

Improving Māori Access to Capital

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Introduction

*Kia orana tatou katoatoa, tēnā tātou katoa
Ngāti Tūwharetoa, te whare tapu o Te Heuheu, tēnā koutou
Ko Tongariro te maunga
Ko Taupo te moana
Ko Taupo te whenua tipu
Heoi, nō Atiu ōku tīpuna
Nō reira tēnā koutou, tēnā koutou, tēnā tatou katoa*

I would like to acknowledge Tā Tumu Te Heuheu and the iwi of Ngāti Tūwharetoa, whose leadership continues to inspire and guide us.

Ngā mihi nui ki a koutou.

All of you will be familiar with the kaupapa kōrero today, Māori access to capital.

Kiingi Tawhiao established Te Pēke o Aotearoa in around 1885 to support a growing Māori economy. At that time the financial system was excluding Māori.¹ Te Pēke o Aotearoa was a response. It was a vehicle for Māori to participate in this new system.

Te Peeke o Aotearoa was a pioneer for financial inclusion that was for all New Zealanders. Historians point to an inscription on each of the banknotes saying 'e whaimana ana tenei moni ki ngā tāngata katoa', meaning 'this money is valid for all people'.²

This highlights the inclusive goal that was pursued, a mindset we can all learn from.

Why Māori access to capital matters

Financial inclusion means that people have access to financial products and services that meet their needs. All New Zealanders should be able to benefit from inclusion in the financial system. At the Reserve Bank, we would be at a loss if we did all the hard work to promote a financial system that was strong, stable, and efficient, only for people to tell us that they are unnecessarily excluded.

Financial exclusion is a serious issue for some New Zealanders, impacting their lives and livelihoods. In 2021, the World Bank estimate that around 1.25 percent of adults in New Zealand (circa 50,000 people) did not have a bank account.³ In 2022, the New Zealand Financial Markets Authority estimated that around 6 percent of New Zealanders had no banking products.⁴

As you can see, it's hard to get precise numbers on financial exclusion, but it is significant. We are working to source data, and engage with community groups, banking staff, and customer groups, to understand the barriers to participation.

Māori are too often in the category of being under-served by the financial system, in both access and relevant financial products. This should disappoint all New Zealanders, in part given that the Māori economy remains one of the largest potential sources of economic growth.

¹ Comyn, C. (2022) *The financial colonisation of Aotearoa*. Tāmaki Makaurau Auckland, Aotearoa New Zealand: Economic and Social Research Aotearoa.

² Rogers, K. A. (2024). Te Peeke o Aotearoa, in *Australian Coin Review*

³ World Bank Group (2024). [Global Financial Inclusion | DataBank \(worldbank.org\)](#)

⁴ Financial Markets Authority (2022) *Consumer experience with the financial sector*. [FMA-Consumer-Experience-with-the-Financial-Sector-Survey-2022.pdf](#)

BERL's most recent report on the Māori economy calculated that it grew at nearly twice the rate of the total economy over the 2013-2018 period.⁵ The Māori population is also young and will make up a significant proportion of the *labour force* in the coming years – circa 20 per cent by 2040.⁶ Meanwhile, Māori land titles make up approximately 5 percent of the total land area in Aotearoa, but around 80 percent of this land is deemed as being underused.⁷ And, at present, only 8 percent of New Zealand businesses are deemed to have Māori owners, despite being circa 17 percent of the *total population*.⁸

Improving Māori access to capital has been, and remains, a powerful enabler for prosperity, sustainability, cohesion, and inclusion. We should collectively prioritise this goal.

In 1931, Sir Apirana Ngata, the Native Minister (and the person featured on our \$50 note), addressed Parliament outlining challenges Māori faced in accessing capital for Māori land (whenua). These challenges included multiple landowners and an inability to put a mortgage on the land. That is almost 100 years ago.

At Te Pūtea Matua, in 2022 we released our Māori Access to Capital Issues Paper. In making that report, we interviewed 42 capital seekers from a cross-section of the Māori economy and financial sector.⁹ They all shared similar experiences. The key themes raised from the discussions were a shortage of data on Māori businesses, the complexity and opaqueness of the funding landscape, difficulties lending on Māori land, and a lack of leadership across the ecosystem to address access barriers.

From the financial sector engagements, it was clear that there was a lack of understanding of Māori business values and models. There was also a general agreement that New Zealand's capital market falls well short of meeting the capital needs of Māori business.

At the Reserve Bank we take these issues seriously. Under our Act, our core purpose is to enable the prosperity and wellbeing of all New Zealanders. In part response, we have developed a strategy to incorporate Te Ao Māori values and perspectives into how we work.¹⁰

This includes publicly releasing our Te Tiriti statement.¹¹ Our commitment recognises our legislated purpose, and the constitutional and legal significance of Te Tiriti o Waitangi. Our approach reinforces the importance of ensuring that Māori are enabled by New Zealand's financial system, as are all New Zealanders.

Beyond getting our own house in order, we have broader work streams underway, both under the umbrella of "Financial Inclusion", and our strategic themes outlined in our Statement of Intent. Our strategic themes are trust, resilience, competition and efficiency, inclusion, leveraging data and technology, and people front and centre.¹²

⁵ Reserve Bank of New Zealand. (2018). *Te Ōhanga Māori 2018: The Māori economy*. <https://www.rbz.govt.nz/-/media/project/sites/rbz/files/research/te-ohanga-maori-report-2018.pdf>

⁶ BERL. (2019). *The future Māori workforce: Part three*. BERL. *The future Māori workforce - Part three*. BERL (2019)

⁷ Ministry for Primary Industries. (2013). *Growing the productive base of Māori freehold land*. <https://www.mpi.govt.nz>

⁸ The Reserve Bank of New Zealand (2022). [Improved Māori Access to Capital Issues Paper \(rbnz.govt.nz\)](https://www.rbz.govt.nz)

⁹ The Reserve Bank of New Zealand (2022). [Improved Māori Access to Capital Issues Paper \(rbnz.govt.nz\)](https://www.rbz.govt.nz)

¹⁰ Reserve Bank of New Zealand. (2024). *Statement of intent 2024–2028*. Te Pūtea Matua. [Statement of Intent 2022–2026 \(rbnz.govt.nz\)](https://www.rbz.govt.nz)

¹¹ Reserve Bank of New Zealand. (n.d.). *Te Tiriti o Waitangi statement*. Te Pūtea Matua. [Te Tiriti o Waitangi statement - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.rbz.govt.nz)

¹² Reserve Bank of New Zealand. (2024). *Statement of intent 2024–2028*. Te Pūtea Matua. [Statement of Intent 2022–2026 \(rbnz.govt.nz\)](https://www.rbz.govt.nz)

Financial Inclusion

Māori access to capital is a significant part of our broader work on Financial Inclusion so that the financial system is fit for all New Zealanders.¹³ We are working collaboratively with the Council of Financial Regulators to identify and address any barriers to accessing banking services from two perspectives:¹⁴

- From a **service delivery lens**, we have a research project with a third party on what an inclusive process of opening a bank account looks like, and what are the best practices. There is a strand looking specifically at issues for Māori Trusts, Rangatahi (youth) Māori, and Māori businesses.
- From a **product lens**, we are collaborating with the Council of Financial Regulators to look at the concept of a basic bank account, with fewer features but is easier to open and manage.

Our findings will be public later this year and should have flow on impacts for Māori access to capital. For example, it is complicated for a small Māori landowning trust to open an account given it is a collective entity with multiple owners. Short-term work arounds to this problem can lead further financial access challenges in the years ahead. Our work on Māori access to capital and broader financial inclusion efforts go hand in hand.

We are also currently creating, with a view to publishing, a dashboard that measures progress on Māori financial inclusion across the banking system. What gets measured gets managed, and lessons learnt should be shared.

Progress is positive. As part of our recent Financial Inclusion Thematic Review, we spoke with a significant number of deposit-taking entities to understand their internal policies and practices on inclusion, and how they measure and report progress.¹⁵ Lessons from this work will guide us on what banking data infrastructure and indicators are useful.

We are also working on a pilot with some retail banks on a Māori data project, again related to the dashboard. The data pilot will include Māori data governance principles, including sharing with iwi, hapū and Māori organisations where appropriate. We are working with the Stats NZ Māori Business Definition Standard where possible – to overcome a long existing inertia to bank data collection.¹⁶

Earlier this year Te Kooti Whenua Māori, the Māori Land Court, released a practice note regarding lending on whenua Māori.¹⁷ Their aim is to help landowners, lawyers, and the banking sector understand the mortgage process on whenua Māori. Shared knowledge will reduce transaction costs and broaden finance options.¹⁸

¹³ Reserve Bank of New Zealand. (2023). *Financial inclusion approach 2023*. [Financial Inclusion Approach 2023 \(rbnz.govt.nz\)](https://www.rbnz.govt.nz/financial-inclusion/financial-inclusion-approach-2023)

¹⁴ Council of Financial Regulators. (n.d.). *Kaunihera Kaiwhakarite Ahumoni | Council of Financial Regulators*. [Kaunihera Kaiwhakarite Ahumoni | Council of Financial Regulators \(cofr.govt.nz\)](https://www.cofr.govt.nz/)

¹⁵ Reserve Bank of New Zealand. (2024). *Thematic review on financial inclusion*. [Thematic review on financial inclusion - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.rbnz.govt.nz/financial-inclusion/thematic-review-on-financial-inclusion)

¹⁶ Statistics New Zealand. (2022). *Data standard for Māori business*. Stats NZ. [Data standard for Māori business | Stats NZ](https://www.stats.govt.nz/data-standard-for-maori-business)

¹⁷ Māori Land Court. (2024). *Practice note for lending on whenua Māori*. Reserve Bank of New Zealand – Te Pūtea Matua. [Practice Note for Lending on Whenua Māori - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.rbnz.govt.nz/financial-inclusion/practice-note-for-lending-on-whenua-maori)

¹⁸ Māori Land Court. (2024). *Practice note for lending on whenua Māori*. Reserve Bank of New Zealand – Te Pūtea Matua. [Practice Note for Lending on Whenua Māori - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.rbnz.govt.nz/financial-inclusion/practice-note-for-lending-on-whenua-maori)

Alongside the Māori Land Court, we are presenting the document to Tāwhia Māori Bankers Rōpū and the Council of Financial Regulators before the end of year, with the option of running more intensive workshops with individual organisations later.

We are also working with the Ministry of Business, Innovation and Employment to get an updated Māori economy report, which, with the help of BERL, is coming out next year. The 2018 Māori economy report has been foundational in our understanding.¹⁹

We are streamlining our engagements with Māori more broadly. No two projects are the same, and we want to make sure Māori voices are heard when our work impacts Māori communities. For example, our Central Bank Digital Currency and cash monitoring consultations are coming up in 2025,²⁰ and our Exchange Settlement Account System (ESAS) access review is already underway.²¹

Finally, our membership in the Central Bank Network for Indigenous Inclusion is an invaluable platform for us to hear from indigenous communities internationally – including here in Aotearoa.²² The central banks of Canada, the United States, Australia and New Zealand are involved, as well as indigenous networks across these countries.

Improving Māori access needs collaboration and capability

Te Pūtea Matua has the mandate to help address Māori access to capital, but we will not succeed alone. Success requires the whole system to work towards improving the current situation, which involves the government, private sector financial institutions, iwi and Māori decision makers being in the same waka paddling together.

There are signs this is occurring, but it remains early day. We have seen some great work happening in recent years across the ecosystem:

Iwi Chairs, Pou Tahua,²³ have been working to get an iwi-led financial intermediary, Rauawa, running. It would be a Māori intermediary that would act as a conduit between capital seekers and providers, supporting effective capital allocation and risk management. The tasks include identifying opportunities and matching them with capital, while providing investment support and capability to drive success.

Some retail banks are also taking positive steps. Policies to enable lending on whenua Māori are progressing, alongside building internal capability and capacity to work with Māori businesses. It is this type of progress we want to showcase in the dashboard discussed. We have the already mentioned Tāwhia Māori Bankers Rōpū - a brave group of bankers who are championing the cause collectively, and within their organisations, on improving Māori financial inclusion.²⁴

¹⁹ BERL. (2021). *Te Ōhanga Māori – The Māori economy 2018*. [Te Ōhanga Māori – The Māori Economy 2018 \(rbnz.govt.nz\)](#)

²⁰ Reserve Bank of New Zealand. (n.d.). *Digital cash*. [Digital cash - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#)

²¹ Reserve Bank of New Zealand. (2023). *Exchange settlement account system (ESAS) access review*. [Exchange Settlement Account System \(ESAS\) access review - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#)

²² Reserve Bank of New Zealand. (2023). *Central Bank Network for Indigenous Inclusion*. [Central Bank Network for Indigenous Inclusion - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#)

²³ Iwi Chairs Forum Secretariat. (n.d.). *Pou & ILG contacts*. [Sharing the Vision of Kotahitanga: Pou & ILG Contacts | Iwi Chairs Forum Secretariat Sharing The Vision of Kotahitanga](#)

²⁴ Reserve Bank of New Zealand. (2021). *Māori Bankers Rōpū established*. [Māori Bankers Rōpū established - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#)

Government agencies – including The Treasury, The Ministry of Business Innovation and Employment, and Te Puni Kōkiri, - are working on streamlining funding and support systems for Māori business, with the goal to reshape their offerings to be most effective and measurable in outcomes. I believe that the Pou Tahua proposed Rauawa will support this picture.

Access, Capability and Capital makes an Opportunity

I have outlined many workstreams, much collaboration, and a great will to improve Māori access to capital. I have also highlighted why it is important for all New Zealanders, and the Reserve Bank. If we can improve access to resources, and then apply the appropriate capability to the resource – including capital, then opportunities arise for prosperity, cultural inclusion, social cohesion, and environmental sustainability.

Despite the great work that is already happening, there is much left to be done. A clear signal of the task is highlighted in the recent Commerce Commission’s market study into personal banking services,²⁵ and the agenda for the forthcoming Parliamentary inquiry into banking.²⁶ Both have a specific focus on lending on whenua, access to bank accounts, and experiences accessing banking products and services.

At Te Pūtea Matua we will continue to highlight the importance of collaboration, and the need to focus on solutions to improve Māori access to capital. My hope is that bank leaders retain their commitment to this effort. I also encourage a broader group of equity providers to improve their capability to provide Māori access to capital. We have yet to see the collaboration and investment scale that will unleash New Zealand’s full economic potential.

Thank you for listening today.

Meitaki ma’ata

Tēnā koutou katoa.

²⁵ Commerce Commission. (2024). *Market study into personal banking services*. [Commerce Commission - Market study into personal banking services \(comcom.govt.nz\)](https://www.comcom.govt.nz)

²⁶ New Zealand Parliament. (2024). *Inquiry into banking competition*. [Inquiry into banking competition - New Zealand Parliament \(www.parliament.nz\)](https://www.parliament.nz)

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