. Example of these initiatives include climate reporting, consolidated customer data (under changes expected in the Deposit Takers Bill), customer data under a potential future Consumer Data Right, granular loan level data and cyber risk data to Te Pūtea Matua, and annual returns under new conduct and financial advice legislation.
33. Many submissions commented on the potential pathway - establish long-term partnership relationships between financial firms and Māori entities with Te Tiriti o Waitangi expectations embedded. These submissions noted that this is already happening and is helping to build support and capability systems. Some submissions outlined evidence of success from the

housing space, where the government has partnered with Iwi through a Heads of Agreements and Programme Delivery Partnership Agreements.

Market functioning

34. There is broad support for the potential pathway - widening the scope of investment opportunities made available to Māori entities using government procurement frameworks and enabling 'right of first refusal' clauses to be exercised. One submission provided insights from their work in progressive procurement policy, noting that capability building and awareness raising with Māori businesses is equally important as intervention on the government agency side.
35. One submission suggested harnessing opportunities for private company procurement to support Māori businesses. This submission notes that, private companies, too, can support supplier diversity through strategic partnerships that open up procurement from businesses that may have less access to customers and markets, such as those owned by Māori. Another submission supported progressive procurement initiatives, but suggested such initiatives could follow with further investment supporting international trade aspirations so Māori business can grow both domestically and internationally.
36. One submission expressed its support for the promotion and provision of seed capital initiatives. It suggests an initiative akin to the Aboriginal Entrepreneurship Programme - a Canadian program delivered by a network of Aboriginal Financial Institutions.⁴ This programme received an initial government investment of CAD\$240 million and aims to build capacity, reduce barriers and increase access to capital, by forging partnerships that will increase economic opportunities for First Nations, Inuit and Métis people. According to this submission, a model of this type would also require an initial investment on the part of the New Zealand government, and could be supported by capital contributions directly from Iwi/Post Settlement Governance Entities, Māori Trusts and Incorporations, as well as third partners (non-Māori entities) interested in supporting Māori enterprise. Furthermore, the submitter notes that this would create a fund that could be operationalised by an appropriate Māori entity, with capital made available through various lending products and services to Māori enterprises.
37. The establishment of a Māori-owned and led capital provider as a potential pathway received strong support from some submitters who believe it is key to supporting the development of Māori businesses. All submissions that commented on a potential Māori-owned and led capital provider stressed the need for it to be driven by Māori, while one submission noted that support from the private sector and wider government would also be necessary. One submission noted that establishing a Māori-owned and led provider of capital to invest in and support businesses will provide the banking sector with the required levels of capitalisation to make quality lending decisions. Similar to this, another submissions suggests creating a Māori capital market or an Indigenous Capital Market that includes other indigenous communities.
38. Five submissions propose that the creation of a Māori owned bank be given serious consideration by everyone concerned about the Māori economy, arguing that a Māori owned bank would likely better service the needs of Māori. In a similar way, one submission proposed the establishment of a Māori Development Bank to provide finance, co-investment opportunities, and financial capability training and skills support. This submitter is of the view that a dedicated Māori Development Bank would spur growth of Māori SME businesses, provide

⁴ See [Canadian Aboriginal Entrepreneurship Program: Access to Business Opportunities](#)

a local source of expertise in communities with significant flow-on effects in developing the rohe, and preclude the need for various government agencies acting as grant providers and financiers. According to this submission, Denmark, Finland, Singapore, Sweden and Norway still use development banks to support the transformation of their economies.

39. Several submissions support the potential pathway of increasing investment, tailoring and availability of lending products and services - such as the Kāinga Whenua Loans and Cash-flow lending. Though, one submission highlights that only 70 Kāinga Whenua loans have been issued in 12 years with passive and active discouragement of Māori seeking Kāinga Whenua loans by frontline banking staff.⁵ This same submission suggests a specific mandate may be required to force change. Another submission suggests that a reduction of risk weightings is integral in enabling products such as Kāinga Whenua loans and non-housing backed business lending which in turn supports Māori SME access to capital.
40. Views over using whenua Māori as collateral were mixed. Seven submissions from a mixture of capital seekers and interest groups note that the assumption of "using whenua Māori as loan collateral" is flawed. These submissions provide different reasons for their view. For instance, one submission comments that because using whenua Māori as collateral has the potential to separate Māori collectives from their whenua, it will likely be unacceptable to most Māori collectives (unless the land is free title). Another notes that it is a challenge for land block owners, which averages 111 owners per block, to gain consensus on the direction of the resource. Others argue that the main problem is the lending institutions' attitude towards collateralising such land.
41. Furthermore, one submission expressed concern for any intervention that would amount to whenua Māori being used as collateral. This submission draws on the 2007 Securities Act (Matauri Bay Properties Limited) Exemption Notice which facilitated land-secured funding for an investment which ultimately resulted in the reclassification/sale/transfer of whenua Māori to satisfy lending contracts. This submission notes that any future interventions must ensure outcomes are carefully designed to include transparent governance that can show expected purpose and follows through with monitoring and auditable outcomes.
42. In contrast, six submissions from a combination of capital providers, capital seekers, and interest groups, note that land as security should be explored further, with most suggesting that more research is needed around lending against collectively-owned land. A few of these submitters also suggested that capital providers, specifically the commercial banks, employ collectively held land loan specialists to operationalise any such intervention.
43. There were a range of other suggestions from the public, though a common theme among many was the importance of focusing on interventions and actions that could be taken to improve Māori home ownership rates. Submitters shared the view that improving access to home ownership would extend the capacity of Māori in accessing capital for business ventures. Among the submissions, one notes the need for improved access to financing and capital for building homes on whenua Māori through collective lending. This submission suggests that lower repayments over longer periods of time could make lending more affordable for whanau, specifically within the context of long-term/intergenerational lending. As well, restricting this to housing on whenua Māori (subject to 'fit for purpose' lending criteria), manages any inflationary

⁵ OIA request – Kāinga Ora, 13 June, 2022

effects as it restricts the pool of people who might qualify and does not apply to the broader market.

Long term focus and leadership

44. There was strong support across submissions for the long term focus and leadership potential pathways. While many submissions indicated support for incorporating ESG (environmental, social and governance) criteria and cultural issues into business decision-making processes, very few provided extensive feedback on the potential pathway. Two, however suggest different frameworks for delivering the potential pathway, including the establishment of a Māori Development Bank to convert ESG principles into metrics and a co-operative/partnership model that operationalises a single assurance brand based on ESG criteria. Both acknowledge the value in promoting ESG characteristics of Māori business and its products for export to sophisticated consumer markets.
45. Cultural awareness education, investing in financial awareness training within Māori business, and promoting greater representation of Māori across the governance, leadership and operation of organisations potential pathways received more detailed feedback. One submission, for example, notes the importance of adequately resourcing cultural awareness education, recognising the amount of design work that is needed to successfully deliver this support. Another submission argues that organisations should retain autonomy on how to deliver and achieve cultural awareness education and increased representation of Māori in leadership roles.
46. One submission takes the view that cultural awareness education and increasing Māori representation go hand in hand. This submission argues that organisations need to build their cultural capability in order to give new staff the best experience of working in a culturally aware environment that fosters a sense of inclusion and belonging. In another submission, however, it notes that the current capability building ecosystem is confusing, difficult to access, and poorly coordinated across government agencies. In their view, the effect is low engagement by Māori in accessing capability building programmes, as well as inaccessible funding and training programmes.
47. Many submissions emphasised the need to address the education gap Māori face in entering business. In two submissions, it was suggested that intervention in early education is necessary to improve the financial capability of all New Zealanders, including Māori. Some noted that to improve the education and skill base of Māori, specifically in business management, it is necessary to increase Māori representation in tertiary education and other forms of vocational education. Another submission commented that in addition to developing Māori business skills, training and development of Māori to serve on governance boards is also necessary. Related to this, one submission suggested that Iwi and relevant government departments work to incentivise Iwi members towards careers in finance, banking, and commerce ahead of other career paths. In their view, investment into those careers will ensure better representation in Iwi commercial companies to understand the requirements to access capital and further build wealth in those organisations.
48. Almost all submissions that addressed the education gap Māori face in entering business, noted that the challenge is a multi-generational issue and in order to address the systemic issue for the benefit of future generations, a long-term and consistent approach to policy setting is needed.

Public sector interventions

49. Few submitters commented on public sector interventions, but most that did, appear to support the potential pathways outlined to address the complexity of navigating public sector initiatives designed to support access and allocation of capital. In many submissions from capital seekers, the importance of having all interventions available and understood under one agency was emphasized. A submission from a capital provider echoed this sentiment. They suggested that a single agency act as a centralised repository for information sharing on the funding ecosystem.

Other

50. A common theme among many was the importance of incentivising capital providers. Four submissions supported a reduction of risk weightings with one submission suggesting reducing risk-weightings (for the purpose of calculating capital requirements) for lending to businesses/entities that are achieving kaupapa Māori and sustainability outcomes. Another suggested that the Te Pūtea Matua review the current risk weighting system for non-property secured business lending and move towards a scaled risk approach that takes exposure, industry, and other factors into account.
51. Two submissions recommended that the government, Te Pūtea Matua, and the banking sector investigate whether a Funding for Lending type facility or an innovative fund can be established to support improved access to finance for Māori. An example of this is akin to that introduced to assist in stabilising the New Zealand economy through the COVID-19 pandemic and that adopted by the UK Government in 2012 which aimed at increasing lending across certain specified sectors.
52. As well, one submission recommends that alternative methods of underwriting access to capital be examined to determine which best suit Māori needs. One submission notes that, scheme criteria, governance and credit policy standards would be established and adhered to, but these standards would also need to be informed by Te Ao Māori principles and unique ownership and collateral characteristics of Māori businesses and collectives.
53. There are a few submissions that suggest the use of Crown loans and Crown guarantees to incentivise lending. One submission from a capital provider highlights the retail deposit guarantee scheme offered during the Global Financial Crisis, and suggests that in the same way, the Crown can extend a number of capped guarantees for loans to Māori business over whenua Māori. This submitter contends, Crown Guarantees may counterbalance the risk weighting for whenua Māori, enabling banks to offer more loans and lower interest rates
54. One submission from a capital provider comments that some private sector lenders have developed unique methods for lending over whenua Māori and suggests this intellectual property (IP) be made 'open source' for the common good. This submitter proposes the Crown act as a repository for this IP so that capital providers willing to consider lending on whenua Māori could utilise this option.
55. Related to this, one submission suggested Te Pūtea Matua routinely considers the impact of current and future financial measures on Māori access to capital. This submission provides the possible introduction of a Debt to Income measure as an example, noting that in their view, it has the potential to disproportionately impact Māori access to capital.

56. Another submission proposes creating a specific 'Centre of Excellence' within banks to analyse and structure transactions involving Māori counterparties noting that it would require a two-way educational stream: whereby not only do banks need to better understand the dynamics of lending to Māori, so too must Māori understand the dynamics of borrowing. For example, both sides must recognise that although banks do need to take security in order to reduce the cost of debt, because of the sanctity of ownership of land in particular, banks will only lend and structure facilities where the likelihood of recourse to that security is remote.

Prioritisation of interventions

57. There are mixed views on the prioritisation of interventions, though more submissions viewed establishing a Māori provider of capital and interventions related to Whenua Māori as loan collateral as being of greater priority than any other intervention. Following this, submissions articulated their aspiration to prioritise interventions related to capability building for Māori and Māori businesses. Those that commented on capability building for Māori ranked general capability building interventions marginally higher than financial literacy interventions.

58. Further interventions are noted as being of priority by individual submitters. These include raising the cultural awareness and knowledge of financial service providers, developing solutions for accessing capital across a spectrum of Māori businesses, developing a Te Ao Māori entrepreneurship program, and developing non-traditional home lending models. Interventions related to scaling up microfinance, decision-making and leadership and reviewing capital requirements are also viewed as priorities by individual submitters.

59. The following table provides information on key areas where submitters emphasise a need for prioritising.

Table 3. Submitter's prioritisation of interventions

Intervention	# of submissions supporting prioritisation
Interventions related to a Māori provider of capital	6
Interventions related to lending on whenua Māori	6
Interventions related to building Māori capability and financial literacy	4
Review of risk weighting system / capital requirements	2
Interventions related to developing non-traditional home lending models	1
Review impact of current and future financial measures on Māori access to capital	1
Raise the cultural awareness and knowledge of financial service providers	1
Interventions that do not require policy change	1
Promote and provide access to seed capital for a Te Ao Māori Entrepreneurship program	1

Intervention	# of submissions supporting prioritisation
Scale up micro finance	1
Decision making and leadership	1
Develop non-traditional home ownership models	1
Create a single assurance brand to promote Māori businesses that meet ESG criteria	1

Leadership and structure

60. Of those that put forward suggestions on the right leadership, structure, and resourcing needed to support the delivery of potential pathways, many advocated for a ‘by Māori for Māori’ approach. The reasons given for this relate to the concept of tino rangatiratanga, and ensuring solutions are appropriate for Māori and Māori businesses. One submission notes that engagement with the Māori business community is critical to the design and implementation of any solution because it requires an understanding of urban vs regional dynamics, sectoral idiosyncrasies, and issues relating to Māori landowners vs Māori SMEs.
61. Some suggest a leadership structure where Māori lead solutions, alongside enabling partners from within government and the private sector. One submission argues that the government should use existing entities (that are already established and mandated by the government), rather than create new entities as this is likely to lead to fragmentation and duplication within the current eco system. One particular submission suggests a Māori Enterprise Framework that takes a business centric view which includes three core elements which together may provide an effective ecosystem of support: 1) Capital 2) Growth 3) Capability & Capacity. Related to this, another submission suggest the Māori Land Courts be involved in planning of some aspects of leadership and structure to support transparency where any finance aspects affect an Iwi or their members.
62. One submitter notes that a strong base of leadership within Corporate Māori enterprises already exists (a result of post-treaty settlement entities adopting well designed governance processes over the medium and longer-term). Rather, the key challenge is within the smaller Māori enterprises part of the market; typically those who do not have equal access to capital and highly skilled people with relevant business experience.

The role for Te Pūtea Matua, broader government, capital providers and Māori

63. Submissions outlined various roles for Te Pūtea Matua. Most submissions emphasised that Te Pūtea Matua could play a significant leadership role as well as serve as the technical experts (including as a research function) to support the design and implementation of a relevant solution(s). One of the reasons given, was that Te Pūtea Matua has significant influence across public and private sector stakeholders and has the ability to provide an informed and credible view to the market as to the issues that need to be addressed. A role for Te Pūtea Matua to monitor regulated entities on their performance related to improving Māori access to capital

also emerged from some submissions. One submission expressed their desire to see Te Pūtea Matua ensure that a strong alignment and co-ordination strategy exists across the community of regulators. Another submission suggested a role for Te Pūtea Matua to lead through early intervention, referring specifically to the implementation of reduced risk-weightings and research into the feasibility of using whenua Māori as collateral. This submission argues that taking unilateral steps now would not only start to improve Māori access to capital but it may also, in turn, improve trust and confidence of Māori businesses in the wider financial system and support the success of longer-term solutions.

64. For different reasons, four submissions argue that it is the government's responsibility to ensure that Māori businesses and individuals have access to capital. Two submissions cite the need for government to create the necessary legislative and regulatory mechanisms, including regulatory intervention to force reporting on Māori in banking and highlight Māori leadership in finance. One submission suggests that the Crown will need to play a leading role in lending to encourage mainstream financial institutions to undertake non-traditional lending. Another submission proposes the Crown is better positioned to engage with Māori collectives initially, given this approach has already delivered a significant number of successful loan.
65. One submission argued that all stakeholders in the economic system need to have a stake in the solutions for improving Māori access to capital. Primarily because they do not see it as appropriate for the banking sector to take on the full risk. Rather, it is the view of this submission that experts in mātauranga Māori, finance and economics, the government and Te Pūtea Matua all play a role in the ideation phase through to investigation, validation, implementation, evaluation, and governance. According to this submission, collaborative efforts will also need to be informed by Māori principles and unique ownership and collateral characteristics of Māori.
66. Lastly, one submission emphasises that a separate (or new) government financial institution should not be established to own responsibility for improving access to capital for Māori. Rather, any Māori-centred finance strategy should be developed on a cross-industry basis to enable all New Zealand based banks to share responsibility for providing support in improving Māori access to capital.
67. Two submitters suggest that insights from Iwi who have invested in the finance sector can be leveraged to provide solutions and ongoing capability building. One submission from the financial sector argues the need for government support to facilitate lending against multiple-owned Māori land. Another submission notes it is necessary for government to provide an initial investment in a Māori capital fund. While another submission suggests that banks could play a role in helping to improve Māori business financial literacy. Noting however, that the starting point for such an initiative would be improving data on Māori customers. Once banks gain a better understanding of the support that might be beneficial, resources to support this potential pathway can be allocated.

Table 4. Suggestions from submitters on how key players in the financial system might contribute to the delivery of potential pathways

Resource	Potential pathway
Iwi	<ul style="list-style-type: none"> • Iwi who have successfully invested in the finance sector to provide insights and solutions. • Iwi to provide capability building initiatives.

Resource	Potential pathway
	<ul style="list-style-type: none"> Iwi to help incentivise Iwi members into fields of finance, banking and commerce ahead of other career avenues.
Māori organisations	<ul style="list-style-type: none"> Help improve Māori and Māori business financial literacy.
Government and government agencies	<ul style="list-style-type: none"> Help facilitate lending against multiple-owned Māori land. Provide an initial investment in Māori capital fund. Build a coherent map to the Māori firm funding ecosystem. Provide capability building initiatives.
Māori Land Court	<ul style="list-style-type: none"> The Māori Land Court to help in the preparation of whenua Māori: adjudicating on owner's rights and re-organising the legal structures.
Banks	<ul style="list-style-type: none"> Banks to help improve Māori business financial literacy.
Te Pūtea Matua	<ul style="list-style-type: none"> Te Pūtea Matua to provide the relevant regulatory framework and oversight necessary for implementing potential pathways.

Next Steps

68. Tēnā anō koutou I whai wā ki te tuku I ngā kōrero, I ngā whakaaro maha hei whakamarohi I tēnei o ngā kaupapa - Thank you to everyone who submitted on the Issues Paper: Improving Māori Access to Capital. The full list of substantive submissions can be viewed on our website.
69. Based on the valuable insights from the public, key themes for further exploration have been identified. In response to this, we will engage stakeholders in a deeper discussion on the identified key themes in the next phase - commencing early 2023. This mahi will include examining the feasibility and desirability of a suite of options for addressing the issues identified and implementing potential solutions.
70. Thank you to all the agencies that have provided input into the Improving Māori Access to Capital work programme, including Te Puni Kōkiri, The Treasury, the Ministry of Business, Innovation and Employment, and the commercial banks.
71. In the new year Te Pūtea Matua will seek to issue a call for interest to support action planning alongside the private sector (capital providers), iwi, Māori and the public sector as appropriate. We note that Ministries are currently engaging with Ministers on this kaupapa and look forward to further developments.
72. Te Pūtea Matua will also seek to develop an internal action that contributes to substantive change across the Aotearoa financial system, to improve Māori access to capital.