



Te Puni Kōkiri
MINISTRY OF MĀORI DEVELOPMENT



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

29 Mahuru 2021

Tēnā koe

E ngā mana, e ngā poutokomanawa o te Kāwanatanga, ānei te mihi maioha ki a koutou i tēnei wā.

The project team, Te Kupenga Hao Pāuaua, is working closely with your nominated sponsors to raise awareness of the **progressive procurement policy** and how your agency will implement it. We are pleased with the engagement from agencies to date.

Update on Te Kupenga Hao Pāuaua Project

It is timely to provide you with an update on the progress of the project and provide answers to questions that have been raised through various channels.

On 4 Hui-Tanguru 2021 (4 February 2021), we advised you of the **new progressive procurement policy**, agreed to by Cabinet. The policy is a first step towards increasing supplier diversity in government procurement by **promoting change in government procurement processes** and behaviour to be a lever **to achieve more equitable economic outcomes for Māori**.

Agency engagement

Te Kupenga Hao Pāuaua has held a series of one-to-one engagements and webinars with 139 government agencies. Agencies have been provided collateral that has been informed by these engagements with the intention of making implementation of the policy easier. We are pleased with engagement from agencies to date.

During engagement with agencies, we have been clear the policy is not a guarantee; it is a market-access opportunity that suppliers need to be successful in based on their own merits. Participating agencies are not being directed to compromise on the quality, cost or service requirements expected of every supplier. They are **being asked to remove obstacles and highlight opportunities for Māori supplier participation in government procurement** within the government procurement principles and rules.

Māori business engagement

We have held regional hui for Māori businesses across Aotearoa to share information on the policy, how they could benefit and to answer questions. To date, over 200 Māori businesses, spanning over 25 industries have participated. A key theme of the hui has been raising awareness of what the government procurement landscape looks like and how to participate in that market.

Working with Māori businesses to increase their capability to tender in procurement processes has also been a priority. Several organisations are providing capability uplift services. It should be noted, any investment in capability uplift is likely to be beneficial for any SME business. This will be considered further as the progressive procurement policy evolves.

We know agencies would like a list of eligible Māori businesses and assurance that they meet the policy definition of a Māori business. To assist with this, **the New Zealand Business Number (NZBN) now has a Māori business identifier**. We are working with the NZBN team to develop a mechanism and timing for the ongoing release of this supplier data to agencies. We anticipate having this information to agencies in Whiringa-ā-nuku 2021 (October 2021).

The project team is **investigating the development of a Māori business database**, including a mechanism for the provision of due diligence/verification of **eligible Māori businesses**. Prior to this mechanism being available, agencies are required to conduct their own due diligence of self-identified Māori businesses as per **the policy definition, ie, are at least 50% Māori owned or are a Māori authority as defined by the IRD**ⁱ.

Reporting

From 1 Hōngongoi 2021 (1 July 2021), agencies are **required to report against their progress towards achieving the target 5% of their procurement contracts being awarded to Māori businesses**. A **reporting template** has been made available to all agencies. Completed reporting templates are to be returned to procurement@mbie.govt.nz for the period 1 Hōngongoi – 30 Mahuru (1 July -30 September) by 1 Whiringa-ā-nuku 2021 (1 October 2021). A reminder of the deadline was emailed by MBIE to mandated agencies on 17 Mahuru 2021.

Any questions your agency may have regarding the reporting should be sent to procurement@mbie.govt.nz. Questions about the wider policy can be sent to supplierdiversity@tpk.govt.nz. An updated list of Frequently Asked Questions has been attached to this letter for your information.

We appreciate your ongoing support of this important kaupapa as we **work to build a more resilient Māori economy**, by breaking down barriers for Māori businesses to engage in government procurement processes and increasing the diversity of suppliers used by government.

No reira, kati mō tēnei wā me ngā mihi.

Nā māua noa, nā



Dave Samuels
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Secretary for Māori Development
Te Puni Kōkiri



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Te Tumu Whakarae mō Hikina Whakatutuki
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ⁱ <https://www.ird.govt.nz/roles/maori-authorities/maori-authority-eligibility>