



Māui Rau

PSGE 2.0 – Fit for the future, informed by our past

Mihi

Nau mai rā e Māui Rau
Kawea mai o hua hei whakamātau
atu, hei whakamātau mai
i a tāua te Māori kia eke atu ki
taupae nui, o piki te kaha
piki te ora, piki te māramatanga.

Maranga mai te korowai whakahira
te whanaketanga mai Matua-te-kore
tatū ki tēnei ara toi roa, ara toi matua
Ka ū te mauri ora, ka ū te manawa ora
i te kawa nui, i te kawa ora.

Tū hikitia rā, tu hāpainga rā
Te mana tangata
Te tuhi, te rarama, te atamai
Hui ē Tāiki ē!

Māui Rau, bring forth your tools
and knowledge to challenge and
improve the lives, health and
wellbeing of the Māori people.
Support us to reach the pinnacle
of health and wellness.

Awaken life and life potential gifted
by creation to utilise in daily life.
Secure the life force and living
being with the principles of life to
uphold and support authenticity.

Be persistent, alert and use
intelligence to shed light
and understanding.

**Ka huri te kei o te waka ki te pae tawhiti.
Kia hoe ngātahi ki te pae tata.
Ki te whai ao ki te ao mārama.**

The waka turns towards the distant horizon.
Let us make headway and paddle as one through
the glimmer of dawn to the break of day.

He aumihi a ngākau ki a koutou e ōku
rangatira, e ngā mātāwaka huri noa.

Nō mai rā anō;

Ka kōrero te maunga ki te maunga

Ka kōrero te awa ki te awa

Ka kōrero te moana ki ngā roto

Ka kōrero te tangata ki te tangata

Ko te kai a te rangatira he kōrero, ānei kua
tāpiri nei hei-iere mo tēnei pūrongo.

Greetings to all, our leaders and tribal
groups.

From the very beginning,

the mountain has spoken to the mountain,

the river talks to the river,

the sea talks to the lakes,

people talk to people.

The sustenance of our chiefs is
through our stories, and it is included
in the context of this report.

*Nō reira, manawa mai te putanga o te pūrongo ā Māui Rau e whārikihia
ana i runga i te ngākau māhaki.*

*Ki ngā maunga whakahī o te motu, ngā tūtohu whenua, ngā tokatū moana,
tae atu ki ngā tōtara haemata, ngā manu tīriori, huri noa, tēnā koutou katoa*

And so, it is with humility we present to you, the people of this land and beyond,
Māui Rau.

Foreword

Across the 1800s our thought leaders penned letters to each other and our newspapers discussing global issues, addressing injustices and casting their eyes to the future. Māui Rau continues that legacy as a mirror of today and an invitation to imagine tomorrow with provocations as elegantly framed as those in the letters of our tūpuna.

The mirror's reflection shows us 30 years from adopting the PSGE organisational form, having been perhaps too consumed by learning how to grow a perpetual asset base while rejuvenating our identities and reimprinting ourselves on our ancestral landscapes, to question whether the form was fit for us. The PSGE structure, like all ideas, has a whakapapa. That whakapapa is located within Western approaches to organising capital and labour to achieve profit that can be traced to colonial companies that acquired indigenous land through Fordism's experiments in maximising factory line output and bureaucratic zealotry over efficiency. We have created a branch in the whakapapa line that is distinctive for the infusion of tikanga and

intergenerational aspirations within the organisational form, but Māui Rau reminds us that the form we are using is ultimately not of our making nor designed for our purposes.

The invitation is to another frontier of mana motuhake (self determination). We have dedicated 30 years to using the PSGE structure to regenerate mana motuhake like a patchwork quilt, iteratively stitching together the daily wins (and there are many) to be more than the sum of the parts. The many quilts across the motu are awe-inspiring and a testament to leadership, perseverance, resilience and unwavering fidelity to intergenerational responsibilities. While this form of patchwork mana motuhake is likely to be a necessary and effective strategy in the short to medium term, Māui Rau reminds us that the essence of mana motuhake is making decisions. The settlement process dictates that iwi adopt the PSGE form, circumscribing our decision-making to accessorising the predetermined form. However, post-settlement, decision-making capabilities that were eroded for generations are restored with the practical autonomy that accompanies financial independence.

Māui Rau challenges us to make decisions on our PSGE form, with a quiet warning that delaying decisions about how we organise will permeate the potential impact of the good our organisations do in our communities.

North American indigenous development is infused with the concept of nation-building. The first step is to build tribal institutions that are a 'cultural-fit'. Communities are encouraged to collectively make intentional decisions about how the form, structure and rules within institutions can embody tradition or the extent to which Western precedents might be adopted with or without culturally determined adaptation. Māui Rau is a provocation to Ngāi Tātou to think like nation-builders, to intentionally engage in building institutions that are derived from our templates, knowledge and values. Our North American whanaunga show us that there is a double dividend from doing so: the act of deciding on institutional form is mana motuhake in action, and institutions that embody cultural imperatives create a context in which mana motuhake can and does flourish.

Māui Rau is a call to action, but not haste.

We should be aspiring to build culturally generated institutions that will endure for generations. In the words of many of our Aunties: do it well, do it once. Importantly, Māui Rau also encourages us to do it ourselves, as communities leaning into contention and not looking for the salve of an expert advisor whose sophistry is ultimately a distraction from the critical factor of communities making decisions together.

Māui Rau is informed by discussion with almost 30 current and former tribal governors and managers, as well as the earned insights of the authors refined over more than 20 years of lived experience working, serving and living within Māori communities. Māui Rau, therefore, reflects a convergence of views on the nature of the problem and challenges. We should not however be looking too quickly for a convergence of views on the solution. If we are to build genuinely sound, culturally framed institutions we need to start with a blank canvas that is layered first with our own precedents of organising, trade and leadership. The implicit challenge is to temporarily displace

everything we know about Western organisational principles and models so that our imaginations are unconstrained and ancestrally inspired. The explicit challenge is to understand how ancestral precedents can be interpreted, embodied and encoded within an organisational form. Harnessing ancestral precedents can be like whispers in the wind.

Turning up the volume relies on us asking ourselves poignant questions that none of us yet know the answer to, debating perspectives and trusting in ourselves. For example, how could ancestral and current practices of distributing mahinga kai inspire the distribution of benefits from settlements, or how could our historical trade practices frame the nature of tribal enterprise, or how could the way stores were managed in pātaka inform portfolio management? These questions, and many more like them, endeavour to discern deeply practical insight from ancestral precedent, which may transpose directly to redesigning our organisational form, not at all or require some degree of bespoke fusion with other knowledge or practice.

Māui Rau invites us all to engage in this form of deliberation to be informed by our past as we craft new forms of organising that are fit for the future.



Sacha McMeeking

Kāi Tahu

Director Māori, Pacific and Equity - University of Canterbury

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**Kua tawhiti kē tō haerenga mai,
kia kore e haere tonu.
He nui rawa ōu mahi,
kia kore e mahi tonu.**

We have come too far not to go further,
we have done too much not to do more.

Tā James Henare



Executive summary

The first organisational form of Post Settlement Governance Entities (PSGEs) was born in a period of relative stability when compared to today. More than 30 years on, the operating environment has changed, there are challenges – both new and old – and the pace of change has quickened.

It is time to spark the korerō around how our PSGEs might evolve or transform to reflect tomorrow's world.

The aim of Māui Rau has always been to prompt and sometimes even provoke thought, disagreement and discussion that leads us to question the status quo. The gold is always in the ensuing debate, where ideas are born, perspectives shared, and options built on. And this edition is no different. We hope that it leads to discussion among our people, governors, leaders and teams interested in the role of PSGEs in a world where the calls for mana motuhake and tino rangatiratanga get stronger and stronger.

Since the first treaty settlement in 1989, commercial redress as part of treaty settlements has amounted to approximately \$3.5bn – a small fraction of the estimated value of \$69bn in Māori assets. Through their commercial activities, iwi have successfully grown the financial value of these assets and provided distributions for social, cultural and environmental initiatives along the way.

But it hasn't all been plain sailing. There are ongoing challenges to protect the rights and interests of iwi, the navigation of internal tensions in attempts to strike the right balance between purpose and commerce and the pressure for Māori organisations to do more as the poverty gap worsens.

We live in an increasingly complex world where the impacts of global events are felt by whānau. Climate change, geopolitics, social unrest, supply chain challenges and their effects on inflation are turning up in Aotearoa in the form of inequity, food poverty, protests, homelessness, pandemics and general discontent. Further, there is a growing sociocultural and economic divide within Māori communities.

Such issues have led to corporates worldwide having to pay attention to environmental, social and governance (ESG) factors in their business decisions and activities but, to date, have not considered their impact on indigenous people on a wholesale scale. Yet Māori and other indigenous peoples have been practising ESG using indigenous approaches that have stood the test of time. They have always understood the importance of balance in any system, of connections between the many parts and the whole, and know that short-term actions should always serve the long-term objective. This is relatively new for the business world that is more attuned to working in silos to deliver short-term results.

The aim is always to grow the people so they may self-determine, manifesting in localised decision making, delivery and resourcing at the local community level. But there will always be a base level of centralisation needed to support functions that serve all communities within an iwi.



Despite the innate knowing, Māori are still trying to work out how best to integrate purpose and values into commercial activities in a meaningful way as corporates are making ground.

Māori should want to lead the next phase from ESG to I+ESG (Indigenous-led ESG), demonstrating to mainstream business in Aotearoa how to be the corporate citizens our nation and mokopuna need.

The issues we now face prompt examination of how fit for the future our organisations are, given that these are quite different to those encountered when the first generation of PSGEs was developed. Protecting rights and interests, advocating and lobbying for resources, navigating talent shortages, responding to pandemics, huge inequity, and the importance of facing both the government and tribal members are causing a rethink of how PSGEs are organised and operate.

This will need the people, mindsets and capabilities to navigate the challenges and conceive what new might look like if we have structures that encourage the integration of our purpose – our taiao, our mokopuna and our culture – into everything we do. This requires:

1. Greater courage to make tough decisions and manage unrealistic expectations
2. Openness to new possibilities outside of our individual knowledge sets and considering options beyond the status quo
3. Diverse capabilities adept at driving, managing and coping with change as a constant
4. Enough shared understanding of both purpose (social, cultural, environmental, spiritual) and commerce along with the associated possibilities and constraints
5. Tribal and commercial teams working closely together to explore each other's world and identify the sparks of innovation that ignite alternative solutions.

We have navigated uncertainty many times, and our tupuna have shown us how – they may not have had the resources and tools we have – but they had the strength of mind, grit, and determination to see us live well. It's time to ignite those qualities.

If we succeed, we can create the conditions that help us to change and push through the discomfort that is often experienced when shifting from one state to another.



Kōrero Whakataki Introduction

In our day-to-day mahi, we are privileged to work with Māori organisations and businesses across the motu – large and small, iwi and whānau, urban and rural. In our personal lives, we are also all part of various whānau and networks, committed to building a better tomorrow. This allows us to be active listeners and participants in kōrero about what's working and what isn't and how we might all help make the world better together for our mokopuna.

This kōrero with past and present iwi governors and senior management provided invaluable insight and informed the findings in this year's Māui Rau report. We are incredibly grateful for their gift of time to this kaupapa and acknowledge the incredible dedication, effort and energy they give in service to our people. Their insight prompted us to reflect on the insights from the first edition of Māui Rau, and we have drawn on some of these as it is as relevant today as it was six years ago.

At some point, these kōrero touched on Post Settlement Governance Entities (PSGEs), the

organisations that have been formed following long and drawn-out treaty settlement processes that have taken decades to finalise and incurred so much loss of life along the way. These organisations receive settlement packages consisting of taonga and assets to be protected on behalf of current and future generations of iwi members. Perhaps more importantly, they play a role in caring for and sharing kōrero that is surfaced throughout the process and the subsequent historical account that details and acknowledges the Crown's role in the loss of whenua, culture, language, practices and social systems and the depth of suffering of the people.

Across the many personal and professional kōrero, there have been consistent themes that were raised with respect to the impact of such structures that we felt warranted further exploration, especially if those experiences are common and are shared at a surface level.

How might we understand these experiences more deeply? What might some solutions to the challenges be? How might these be built on, and what might this mean as these organisations work up to or through their five-year reviews?

The organisational form of the first PSGE was developed more than 30 years ago and has largely remained unchanged despite significant shifts in the environment in which they operate and ongoing calls for something more enabling of mana motuhake and tino rangatiratanga.

Furthermore, the very label, PSGE does not well reflect their true purpose as tribal service entities and instead is tethered to a point in time, the signing of a settlement agreement. Perhaps its also time to re-examine the labels we have accepted and shift the language away from settlement and toward opportunity. What might that label be? We leave you, the reader, to discuss and decide.

There are no solutions or approaches that will apply to all. Everything is contextual. While there are common themes across iwi, there are nuances and uniqueness between and within all rohe. Fit for the future also has to be fit for the context.

The suggestions in this edition of Māui Rau are not intended to be picked up and applied in every situation. Instead, the best they can do is offer food for thought and, where applicable, further analysis and adaptation.



Sharing language

Before we go any further, let's define the terminology used throughout this publication. Post Settlement Governance Entities (PSGEs) are the parent or matua entities within a tribal settlement group. They are often responsible for iwi matters concerning the environment, culture, tribal members and political engagement. Some will have specific subsidiaries or associated charitable trusts that take responsibility for one or more of these functions may be delegated to. The terms PSGE, parent entity and matua entity are used interchangeably when referring specifically to the PSGE parent entity.

Those responsible for the non-commercial activity within a PSGE grouping are referred to under the umbrella term 'tribal entities' (whether the PSGE, subsidiary or associated charitable trust). These entities generally look after any cultural, social, environmental and health activities within the group.

Commercial entities are charged with managing and growing assets and generating financial returns to the tribal entities, which are referred to as commercial or tamaiti entities.

Entities that are not formally part of a tribal group that deliver services such as health and social services providers are not included in these definitions.

The history of PSGE 1.0



An exploration of the evolution to PSGE 2.0 would be incomplete without first looking at PSGE 1.0 or the first generation of PSGEs.

The stated purpose of PSGEs (within their Trust Deeds) is commonly to receive, manage, hold and administer the trust assets on behalf of and for the benefit of present and future generations of iwi members. Subsequent points often refer to environmental, cultural, spiritual, social, and economic purposes.

PSGE 1.0 was designed with asset management in mind. As a structure, it gave primacy to central control, hierarchy, asset protection and tax efficiency – an effective replication of western systems that caused so much damage to Māori over the centuries.

At the time, building centralised economic entities with scale and efficiency were stronger drivers in the design (of a PSGE) than culture, identity, connectedness, and potential. While we can look back with the benefit of hindsight and see that it hasn't enabled the outcomes envisaged to the extent hoped for, it is important to remember that this was new territory at the time and compliance with Crown rules guided the establishment.

However, the unintentional consequence of these rules has meant limited opportunity and ability of PSGEs to secure the right complement of skills, experience and networks needed at the parent governance table. Instead, the governors (of PSGEs) are democratically elected, whether through a representative model, elections at large or a hybrid of both, leaving no guarantee that the set of governance skills that are needed will be present when a PSGE board is formed. The only provision to appoint or co-opt to cover capability gaps is limited to the subsidiary and sub-committee levels. Unlike transgenerational family businesses where children grow up in the business and are groomed for the role with increasing responsibility over time, in many cases, people with strong non-governance skillsets have found themselves in charge of making significant decisions for iwi without necessarily having relevant background and experience.

Any absence of commercial expertise on the parent entity to manage and grow the assets entrusted to the PSGE with presented some risks, so the next seemingly logical step was to place the assets in a separate commercial entity (as a tamaiti entity) and appoint teams of people with the right technical skills to grow the asset. It can be easily argued that the financial success of this approach is easy to see.

However, in many cases the people that brought these skills did not always understand the broader purpose beyond generating financial returns and are not always well aligned on purpose and values, leading to tension between the matua and tamaiti entities. But such arrangements are not without benefit, as evidenced by the steady growth of the assets and generation of dividend streams that allow the matua to fund operating costs, delivery of programmes and distributions.

Without a doubt, there have been unintentional consequences associated with the structural form but there are also other influencing factors that have played a part in limiting the realisation of outcomes for Māori to the extent desired. In particular;

1. **Structure preceded strategy**
2. **Capability and complexity were not matched**
3. **Attention between the needs of the people and managing the government was split.**

Māori were successful traders internationally and operated tax system in Aotearoa

1820s

Land wars and Māori loss of land through confiscation

1860s

Significant increase in rate of Māori urbanisation

1960s

Establishment of kohanga reo, kura kaupapa Māori and wananga institutions

1980s

First treaty claim settled

Regional and national iwi led collaborations including Iwi Chairs Forum

2000s

1840

Treaty of Waitangi signed

1920s

Early Māori urbanisation
First Māori Trust Board established

1970s

Māori language petition
Establishment of Waitangi Tribunal
Key land occupations

1990s

Early iwi led collaborations with respect to fisheries settlement
First version of PSGE 1.0 established

2020s

Govt encouraged regional iwi collaborations

1. Structure preceded strategy

Although the standard convention is that structure should follow strategy, this doesn't occur in many cases because so much energy, effort and attention is needed to get settlements across the line – both legislatively and with whānau.

Considering what is required post-settlement was a luxury at an individual iwi entity, let alone when considering the broader iwi landscape and its various players. Without a clear strategy to:

- Definitely state goals;
- Determine the pathway to those goals; and
- Clarify the choices about what spaces to play in and which to stay away from (equally, what activities to focus on and which to leave to others).

The relative roles of each entity in the broader iwi landscape (including providers, trusts, incorporations etc.) and within the settlement group remained high-level at best. Without clarity of role and enough shared understanding of critical fundamentals across all entities, it's difficult for each entity to understand their respective lanes, responsibilities and optimal contributions. At times this has resulted in overlaps and duplication in some areas and gaps in others. When combined with the restrictions on the composition of governance, the ability to make clear and impactful choices with limited resources was hampered. The result is scarce resources allocated across multiple kaupapa, spreading any potential outcomes far too thinly.

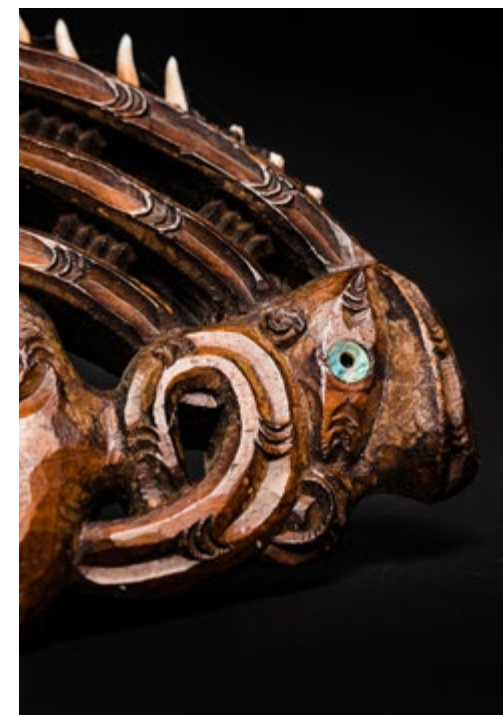
2. Capability and complexity were not matched

Even when structures are not optimally designed, having the right operational capability could still work.

However, where systems are not entirely designed right, and the full complement of mindsets and skillsets are not available at an organisation's governance and management levels, it is difficult to see how we could expect to realise the strong outcomes we seek. There are some exceptionally strong skillsets within iwi entities in some areas and gaps or capacity constraints in others.

And despite decades of investment in education grants to support the growth of skills needed for the future, we still face gaps in skillsets, networks and specific experience within PSGE groups. This prompts us to consider the extent to which such investment delivers the intended outcomes for both the people to live the lives they seek and the full complement of organisational capability needed to deliver to the people.

Furthermore, gaps in specific capabilities force choices on whether organisations invest in developing the capability of their own people (and accept the some short-term inefficiency may result) or whether to hire in certain skillsets from outside of that iwi in order to get the mahi done (and accept that there may not always be an alignment of values).



Taking a binary approach can mean we don't fully take the opportunity to consider what has to be in place to get the long term value from combining the approaches.

There are now growing calls for Māori to be the managers of their own commercial assets but there is a shortage of people with the business skillsets, specifically in finance and investment fields.

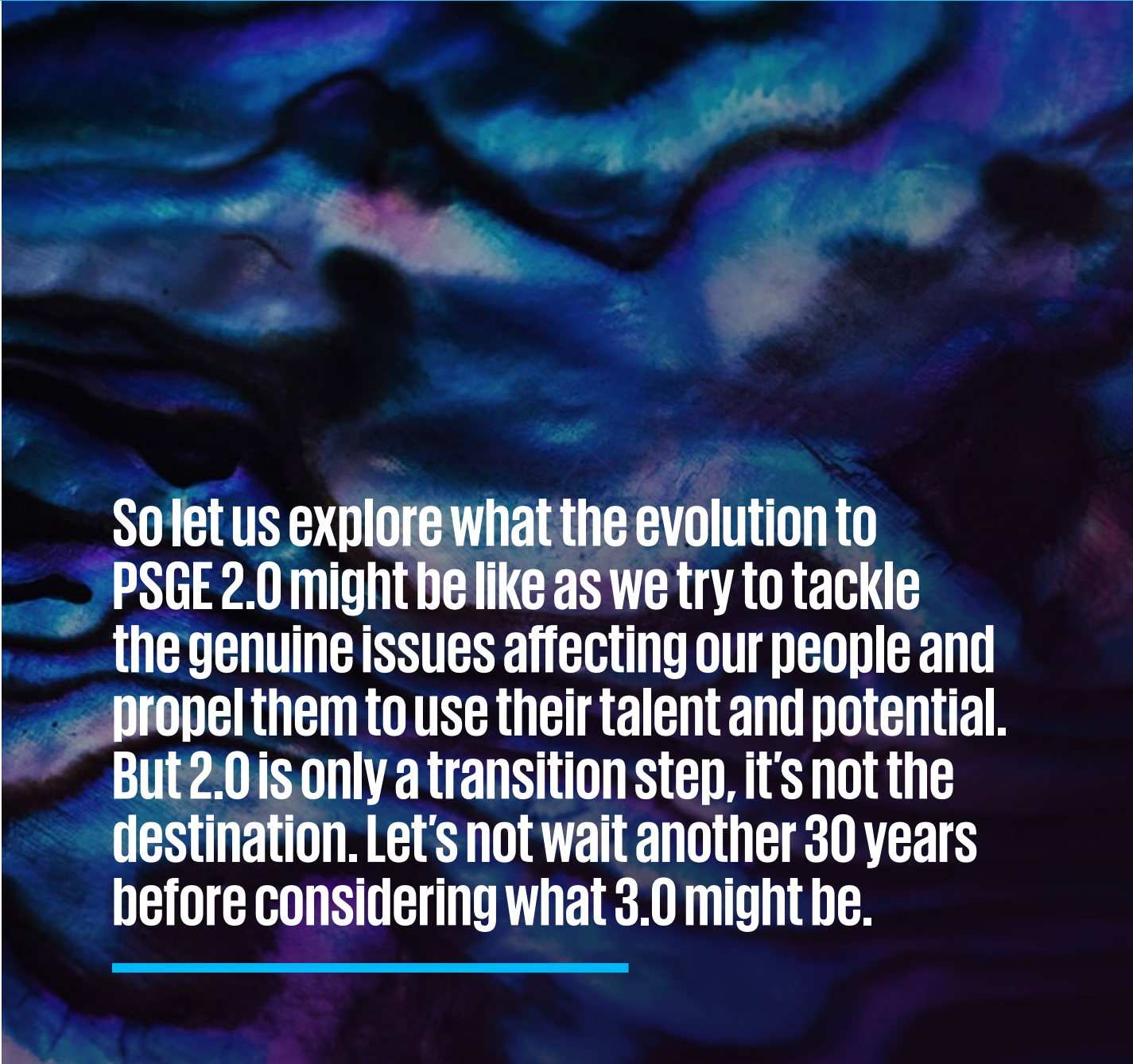
3. Attention between the needs of the people and managing the government was split

The intention for the settlements is always about improving the wellbeing of the people and the taiao.

But what has happened is that the majority of the time, effort and energy has gone into the short-term needs of the people (as expressed directly by them or their marae or hapū representatives) and facing the government to either protect rights and interests, lobby and advocate for their people or respond to various multiple government agencies who also have their own agendas. This creates competition and pressure on PSGE resources as their agencies work to meet government Te Tiriti o Waitangi partner obligations.

In all cases, demand has exceeded the capacity to deliver. Responding to the needs of the people and those of the government tends to be reactive, short-term and resource intensive. This leaves minimal capacity, resources and energy to focus on those things that make the most enduring and transformational positive change in the lives of whānau.

Yet this is entirely understandable given the short-term political cycles of both government and iwi where elected representatives want to see immediate results within their term, even though there is broad acceptance that such a short-term approach hinders progress toward our longer-term whānau and taiao goals.



So let us explore what the evolution to PSGE 2.0 might be like as we try to tackle the genuine issues affecting our people and propel them to use their talent and potential. But 2.0 is only a transition step, it's not the destination. Let's not wait another 30 years before considering what 3.0 might be.

Role of the PSGE

Although it's helpful to understand what has led us to this point, there is much more value in reflecting on the learnings from the past to help shape PSGE 2.0.

One of those learnings relates to the importance of defining a PSGE's role in the future. PSGEs exist in a landscape with massive challenges facing whānau and our natural environment.

There are multiple entities, both Crown and Māori, engaging in the lives of tribal members. This can cause a lot of confusion in a world where whānau needs keep outstripping the collective ability to meet them.

Furthermore, attempts to simply meet the needs (at best) result in short-term solutions that don't bring us any closer to the long-term transformation sought by and for our people.

With constraints on resources, it's time to understand how and where PSGEs can best position themselves to materially contribute to changing the trajectory for whānau. This has to be thought about as their role as one entity in the context of the broader eco-system where multiple entities serve whānau, rather than as the central figure.



This is not a straightforward task without a solid understanding of who our people are, their situation, the nature of their hopes, dreams and aspirations for themselves and their whānau, and a clear idea to the extent of the many systems that impact on their lives. The value of solid intuition backed by evidence to form a picture should not be understated. However, efforts of iwi to deeply understand their tribal membership is hampered on many fronts, as outlined on the next page.

Yet despite all of these challenges, it is clear that iwi are committed to moving the dial in the right direction for their people. This drive in the face of massive pressures and expectation provides a powerful force of intention to be harnessed.

The key will be to reimagine, analyse and critique options that might fit different contexts and define the associated values, cultures, behaviours and structures that accelerate the shifting of that dial.

Factors hampering efforts to deeply understand the tribal membership

Circumstance

Life Pressures

The way in which life's pressures manifest in the way people try to engage.

Digital Access

Limited digital channels to supplement in-person interaction to deliver meaningful two-way engagement.

Reach

The needs of whānau being so high that they become hard to reach.

Emotional

Connection

The extent of reach and connection of iwi organisations into their local community champions and drivers.

Experience

Any historical experiences of whānau leading to hesitancy to engage or, at worst, actively disengage.

Organisational

Data

The quality of data, data capture processes, and mechanisms to help understand the many pockets of our people, their motivations, sense of their self-determined success, their confidence and belief and their respective situations.

Cost

The high cost of establishing and maintaining a data and digital infrastructure of a standard that supports strong and responsive decision-making and efficient working.

Distance

The centralised nature of the iwi model and the spread of whānau outside of the immediate location of a tribal entity office can lead to disconnectedness and potentially high costs to travel to an iwi entity office.

The context for examination

The context Māori find ourselves in is one filled with paradox, dilemma and polarity and where there are many 'wicked problems' – problems that are difficult to solve because of their interconnected nature. So, we must ask ourselves if the adoption of siloed, bureaucratic, and linear models have enabled or inhibited our ability to generate the outcomes we desire.

More whānau doing well

but a lot more whānau struggling.

Largest portion of Māori population is young

but decision-making concentrated in older generation.

Most Māori live outside of their iwi rohe

but common to see ahi kaa representation protected in PSGEs.

Want more people to come home

but only on certain terms.

Whānau most in need of support

but are hard to reach, especially if transient.

Government need to be a good Treaty partner

but draws on scarce time and resources in iwi entities.

These types of paradoxes present challenges and opportunities for tribal entities to think deeply about current practice and what works, what doesn't, what should stop, what we might tweak and what should be introduced – both strategically and operationally.

We can see a lot more of our people living good lives and at the same time many more not having the basics of kai, a warm whare, clothing and essential services.

We have a young population, but decisions are dominated by the over 45s. And in many cases, most tribal members reside outside the tribal rohe, yet current models favour the voice of the ahi kaa. Additionally, we want more of our people to “come home” and bring their skills, yet there are norms that limit their ability to contribute. We also need the government to live up to its Te Tiriti o Waitangi obligations, but that requires scarce time and resources from the iwi entity. Those who need the most support are the hardest to connect with. We ultimately want better for whānau but those in the decision-making seats live different realities.

In our favour is the commitment to realising improved outcomes, our collective learned experience over the decades, intel about the what the future might hold and the perspectives of younger generations. On the flipside sits various states of mind that result in inertia and reinforce the status quo such as fear, uncertainty, anxiety, mistrust and insecurity. Some of these emotions speak to our loss of connection with each other and as one interviewee shared “sometimes we get caught up in whakapapa and history rather than hononga in the now. We’ve been too focused on honouring tipuna, individual tipuna.”

It’s not just about the past but about our relationships to each other today. Unless we are comfortable that we are doing is working, change will be necessary. But change can be hard and painful for those involved, and so the case for change must be crystal clear, the picture of what the shift will look and feel like should be well understood, and people must be given the tools to cope with the change.

We must be confident that the benefit of change outweighs the cost and pain of doing so. Equally, we must avoid a “throw the baby out with the bath water” situation and intentionally yet critically examine what works well. There are many examples of success throughout the motu, to provide design inspiration for the PSGE 2.0 phase, where there is an openness to sharing those examples and learning from the sharing of others. As noted by one contributor “isolation can lead to reinventing the wheel”.

At the same time, care must be taken to understand the conditions and context of that success because success in one organisation cannot simply be transplanted to another.

What we offer in this Māui Rau can be no more than food for thought, given the diversity of contexts from iwi to iwi. It is not a prescription and shouldn't be considered as such but outlines some potential steps en route to what PSGE 2.0 might be. It's informed by the key themes that emerged throughout our research, and to a large extent, by those who have been or are at the forefront of PSGEs of all sizes. To a much smaller extent, our own observations are also reflected.

These themes are not without conflict. Some make sense in a world where operating at scale enables you to do things that are not locally possible. However, operating at a local level ensures an individual organisation can exercise its mana motuhake and try meeting more specific needs, even if that does mean duplication of effort and waste of resources when looking at the whole picture.

The complexity of such a dynamic cannot be underestimated; therefore, the solutions are not as simple as they may seem. Perfect from one perspective is unsuitable from another; effective from one angle may be completely unsustainable from another.

Trade-offs between effectiveness and efficiency will always have to be made in contexts where profit is a critical and necessary means to long-term sustainability. But where purpose and values and a desire for strength in ahurea Māori, te oranga o te taiao, the wellbeing of whānau and the uplifting of wairua are the ends.



Mana motuhake
The desire for mana motuhake as a way of seeing localised decision-making, resource generation and distribution.

Depth of understanding
The difficulty in understanding the people within the tribal membership when they number in the thousands or tens of thousands. Those most in need are hard to reach, and the voices that are heard tend to be the small minority who are heavily involved.

Expectations
The number of kaupapa that iwi entities are expected to be across without the full complement of capability and capacity.

The journey to PSGE 2.0 that is outlined is informed by the observations that were broadly shared in our discussions with past and present iwi governors and senior management.

External parties
The demands by central and local government, community and private sectors on PSGEs are overwhelming. They require tribal entities to split their attention between those they are there to serve, the government and other Māori organisations that are also working in the interests of whānau – whether competitively or cooperatively.

Capability constraints
The investment across decades in capability through education grants and support has not resulted in the desired level of access to or availability of the right skills and capabilities with an aligned value set – whether for the iwi organisations or the people themselves. Compounding this is the competition for Māori talent arising from increased demand by government and corporate organisations.

Commerce and purpose
The tension between commercial and tribal teams and activities and the perception of poor alignment at a values level.

Culture at distance
The desire by many to connect to their culture and identity in a world where large portions of tribal populations live outside of their rohe.

The road to PSGE 2.0



There are touchpoints along the journey to PSGE 2.0 that consider the themes and complexity already discussed. That journey recognises some of the reality we face as we brush up against and interact with government systems and finance fundamentals.

It also acknowledges that some degree of centralisation is valuable and the balance between what is centralised and what is localised needs to be struck.


Each step on this haerenga may be revisited and adjustments made as we don't live in a perfect world where we will get it right every time. When the environments shift, sometimes at pace, what made sense at one point, might not any longer.

The haerenga offers some options of what might be included on the road to PSGE 2.0. It is not intended that these be followed linearly but instead considered against the backdrop of the local, regional and national contexts, and customised to suit.

Despite pre-colonial approaches of organising and decision-making being distributed and local with connections across various local networks, our current mode of an organisation reflects hierarchical, centralised, and, many would say, paternalistic systems that have not worked. A lot has changed in the last 200 years, so is it too simplistic to assume returning to how we traditionally organised and operated will be the panacea that leads to the change we seek.

The evolution from paternalistic and centralised approaches to something that is enabling and distributed will have lessons learnt on the way. The result may be more hybrid rather than a wholesale shift from one to the other. What is clear is that between where we are now and where we want to be, firm commitment and action is needed to develop the mindsets and skillsets of the people who will drive the transition at the central and local levels. This will provide a safety net to bridge the two states.

What will be important is understanding where the sweet spot between scale and efficiency and local and effective lies, and how effectively the means and the end – the purpose and the commercial activity – can be integrated.



The following parts outline options to support the shift from centralised and paternalistic approaches through the safety net of capability development toward a hybrid state that more strongly enables mana motuhake.



Part 1 Examines the value of developing a strategy for the broader iwi landscape ahead of defining the strategy for the individual iwi entity.



Part 2 Looks at the value of collaboration across natural iwi clusters to deal with shared threats and opportunities across iwi entities within a region as one way of coping with current limits on capability and capacity.



Part 3 Considers the role of the iwi entity in a broader local landscape and the approach to focus activity, while acting as an enabler to whānau wellbeing.



Part 4 Reflects on the common data and digital infrastructure to support the network and help the tribal entities understand the people and their situations more deeply, in real-time, to support decision-making, planning and delivery.



Part 5 Discusses bridging the gap between a group's tribal and commercial parts by finding opportunities for teams to collaborate to co-create, and grow a mutual understanding of what non-financial outcomes can reasonably be expected through commercial activities.



Part 6 Discusses growing the people and their capability to meet the needs of the network, including iwi organisations, the local marae and hapū and whānau transformation.



Erica Sinclair - Te Kanawa Collection

Part 1

Start with a strategy for the iwi landscape, then for the iwi entity

Any iwi entity strategy should reflect its role and place in a broader iwi landscape where multiple organisations serve the interests of whānau, hapū and marae.

Therefore, strategy at an organisational level would be aligned to the strategy for the landscape and guided by the role it has been given within that broader strategy.

This enables an assessment of the strengths, resources, assets, relationships and networks across entities within a natural cluster to then inform who is best positioned for specific roles. It also helps identify opportunities for multiple entities to collaborate or for individual entities to specialise.

Mā te whiritahi, ka whakatutuki ai ngā pūmanawa ā te tangata

Together weaving the realisation of potential

At an organisational level, a well-considered strategy assists in making clear decisions on where the entity should focus but also considers;

- The needs of the people,
- The operating landscape of those delivering to those needs,
- The macro-operating environment and broader trends impacting on the people whether those trends signal challenge or opportunity,
- The people and infrastructure capabilities of the iwi entity relative to those other entities who are also delivering to their people,
- Legislative and trust deed obligations, and
- The strength of the relationships with other entities and their appetite to work together.

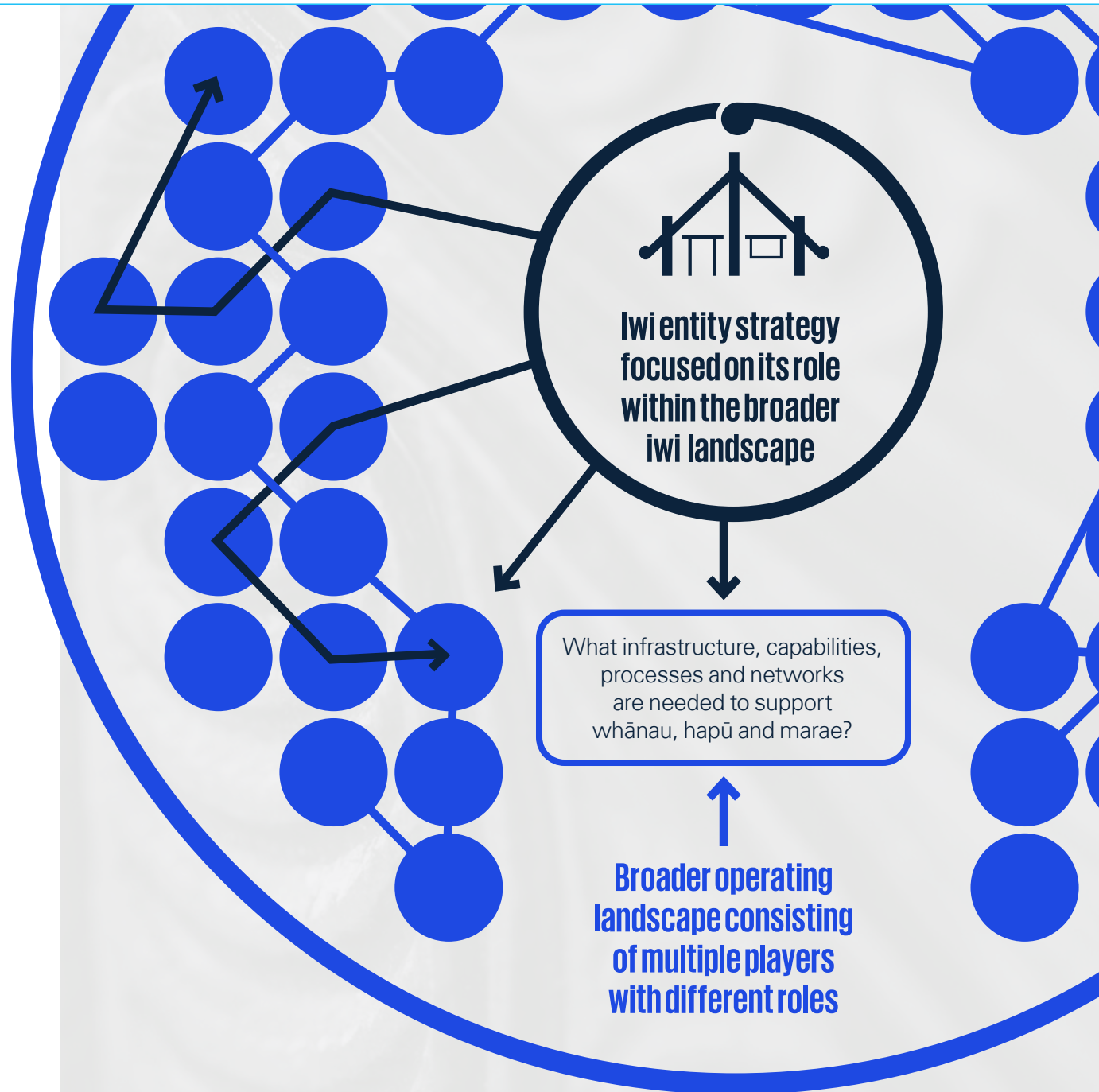
Equally important is clearly articulating what success looks like in quantitative and narrative forms.

It is only once we have considered our operating environment and have a clear and specific sense of what an entity is trying to achieve, targets and measures to keep us on track, and a clear understanding of what is on and off our playing field, that we can start to consider what infrastructure, capabilities, processes and networks are needed to realise the goal and how those might differ between collaborations, individual iwi and hapū.

Unfortunately, strategies to date have focused at a tactical level on what will be done, by when and by whom, with less consideration of whether those are the most suitable activities or areas of focus to deliver materially on the goals.

With so much to do with constrained resource expectations exceeding what is possible, it is clear that collaboration could play an increasingly significant role in the transition to PSGE 2.0.

The appetite of decision makers will heavily influence the nature of that collaboration, its success, and the behaviours needed to build and foster trust and confidence.





Part 2

Re-organise to respond to the changing world

The changing world requires us to adapt our waka and flotilla for a shifting environment. At times it will make sense to join forces while at other times, this may mean empowering the network of organisations to deliver while focusing the iwi entity on activities where it is, or can be, a world-leader.

Collaborating for strength

Despite the odds seemingly stacked against PSGEs, they have been proactive in finding ways to achieve more together. Working together is not new for PSGEs, and we have seen the advent of kaupapa-based technical groups within the iwi chairs forum, regional collaborations to respond to government initiatives such as the Māori Land Service, and, more recently, coming together for the Covid response and housing developments. There are regional collectives at governance and operational level with varying degrees of formalisation. On the commercial side, historically groups have been working together in fisheries, property investment and direct investment consortiums.

As with most things, there are some challenges or barriers to effective collaboration, and these are more commonly experienced in the non-commercial arena and broadly cover six areas as outlined on the next page.

Increasing the readiness of each entity to collaborate is about expanding the understanding and comfort of decision makers to work together (rather than in siloes) as it is about organisational, technical and cost/benefit/risk considerations.

But with so much on the plates of tribal entities paired with resource constraints, there are real risks to the sustainability of resources and the capacity of key operational team members to maintain the heavy workloads and sustain the current pace. With the wellbeing of teams such a high-profile issue at the moment, governors of PSGEs cannot underestimate the risks associated with burnout of key staff. Effective collaboration among natural clusters of iwi within rohe offers an option for achieving more together sustainably.

We are too small – we don't have the capacity or capability to do everything on our own and so it makes sense to partner. As one interviewee shared, "In our strategy we have a big piece on partnership to leverage collective strength to empower."

Collaboration is not easy and requires a commitment to coordination and resourcing. It is only a potential part of an answer for some of the current issues, but it does have its place when used in the proper context with the right conditions.

Collaborations are best used when;

- There are common kaupapa that are relevant to all members of the collective.
- Scale is needed to provide access to opportunity or a level of strength or advantage beyond that available to an individual member of a collective.
- The interest, benefits and desired outcomes are shared equitably by all members of the collective.
- There are kaupapa that impact the whānau membership of all members of the collective.

Six common barriers impacting effective collaboration:

1 Purpose

Clarity of the purpose and benefit of collaboration.

2 Trust

The levels of trust, confidence and openness among the group.

3 Readiness

The readiness of individual entities to meaningfully be a part of the collective.

4 Role clarity

The clarity in the distinction of the role and purpose of the collective versus that of the individual iwi.

5 Mana motuhake

A common understanding of mana motuhake and how it should play out in a collective setting.

6 Equity

An understanding of the extent to which equity can be achieved given the variation in resourcing, tribal population demands and mandates.

Tūngia te ururoa kia tupu whakaritorito te tutū o te harakeke

In order to change, we may need to leave some ways behind in order to do things differently

Critical success factors

- Dedicated staffing and resourcing rather than iwi teams handling their day jobs and delivering the specific work programme of the collaboration.
- Communication between members to ensure a shared understanding of those at the table and those they represent from their own iwi boards who are not “at the table.”
- Clarity of expectations of the collective as a whole, each iwi and each iwi representative “at the table.”
- Designing for the limitations.
- A shared understanding of the risks and benefits of the collective.
- Clarity of understanding between the role of the collective and the role of the individual iwi and the appropriate mandate and delegations to reflect that.
- Robust data and reporting to support accountability to each member iwi entity.
- Equity in the funding model of the collective vehicle.
- A clear model of delegation and communication to enable operation and response at pace.
- Collective vehicle being an “invisible servant” ensuring individual iwi maintain the interaction with their people.
- Clearly understood tikanga by which to operate the collective.

Risks

- Differing expectations by members of what the collective can and cannot be reasonably expected to do.
- Differing readiness levels of members of the collective to become part of it.
- The collective building its own identity directly with whānau leading to confusion in the minds of whānau between the collective and the individual entities.
- Government agencies engaging with the collective instead of maintaining engagement with iwi and hapū.
- Inadvertently operating outside of agreed role or mandate leading to confusion between roles of collective and iwi.

Key benefits

Greater access to opportunity or resources on common kaupapa than accessible by individual members, particularly those that require scale.

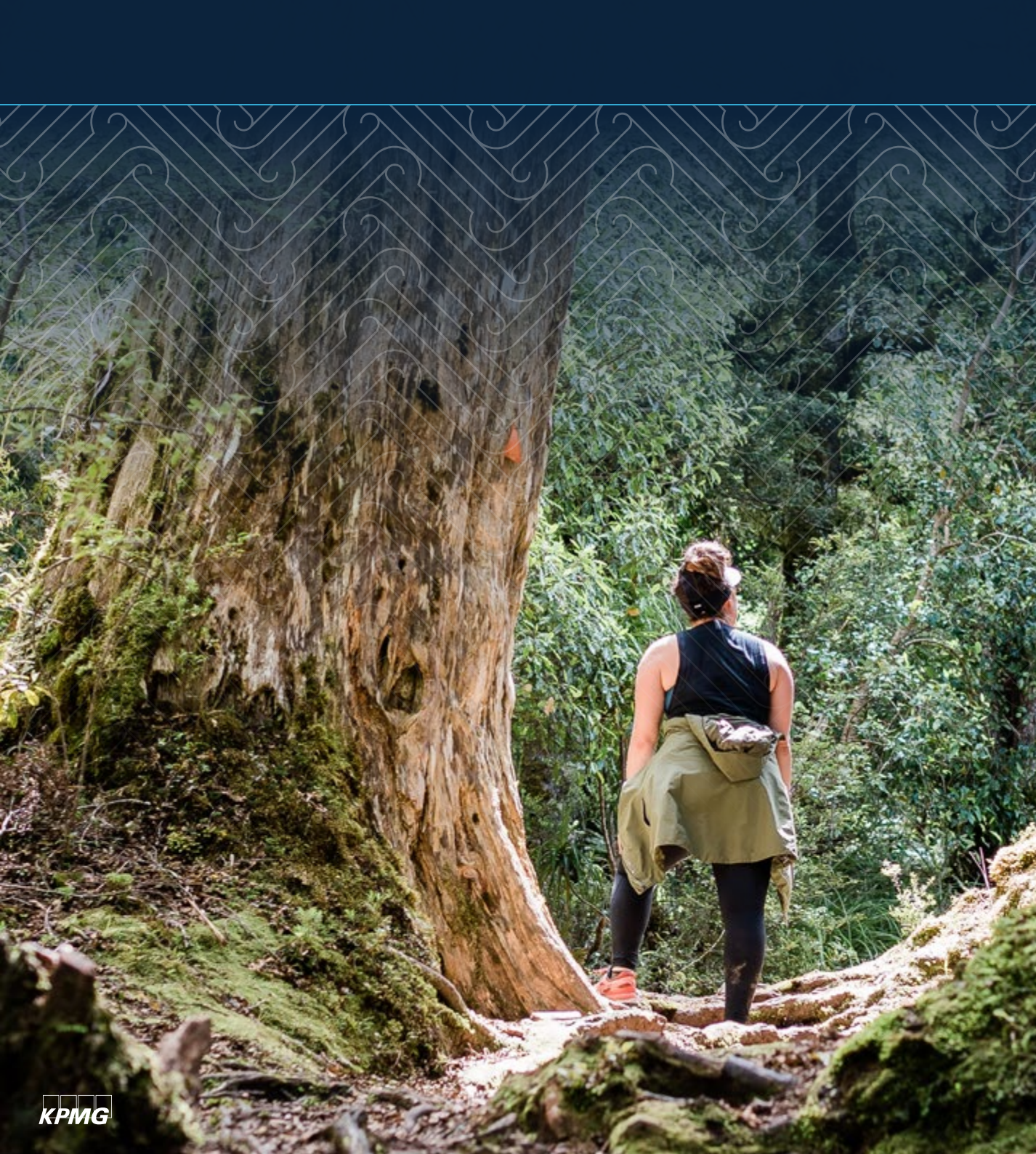
Ability to attract people with the skillsets and capabilities that are needed across the collective that are either in short supply or unaffordable for individual entities.

Reduces individual risk on core kaupapa and transactions as risk is shared across the collective.

Increases efficiency by concentrating specific capabilities and reducing duplication of effort, which can lead to freeing up of resources that may be redirected.

Scale enables investment in the standard digital and data infrastructure to support the collective.

Enables collective responses to issues and/or external threats that have similar outcomes on each iwi within the collective.



Considerations

But there are many kaupapa where the collective is not the suitable vehicle and therefore where an individual iwi or sub-collective (one or some but not all of the member iwi) is better suited. These include where;

- There are unique kaupapa that are relevant to only one or some members of the collective.
- Interest, benefit, and desired outcomes apply more to one or some of the iwi entities but not all.
- Unique kaupapa or specific issues that are relevant to one or some of the membership, such as local activities that aren't undertaken in other iwi rohe, such as environmental and cultural kaupapa that are local to a specific part of the rohe.
- Requires capability that is not needed by other entities in the collective.
- There is specific or unique digital and data infrastructure that is not needed by all collective members (in addition to the common infrastructure provided by the collective).

Effective collaboration can help iwi by enabling them to focus on those things that the iwi organisation can be world-leading at while leveraging the scale and scope offered by being part of a coalition of the willing and/or a network of complementary organisations.



Part 3

From collaboration to mana motuhake

While there are certain conditions under which collaboration makes sense, there are others where it makes sense for the individual iwi entity to be the key driver. Having said that, there is also an undeniable desire for mana motuhake at the local community level – the aspiration of our people to have the autonomy to decide what is best for them in their context.

This leaves a similar dilemma to that faced with the iwi collaboration versus individual iwi control. Only this time, it's iwi entity versus whānau, hapū and marae autonomy. So, if mana motuhake is what is desperately wanted, how do we strike the balance between what is wanted, what is possible now and what can be probable later if we do the right things now?

If the iwi collaborative vehicle makes sense to deal with shared kaupapa and common enemies, what is the role of the matua entity in its own right?

The common answer that we heard throughout our discussions with iwi leaders was that the “focus should be on those things that we know better than anyone else in the world” – strengthening our iwiwanga, improving the orange of our taiao,

and growing our people's ability to live their self-determined lives. The iwi should focus on protecting and revitalising those things that are important to us – our culture and taiao – along with fostering and nurturing connections to each other. With a well-defined focus for its own activities, it can also use its scale to be a critical enabler of the network through which our broader aspirations may be achieved.

Everything else can be done in partnership – with whānau businesses, local Māori providers and organisations, peer entities with specialist capabilities and, where necessary, with external partners. The iwi entities can operate as a lever of opportunity for whānau, hapū and marae rather than the central control and delivery agent. However it takes time to either identify, gather and/or build the capability to do this effectively and moving too quickly is not without risk.

If the pre-requisite work to identify, gather and/or build local community capability and the partnership eco-system has been done well, the iwi influence, networks, relationships and balance sheet become levers for some form of mana motuhake.

One example of where the iwi can be a lever is highlighted in the recent Te Matepaeroa 2020 report from Te Puni Kokiri. It showed the long-term value

of supporting whānau businesses. Within Māori-owned businesses where there are active wāhine Māori shareholders, on average 43% of employees will be Māori compared to 14% for non-Māori owned businesses.

These Māori business owners give our people chances at higher rates than others; they nurture and develop the whānau they employ, create the conditions for them to thrive and grow and hopefully, in many cases, become employers of their own. Māori business owners are the living and breathing example of what living mana motuhake looks like. Many of these businesses not only provide employment outcomes but also deliver services to iwi.

This is an exercise in constantly pushing for the aspiration of mana motuhake while confronting the brutal realities of an economic system where scale matters. On one hand, aspiration is often unsustainable; On the other, the central concentration of economic resources can serve to keep whānau, hapū and marae far away from the mana motuhake they seek.

Inevitably these two worlds – purpose or kaupapa and commerce – are formed from two different paradigms. It will be challenging to reconcile the

dilemma without strong intention, commitment and persistence to understanding each other's world by those on both sides of the equation.

Crucial to this "bridging" is the long-term capability development in areas that will support whānau and hapū mana motuhake. This will require patience and investment in mindsets and skillsets that may look different to the shape of the investment to date – a large proportion of which has been in tertiary education.

Instead, it may be in the skillsets needed to manage locally, including establishing and scaling sustainable businesses, negotiation skills, funding, financial, project and contract management, facilities management and communications.

Perhaps even more importantly is growing the skillsets that support motivation, self-belief and confidence, such as mentoring and coaching, many of which are already found in sports clubs, marae and kapa haka rōpū, and often run by people who provide their skills on top of doing their day jobs.

There has been significant investment in the skillsets of whānau over the decades and the time has come to balance that with investing in the mindsets of whānau so they can believe in themselves as capable and resilient with high potential. There are so many pockets of success in this area; much of this has been through hard work and the sheer determination of community champions. Iwi can be enablers by using their leverage and advocacy.

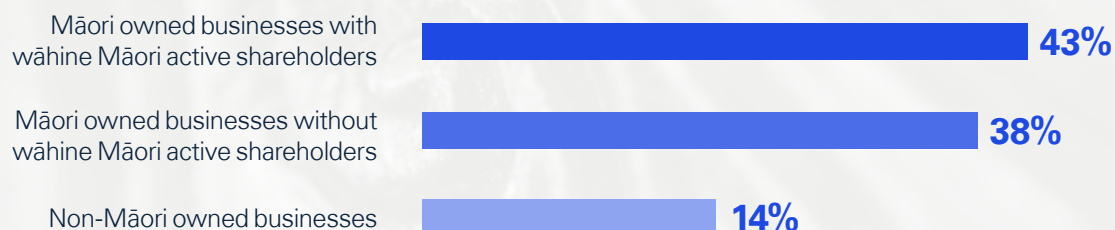
In that case, the interaction with whānau can be entrusted to those who know their people most and have a proven track record that their communities can validate.

This is a simple but not easy pathway to follow. It involves change, and change is hard, painful and feared. It is not simply providing the resource and leaving people to get on with it, as is often believed. This can and has produced some strong one-off outcomes but is not enough if we are after sustainable and intergenerational change.

He mauri tō te tangata, he whakapapa tōna, he mana motuhake

Everyone has mana, everyone has genealogy, heritage and identity that makes that person no more or no less important than the next person.

Percentage employees that are Māori in Māori-owned businesses with and without wāhine Māori shareholders and non-Māori-owned businesses in the 2019/2020 tax year



Source – Te Puni Kōkiri, Te Matepaeroa 2020

Part 4

The power of data and digital

In an information age, the data and digital infrastructure to support collaboration of individual iwi entities and local Māori communities will be critical, particularly given the capability and capacity shortages we're experiencing today.

Working as a collaboration enables consideration of investment in shared platforms that meet the needs of iwi and communities which are often out of reach of the individual entities due to the level of investment required.

What has been discussed so far is building a network of entities with different focuses, roles and capabilities but all working in the common interests of their people. Such connectivity to the people also requires the connectivity of information across those that serve them to ensure effective services to whānau.

The power of data and digital is significant in the pursuit of Māori wellbeing. It opens access to opportunities for whānau, it can help us achieve more through productivity improvements, and it provides us with crucial information to

inform decision-making and responses. As one interviewee stated, "there is some value in coming up with generic benchmarks or markers of success (and not letting your ego get ahead of you) to objectively see if you are on track or not."

When designed and executed well, it provides the opportunity for many entities, regardless of size to;

- Understand their people and context more deeply, identify themes and consider the nature of service,
- Draw on real-time information to add strength to lobbying and advocacy efforts
- Respond at a speed that can't be easily replicated by others
- Augment current capability to fill gaps in capacity
- Ensure a positive tribal member experience from their interactions with their iwi or hapū entity
- Improve efficiency and free up time for teams to engage in higher-value activity
- Test and validate assumptions that underpin organisational time and money investments
- Measure the effectiveness of investments in programmes, initiatives and actions and,
- Enable early identification of opportunities and risks.

The value of real-time information was highlighted during the Covid response where entities found out-of-date data impacted their ability to support whānau, particularly where whānau were no longer at the addresses recorded on iwi databases.

While the benefits are clear, three main challenges must be overcome. The first is financial, given that the cost of such data and digital capability can be too expensive for any individual entity. With most PSGEs having relatively common data needs and tribal members having affiliation to multiple iwi, it seems logical to have a shared platform for common needs with the ability to plug in specialist tools for unique iwi entity needs.

The ability to overcome the financial hurdle partially comes down to the second challenge: intent and willingness to co-invest in the infrastructure and ongoing maintenance by decision-makers of different organisations – whether that are iwi entities or the government.

The third is the boundaries of the Privacy Act and the extent to which it enables or constrains the sharing of information with, and across Māori entities, where whānau are registered.

There is also data about whānau that is captured by private sector companies that our people interact with every single day. Social media, telecommunications, utilities and retail companies all have data about their Māori customers that may help iwi entities understand more.

As these companies consider their ESG performance, this is one way they might be able to demonstrate their social contribution – by sharing data with iwi to help drive outcomes for Māori as a whole.

No solution will do 100% of the job, and there will always be hard to reach whānau, whether through circumstance or choice, for which we need to find alternative approaches. The pace at which societal and environmental changes impact whānau situations is fast and our organisational systems and processes need to be able to cope and keep up. With a large proportion of Māori with internet access, examining real-time data and the supporting digital infrastructure can help PSGEs improve tribal member experience is warranted.



**E tipu e rea mo ngā rā o tō ao.
Ko tō ringa ki ngā rākau ā te Pākeha. Hei ara mō tō tinana.
Ko tō ngākau ki ngā tāonga a ō tipuna Māori.
Hei tikitiki mō tō māhuna.
Ko tō wairua ki tō Atua.
Nānā nei ngā mea katoa.**

Grow up and thrive for the days destined to you. Your hands to the tools of the Pakeha to provide physical sustenance. Your heart to the treasures of your Māori ancestors as a diadem for your brow. Your soul to your God, to whom all things belong.

Part 5

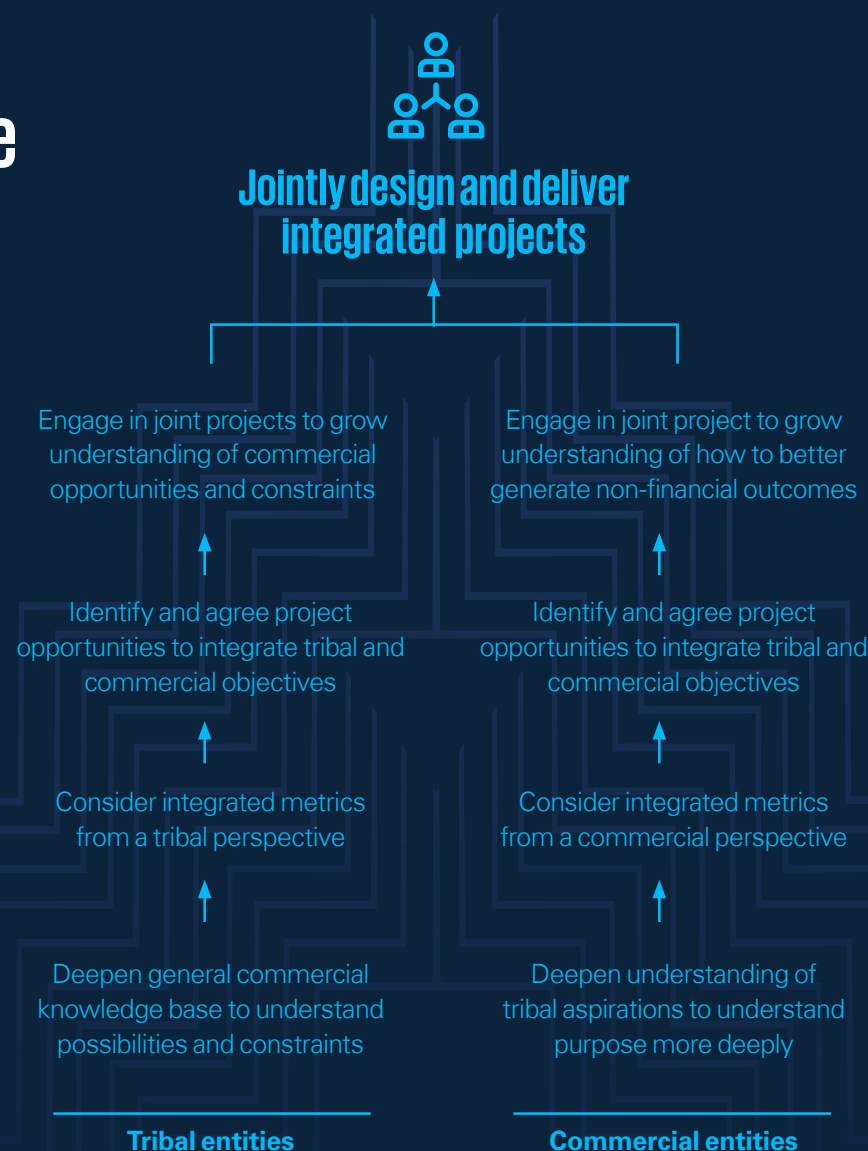
Bridging the cultural and commercial divide

As mentioned, a feature of the first generation of many PSGEs was the separation of the tribal and commercial functions, with the tribal governance being elected by the people and the commercial governors being appointed by tribal governance. Some appointments to the commercial organisations have delivered the skillsets needed to run them but not always the mindsets, sense of purpose and values, to deliver the portfolio of integrated financial and non-financial outcomes desired by the parent organisations.

Although there is a strong desire to align and reflect tribal purpose in the way the commercial arms go about their business, there is still a sense that such alignment isn't occurring fast enough and deep enough for commercial leverage to be used to effect wellbeing beyond a dividend distribution. As one interviewee shared, "we have to build the wealth but not at the expense of the people."

The root issues here are relatively straightforward

1. There is a variance between the tribal paradigm that values the wellbeing of people and planet, and the traditional commercial paradigm that considers people and planet as inputs into a profit generation process.
2. Individuals have likely built their skills and experience in one of these paradigms, each with its own norms, with a tiny minority being able to bridge both paradigms.
3. The polarity of such backgrounds and experiences has led to expectation gaps driven by a lack of understanding of the respective rules, norms, constraints and behaviours and difficulty distinguishing what is probable, plausible, possible, or a miracle.
4. The lack of understanding leads to two-way frustration about unrealistic demands for delivery or insufficient progress on the integration of purpose.



Such frustration has raised the question of the merits of maintaining the separation of the tribal and commercial arms. A question posed during our research, “how do we take back mana motuhake over assets?”, alludes to where some of the thinking is as a result of such frustration.

At the operational level, some are considering structural changes to secure a stronger business alignment to cultural values. However, the consensus is that separation is valuable and should be maintained provided that both parties work much closer together to grow the impact for whānau by sharing an understanding of each other’s operating realities.

One way of addressing the gap as demonstrated on the previous page, is to start by growing the shared understanding of each other, to agree metrics of integrated success, to find opportunities to work together and then combine talents and skills on joint projects to foster a shared culture, trust and confidence in the value to be added by each.

There were examples shared in our conversations where having the tribal and commercial teams working closely together at an operational level on projects, helped cross-fertilise the understanding of both. For the commercial teams, it provided deeper context and more options on to reflect what was of tribal importance within a project. For the tribal team, they developed a stronger knowledge base about the commercial parameters and constraints. This is a step beyond the governance mechanisms often in place between a parent and subsidiary, outlining expectations.

Bringing different perspectives and multi-disciplinary skillsets together at the operational level provides fertile ground to identify new ways of achieving goals that were previously deemed too difficult. This will not be without frustration in the short term, but that is the nature of forming new connections and perhaps the price worth paying for the long-term benefit.

One tailwind that may draw the two closer together is the increased societal expectations on business to reflect a stronger environmental and social consciousness, reinforced by increased reporting standards and frameworks such as ESG. There has been a clear signal that there is a business need to maintain social licences to operate. Next-gen consumers expect more from businesses and are prepared to use their voice and social media to punish those who don’t move with the times.

The world has moved on from the corporate citizenship approach when it was about distributing cash and supporting worthy causes without much change to the inner architecture of how they do business. Bringing this back to tribal commercial entities, it is about more than the distribution of dividends to the parent. It’s about how opportunity is created, and how non-financial value is driven by the behaviour and actions of the commercial entity.

Examples of commercial entities reflecting integrated thinking include the leveraging of tribal balance sheets to support whānau home ownership, the use of commercial partnerships to facilitate employment opportunities for tribal members and to secure lending for local community based businesses,

the measured adoption of social procurement to direct more of the iwi dollar to whānau through its procurement activities, business grants and low-interest loans and the use of specialist capabilities within the iwi for community purposes.

If these examples are to become business as usual across the motu, we will need to overcome the hesitation associated with doing things differently.

The challenge is not for the commercial entity alone. The tribal entities will need to provide clear and considered guidance on what portfolio or combination of financial outcomes (dividend to the parent) and non-financial outcomes (opportunities for whānau from commercial activity) is desired after considering the trade-offs, as well as the precise nature of their own support for such outcomes.

The aim is to reach a point where the nature of the separation of entities and their ways of working together reflect a common purpose, underpinned by clear roles, expectations and behaviours of each other. For the commercial entities, this is likely to mean committing to generating broader outcomes beyond a dividend and entry-level jobs. For the tribal entity, it’s about understanding the extent to which the integration of more general outcomes and dividends is possible and the willingness to make trade-offs between these where it is not.

Waiho i te toipito, kaua i te toiroa.

Let us keep close together, not wide apart.

Part 6

Harness the momentum

Looking back over the last few decades, we can estimate that Māori organisations and businesses have invested millions, perhaps tens of millions, to grow Māori capability.

There have been waves of capability development, including trade training, teaching and nursing colleges, moving through to social sciences, humanities and law, followed soon after by business management and, more recently science and technology. Throughout those generations, Māori development studies have been at the core, alone or alongside other courses of studies. The three Māori wānanga; Te Wānanga o Raukawa, Te Wānanga o Aotearoa and Te Whare Wānanga o Awanuiarangi, have been at the forefront of Māori focussing on the needs of Māori learners.

In addition, there has been investment outside of formal tertiary institutions aimed at growing the cultural and historical understanding of tribal narratives, support for rangatahi cohorts and the growth of national and international networks as part of building relationships and sharing experiences.

As we harness the momentum of the past, it's time to look internally, externally and toward the horizon to understand what is coming down the pipeline that will influence how we shape capability development pathways.

These will be equally important to our people and the iwi organisations and network as we tweak the structures to mobilise our whānau, marae, hapū and iwi to support our people to thrive.

Engage the next-gen

Part of “looking down the pipeline” must involve engaging with the next generation who are adept at operating as a network and striking the balance between kaupapa and commerce. It follows that there will be value in drawing on their capabilities as whānau who can operate naturally in both worlds.

A new generation of talent is coming through with a firmer grip on their aspirations and challenges for themselves, their tamariki and their mokopuna. Many have been educated and raised to be strong in their identity, are connected and have valuable

experiences, capabilities, networks and perspectives to bring to the table. In other words, they have the mindsets and the skillsets and have grown up with technology as a natural extension of themselves. They will likely play an important part as bridges between PSGE 1.0 and 2.0.

They have been raised in a rapidly changing world where the norms require them to be nimble enough to move at pace and accept that perfection is near impossible. Rangatahi understand that near enough can sometimes be good enough, and they know how to use data and digital tools to test, learn and improve concepts and use these tools to manage risk. They understand how to connect and engage within their communities, are open to challenging their own paradigms, and have their peer groups as accountability mechanisms.

It's a generation that knows the power of the network and how that enables pace compared to the slow and steady state of the hierarchy. It's a mode they are comfortable in. They have formed national networks early in life and draw on those as sources of inspiration, strength, and support.

Rangatahi make up a significant portion of any tribal population and have started to flex their political muscle, as demonstrated by the growing number of under thirty-five year-olds elected in decision-making roles in iwi entities. Their actions inspire their peers to stand, and once they realise their voting power, we can expect a changed demographic at the iwi board table.

The key is how we support them to build the additional technical skillsets and develop the behaviours needed to be highly effective governors. It seems logical that governance training should not only be provided to current governors but also to potential candidates who are interested in making themselves available in the future.

Whāia te iti kahurangi, ki te tūohu koe, me he maunga teitei.

Pursue that which is precious,
and do not be deterred by
anything less than
a lofty mountain.





Lean in to move forward

Despite the clear benefits, there are some very real challenges that were shared in our conversations that we need to lean into, before we can move forward given the emotional drivers and the disincentives to collaborate, work and invest together.

These include

- historical issues that impact the ability to successfully work together on an ongoing basis
- levels of trust and confidence in each other
- differing levels of maturity impacting the ability to collaborate and/or co-invest
- capabilities and capacity to drive a programme from PSGE 1.0 to PSGE 2.0
- willingness to redeploy resources away from popular, low impact work with short term results, toward much higher impact, long-term outcome focused work where short-term results are hard to see

- bias, ego and opinion-based decisions rather than evidence based, well considered analysis and robust debate
- conversely the inability to make decisions for fear of making a wrong one leading to paralysis
- gaps in understanding of what strong governance is and how to embed it
- varying interpretations of mana motuhake
- unwillingness to let go of control and instead enable the network
- ability to work across paradigms.

The challenges outlined are more behavioural than structural and as such it is worth taking the right amount of time needed to transition to PSGE 2.0 and take as many people as possible along the way. But how much time is the question. Evolution takes time and revolution is short and sharp, so what pace do we want to, and need to go at?

This current generation of PSGE started over 30 years ago and we now understand more about what has and hasn't worked and what we should change. But we also need to look ahead at the future and re-orient for what we anticipate. There is much less risk in adjusting the model based on our learnings.

But there is much more discomfort with shaping the next version of PSGE based on an uncertain future and what we believe may happen based on the information and insights we have today.

Therefore, we will need to identify the people whisperers in the community who can help shepherd the change by setting those affected at ease and growing their comfort. They are the people who are well connected at a community level and can have the right conversations on an ongoing and consistent basis. They have the ability to gently foster and nurture the shift in mindsets.



Levers for change

Change takes many things happening in concert. But some of those things can have an outsize impact relative to others. In the absence of a silver bullet, there are a few levers for change that we should be thinking about.



Focus on trust

Trust is the 'secret sauce' that underpins mutually beneficial relationships and is defined as the firm belief in the reliability, truth, or ability of someone or something else.

As we continue to repair the impacts of colonisation, intentionally and consistently

working to build on the existing levels of trust, or rebuild trust, will provide a key building block in a solid foundation to accelerate collective success and wellbeing for whānau.

This might not be an easy undertaking given the experiences of some through a divisive treaty settlement process, yet it is both necessary and valuable.

Blending in the next generation of collaborative and connected leadership into maintaining and building trust between entities can help move beyond some of the understandable barriers to such an exercise.

Start with understanding our own strengths and those of others as a positive first step in identifying the possibilities for building trust ahead of working together.



Share the why

A change of the scale proposed by a shift from PSGE 1.0 to PSGE 2.0 is bound to generate a range of emotional responses, from excitement about perceived possibilities from a new model to terror about what change might mean.

Any uncertainty, risk and fear may manifest in resistance or detraction, while the risk for those who are excited is that the change doesn't meet their expectations.

Therefore, finding the right champions inside the entity and community provides opportunities for those impacted to understand the why behind the change, what to expect along the way, how they will be supported through the change and, more importantly, how they will be heard, is crucial. The process helps surface any signals that might influence how the change shapes up, builds ownership, and increases the likelihood of support for the change.

So, it's a case of going slow to go fast, starting early and allowing time for whānau to process any change.



Grow the mindsets

Identity, connection and belonging. Confidence, motivation and self-belief. The ability to trust, build positive relationships and cope with setbacks. These are all ingredients needed for our people to live mana motuhake meaningfully.

They help whānau navigate life, confidently advocate for themselves, and know how to get the system working for them. We have seen the fruits of kaupapa Māori education in growing such mindsets. So, we must ask ourselves how we nurture that for most of our people who have not had such an opportunity in those formative years.

Some of the best examples to draw on are in our communities, including kapa haka roopu, sports clubs, mahi toi and group hauora programmes and many different kaupapa wananga. In these settings, the connections are formed, confidence boosted, leaders identified, and intergenerational learning transmitted.

It is worth considering how to rebalance our investment between building tangible skillsets and growing the inner mindsets for self-determined success.



Build the skillsets

Shifting mindsets to include strong confidence and self-belief provides an excellent foundation for helping our people acquire new skillsets as part of their journeys as lifelong learners.

Change is faster than ever, and the demand for Māori talent is at an all-time high, meaning the nature of the governance and management issues entities face require an evolution in our capabilities. Extending the investment in tribal member education to the development needs of the entity is worth considering.

Iwi entities could be classed as an industry in their own right and, as such, work collaboratively with institutional partners to design targeted tertiary and professional development programmes. Furthermore, through commercial partners, pathways for future tribal governors and managers can be jointly developed to grow specific capabilities at a faster pace that can be done by the iwi entities alone.

It's time to engage the power of the partner network to help accelerate the growth in the talent pool as part of succession planning. This is something that could have nationwide application.



Engage the local champions

Every community has local champions that are skilled mobilisers and motivators of people in service of a common goal.

They have invested significant energy throughout their lives, initially benefiting from the efforts of others and then

contributing their time, building a network of relationships and regularly investing in others, often in addition to their employment commitments.

They are crucial for a model such as that proposed under PSGE 2.0 to work effectively, as they are the critical connector between a central engine and a community, and have trust and mana in the eyes of their people.

Their perspective and voice ensure relevance in any discussion on whānau wellbeing as its informed by their accumulated experiences and observations within their community.

It is, therefore a worthy exercise to identify the local champions, understand their vision, their strengths, the support they require and their willingness to play a more formal role through the change and beyond into the evolved PSGE network.



Diversity thinking

The benefits of diversity to problem-solving and organisational decision-making are well covered through literature, and so governance boards may wish to find ways to diversify teams within current PSGE constraints.

Different perspectives, experiences, backgrounds, strengths and networks of value to the entity along with some independence and objectivity are some benefits to diversifying the membership of PSGEs. The key is ensuring such diversity is still aligned to the purpose and values but can bring different thinking to the table.

At an organisational level, diversity could mean closer working relationships between commercial and tribal teams to combine strengths and grow the mutual understanding of opportunities and constraints. At a PSGE governance level, it may require some strong lobbying with the Crown to allow the appointment of individuals who have the skillsets to fill key gaps that have been identified.

Outside of Crown approvals, boards may consider appointing board coaches or advisors without voting rights to observe board practice, prompt discussions and debate and coach the board and/or individuals based on their observations.

In closing



This version of Māui Rau has largely focused on the next generation of organisational forms of iwi entities and groups. Yet if we consider the initial “levers for change”, they come down to a common factor – the people. The emotional drivers of the people, the identity and connection of the people, the capabilities of the people and the vehicle(s) for the people.

Investing in people is a long game, and as such, we must make sure that we get the results from such a commitment and, therefore, must be able to measure impact beyond dollars spent.

It is increasingly apparent that investment in our people must pair our common focus on acquiring technical skills with more attention on the mindsets needed for the next phase.

Culture and behaviour in many organisations and contexts can be a much stronger influencer than logic and rationale, and so we must consider how we unpack and repack the mindsets for our future.

Morph toward whānau-centric structures and models

With a clear reason for change, the mindsets open to the possibility of doing things differently, the skillsets providing the knowledge of how to do things differently, and the diversity to drive more decisive, robust and effective governance, the stage is set for a shift. This is about a shift toward structures and models that support the participation of, and any change in, the people in a meaningful and modern way. For decades we have tried to impose foreign structures and models that work well elsewhere, into our world where the context and dynamics are quite different.

While important, structures, systems and processes should be designed to reflect the context and dynamics of the people and not the other way around. The Waka Umanga (Māori Corporations) Bill was introduced into the house in November 2007, but failed to get beyond the 2nd reading. The bill recognised some of the challenges outlined in this report. Almost fifteen years later and with further learnings tucked under our belt, when is the right time to revisit the legal form of a tribal entity? Let's hope it's not too far away.

Next-generation PSGE models must value effectiveness over efficiency as there is no point in being efficiently ineffective. The organisational effectiveness muscle has to be exercised – at all times with an eye on efficiency but not at the expense of effectiveness. These things are not always mutually exclusive, but at times, they are.



This is the opportunity to do things differently, to reflect on what worked and what didn't when the current models were set up, and what the assumptions were, and the subsequent reality.

The next step

As we look ahead to the next step, there is some caution to be exercised. The standard approach with something like this is to start by appointing professional advisors such as lawyers and business advisors after an internal recommendation and then work to a timeframe.

This is the opportunity to do things differently, to reflect on what worked and what didn't when the current models were set up and what the assumptions were, and the subsequent reality.

The context we are dealing with is unique – it is not about dealing with shareholders or beneficiaries of small, closely held family trusts. The resources are not those of a large corporate, and the paradigm for change should not be based on models from the western world. In essence, this should start from a Māori view and then be shaped to fit rather than starting with western models and then tweaking.

What is needed is something new that more closely resembles our natural way of operating. The current version is some way off as evidenced by some of the challenges being experienced. We have a chance that we didn't have when settlement occurred. We have time to effect the change within the iwi entities and should take that time to communicate, engage and seek input ahead of conceptualising, testing and refining. It may take three years, possibly five, but it shouldn't take 30.

It is unlikely to fit neatly within a political cycle (possibly something to change in PSGE 2.0) because this will need to be done over and above an existing heavy workload.

Whatever happens, it is important that we design for effectiveness for the people, and then for efficiency. We must be prepared to make the trade-offs but only after exploring the possibilities of integrating them.

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This will need the people, mindsets and capabilities to navigate the challenges and conceive what new might look like.

Contributor acknowledgements

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An invitation to submit kaupapa for future Māui Rau editions

We invite you to share your whakaaro on kaupapa that you believe could be canvassed in future editions of Māui Rau.

To share your whakaaro, please feel free to complete the survey which should take no more than 5 minutes to complete.

Please submit your response by 31 October 2022.

KPMG team

KPMGs growing group of Māori partners and directors are bringing a fresh lens to work across the firm and the way in which we support clients to pursue opportunity and help solve their challenges.

We work with tribal entities, Māori organisations and commercial businesses to provide relevant insights from across the market and develop solutions that help transform outcomes, deliver returns and protect and grow value in its various forms.

KPMG also works with government agencies and organisations to support their quest to be strong treaty partners.

Alongside our foundation offerings of accounting, tax, audit, risk and assurance we support our clients to respond to the challenges outlined in Māui Rau.

Some of the ways in which way can support clients are:

Commercial entities

- Ensuring value at the outset through robust investment due diligence
- Conducting post-investment transaction reviews to identify learning opportunities
- Understanding the opportunities, challenges and pathways to market with export advisory services.

Tribal entities

- Understanding and redesigning the tribal member/customer experience
- Developing specialist tribal strategy and aligned organisational design
- Measuring outcomes
- Developing governance, management and business capability.

Commercial and tribal entities

- Using the power of digital to transform organisations, performance and experiences
- Drawing insight and story from data and analytics for decisioning
- Protecting critical information and systems from cybercrime
- Understanding the impact of climate and decarbonisation
- Transitioning to and embedding ESG.



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