

## How targets make a difference.

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Aotearoa has just increased its progressive procurement target from 5% to 8% which continues to send a strong message that supplier diversity is important.

Minister for Māori Affairs Hon Willie Jackson reported that “Māori businesses made up 6% of the total of government procurement contracts for the 2021/22 financial year.

This meant more than **3,200 contracts** were awarded to Māori businesses across the public sector, worth a total value of **about \$930 million.**”

We know that targets for Indigenous spend works. We need only look across the ditch at the phenomenal increase in Indigenous business spend and Indigenous business sector growth to see the evidence of that.

The implementation of the Indigenous Procurement Policy in Australia has created well over \$6.9 billion in contract opportunities for Indigenous businesses awarding over 47,500 contracts to over 3,000 indigenous businesses.

### Benefits of targets

Unfortunately, equity for Māori is not the default position, so targets are an important tool to encourage intentional action that wouldn't happen otherwise. There are many benefits to setting targets. The list below highlights some of the benefits of setting targets for Māori business spend in Aotearoa.

- **Setting clear direction and milestones**

Having supplier diversity targets sends a clear message about the expectations around spending with diverse businesses. It provides a north star for everyone to work towards and measure against which is helpful as it often gets forgotten about when staff are in the thick of BAU work.

- **Holding your organisations and suppliers to account**

Targets on Māori business spend demonstrate that supplier diversity is more than simply words thrown into the air, it sets a precedent. It is an ability to hold the organisation to its word and sends a strong signal to others about what the organisation values. Additionally, it's an opportunity to expect the same of suppliers. Positively, it is a great way to collaborate with like-minded, equity and treaty focused organisations that are passionate about creating Māori outcomes.



- **Creating space for confronting conversations**

Discussing performance and the reason for wanting to create equitable access to contract opportunities for Māori businesses can be hard. It requires courageous and sometime confronting conversations. Whilst targets can be controversial, once set, they provide an opportunity to discuss these hard topics and keep them front of mind.

- **Creating healthy competition**

Creating a bit of fun, encouraging, healthy competition across department is always a good way to get supplier diversity activity up. If each department is required to report on their supplier diversity spend as a % of their spend, things like leader boards and incentives could be a great way to promote action.

- **Celebrating wins**

Targets, when achieved, or even when vastly improved is a great way to demonstrate progress. Take the time to celebrate the wins.

### **Going beyond targets**

Setting targets and increasing targets is a massive win for Aotearoa. We must take a moment to pat ourselves on the back and celebrate this milestone.

However, as always, we can do more (and we should do more).

- **Create teeth.**

With this latest target increase, we can see that the current government are wanting to do more and build on the existing success but a change in government could undo all the hard work to date. It's time for legislation much like the Indigenous Procurement Policy in Australia so that this is something that continues beyond any one government.

- **Public reporting per agency.**

We need agencies to publish their results publicly so everyone can see how each agency is performing against the target. We've seen how this drove some great competition amongst government departments in Australia and could be just as effective here. It's also a way to hold organisations to account and ensure that they are following through. *Accountability and transparency.*

- **KPI's attached to CEOs of each agency.**

A top-down approach works well to embed change inside of organisation and what better way to do that then to make sure the CEO's performance measures include a supplier diversity target. It's a way for them to prioritise supplier diversity and get an understanding of their organisations spend regularly.

### How can we push the boundaries?

As government looks to ensure 8% of its contracts are with Māori businesses, it gives us the chance to look ahead and think about how we continue to 'progress' the 'progressive procurement policy' 😊

- It would be good to see a value target as well as a volume target (Dollar spent as well as number of contracts).
- An equality perspective would be to build towards a population-based target (17%).
- An equity perspective would be to go beyond a population target to correct for the poorer socio-economic wellbeing of Māori (over 17%).
- A Treaty perspective would be to have a 50% target.

We are excited to see an increase in the target and look forward to seeing more opportunities for Māori businesses come to fruition.

*Ko te pae tawhiti whāia kia tata, Ko te pae tata whakamaua kia tīna.*

*Seek to bring distant horizons closer and sustain and maintain those that have been arrived at.*

### References:

[Indigenous Procurement Policy | National Indigenous Australians Agency \(niaa.gov.au\)](#)

<https://www.beehive.govt.nz/release/government-target-increased-keep-powering-m%C4%81ori-economy>

## About us

Puna Awarau is a Māori consultancy firm working at the forefront of Indigenous procurement in Aotearoa. With unrivaled expertise in supplier diversity, we are your specialist support. Generating Māori (and Pasifika) socio-economic outcomes within organisations and major projects.

We work with government agencies, local body authorities, Iwi, Māori land trusts, private enterprises and charitable trusts that want to better understand what social value they can create through their spending.

We understand the power of procurement in creating change and believe a more equitable Aotearoa is possible. We offer independent expert advice and support to organisations working towards broader outcomes through social procurement, progressive procurement and/or supplier diversity.

- We are 100% Māori owned
- We are 100% wāhine owned

*Puna Awarau founders have whakapapa links to Ngaati Te Ata Waiohua, Te Rarawa, Te Waiariki, Ngāti Tūtae, Ngāi Tuupoto, Ngāti Reinga, Te Hikutu, Te Aupouri, Ngāti Kahu.*

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