

Innovation Policies for Inclusiveness – Policy Cases

Maori Innovation Fund

Country: New Zealand

1. Short Description

The *Te Pūnaha Hiringa: Māori Innovation Fund* comprises two schemes (the Commercial Advisors Scheme and the Governance and Management Development Scheme), which aim to help Māori collectives increase their skills, knowledge and network, in order to realise the economic potential of their assets. The fund also helps collectives in need of additional funding and services to access wider enterprise development and innovation systems.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for social and industrial inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
New Zealand Ministry of Business, Innovation and Employment (MBIE)	2014-2020 (until 2016 for the Governance and Management Development Scheme)
Target group	Size and budget:
Maori collectives These can take the form of a trust or incorporated body in any commercial sector under the Te Ture Whenua Maori Act 1993, a Statutory Maori Trust Board, a traditional tribal assembly (Runanga), a post-settlement governance entity or a mandated iwi (Maori national) organisation under the Maori Fisheries Act of 2004.	Total budget: NZD 2 million (USD 1.4 million) for 2015: NZD 1.6 million (USD 1.1 million) for the Commercial Advisors Scheme and NZD 0.4 million (USD 0.27 million) for the Governance and Management Development Scheme NZD 3 million (approx. USD 2.1 million) per year from 2016. Funds allocated per beneficiary: Commercial Advisors Scheme: maximum amount of NZD 75 000 (approx. USD 52 000) per year, for a maximum of two years, with 25% of own funding (41 Maori beneficiary collectives in 2015). Governance and Management Development Scheme: maximum amount of NZD 20 000



	(approx. USD 14 000) with 25% of own funding.
Type of policy instrument(s)	Inclusiveness focus
Business advice and mentoring	Social and industrial inclusiveness
Training	

Policy objectives

The fund aims to help Maori collectives increase their capabilities, understanding and knowledge, so that they can realise the economic potential of their assets through the following two schemes:

- **Commercial Advisors Scheme:** through this scheme, Maori collectives can contract a commercial advisor for a period of one year. The advisor provides professional business advice and mentoring, supporting the collective to identify opportunities, begin new ventures or grow existing businesses and asset bases. The advisors have experience working with Maori collectives and possess the necessary skills and experience to identify and access other relevant professional commercial services, as well as government assistance programmes that support enterprise development. Ideally, collectives should use their time with the commercial advisors to build their own knowledge and skills in analysing investment opportunities and engaging with co-investors.
- **The Governance and Management Development Scheme:** through this scheme, Maori collectives can attend training in governance, management, strategic planning and other business skills. This is an on-demand scheme.

The specific policy objectives of the fund are to:

- address capability issues that prevent some Maori collectives from identifying and engaging in professional commercial services;
- address capability issues identified while working with professional commercial service providers;
- identify and develop opportunities for leveraging Maori assets;
- assist Maori collectives to build commercial connections and links with the innovation and enterprise development system.

Rationale

Maori people and enterprises are not adequately linked to the overall economy of New Zealand. This has had a detrimental impact on socio-economic status: around 50% of Maori people do not attain Level 2 of the National Certificate of Educational Achievement (equivalent to a secondary school leaving exam). Furthermore, the unemployment rate among the Maori population is 13.9% (more than double the average unemployment rate for New Zealand).



Maoris are also over-represented in occupations, industries and regions that are more vulnerable to economic slowdowns and recessions.

However, the Maori population is young (median age is 23.1 compared to 36.9 for the total population) and possesses diverse assets (land, forests, fisheries, energy resources). It is estimated that improved economic performance among the Maori could potentially lead to an additional USD 18 billion in national GDP by 2061 (Maori Economic Development Panel, 2012).

The Maori Economic Development Panel's long-term strategy (2012) identified a need for targeted government support to the Maori people, in particular the education and economic sectors. Increased engagement in the innovation system is a key component, as this will help strengthen the productivity and performance of Maori enterprises and collectives. The two schemes aim to help Maori collectives progress to a stage where innovation occurs organically and the organisations are better able to access other sources of innovation funding.

Policy target recipient and selection mechanism

The target group is Maori collectives, including trusts, incorporations, post-settlement governance entities and similar organisations. Coalitions of collectives may also apply. The selection mechanism and criteria are as follows:

- **Commercial Advisors Scheme:** applications to the scheme are considered by an assessment panel, which makes recommendations to the Deputy Chief Executive, Labour Science and Enterprise, at the Ministry of Business, Innovation and Employment (MBIE), who takes the final decision. The assessment criteria include: (i) suitability of the collective/coalition for advisory services (50%); (ii) potential of the collective/coalition's assets for growth (30%); and (iii) the suitability and potential of the proposed activity (20%). The Commercial Advisors Scheme is a contestable fund, which is open to applications approximately once per year.
- **Governance and Management Development Scheme:** this on-demand scheme operates throughout the year. Collectives may apply directly to pre-defined training provider organisations that assess beneficiaries' applications and manage the co-funding process.

Policy instrument(s)

- **Commercial Advisors Scheme:** this scheme offers financial support of up to NZD 75 000 per year with a 25% own funding rate to pay for a commercial advisor (14 advisory firms were pre-selected in 2014). The Ministry can approve other companies upon request by the beneficiary. Funding cannot be used to pay for capital expenditures.
- **Governance and Management Development Scheme:** this scheme offers financial support of up to NZD 20 000 with a 25% own funding rate.

Policy challenges

The Commercial Advisors Scheme has insufficient funding to respond to increasing demand.



Actions undertaken to address challenges

As of 2016, additional funding of NZD 1 million was added to the programme budget to increase the size of the Commercial Advisors Scheme. This will enable more Maori collectives to access commercial advice to grow their assets.

After 2016 (until 2020), a new initiative will be introduced consisting of extra funds amounting to NZD 1 million (USD 0.72 million). The funding is likely to encompass one of the following options: (i) funding for mentors to sit on Boards of Maori collectives to help improve capability; (ii) funding for commercial advisors to help Maori collectives review their commercial operations and advise on organisational structures; or (iii) a Maori business accelerator.

The Governance and Management Development Scheme will be reviewed after its closure in 2016.

Evaluation and outcomes of the scheme

The Ministry will use the following indicators to assess performance of the fund: (i) growth in the number of Maori businesses accessing mainstream business assistance programmes, and (ii) additional value that the fund has helped to extract from the Maori asset base. As the schemes are currently ongoing, evaluation will follow after their closure.

Sources

Maori Economic Development Panel (2012), *Strategy to 2040*, Te Puni Kōkiri, Wellington, www.tpk.govt.nz/en/a-matou-mohiotanga/business-and-economics/he-kai-kei-aku-ringa--the-crown-maori-economic-gro.

MBIE (2016), *Te Pūnaha Hiringa Māori Innovation Fund Commercial Advisors Scheme Call for Proposals 2016*, Ministry of Business, Innovation and Employment, Wellington, www.mbie.govt.nz/info-services/science-innovation/investment-funding/maori-innovation-fund/pdf-library/cas-cfp-2016.pdf.

MBIE (2016), *Te Pūnaha Hiringa Māori Innovation Fund Commercial Advisors Scheme Guide to Application Questions 2016*, Ministry of Business, Innovation and Employment, Wellington, www.mbie.govt.nz/info-services/science-innovation/investment-funding/maori-innovation-fund/pdf-library/ims-application-questions.pdf.

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MBIE (2014), *Te Pūnaha Hiringa Māori Innovation Fund Investment Plan 2014*, Ministry of Business, Innovation and Employment, Wellington, www.mbie.govt.nz/info-services/science-innovation/investment-funding/maori-innovation-fund/pdf-library/mif-investment-plan.pdf.



Te Puni Kokiri (2013), *He Kai Kei Aku Ringa – The Crown-Maori Economic Growth Partnership*, Te Puni Kōkiri, Wellington, www.tpk.govt.nz/en/a-matou-mohiotanga/business-and-economics/he-kai-kei-aku-ringa--the-crown-maori-economic-gro.

Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

Policies are searchable by inclusiveness type, objective and implementation challenge on:
<https://innovationpolicyplatform.org/inclusivetoolkit>