

Fuelling Māori innovation

I orea te tuatara ka patu ki waho!

A problem is solved through perseverance and creativity

For Māori, innovation is part of our DNA. From early astronomy and seafaring to creating world-leading sustainable business practices, creative problem-solving is inherent in what we do.

The term innovation can sometimes bring to mind images of research and development ('R&D') conducted in a laboratory setting. The truth is that the types of activities that the Government wants to incentivise are much wider than is typically thought.

The government programme - referred to in this document as R&D incentives (including tax credits and grants) - covers a broad range of innovation, research and development activities with specific provisions to enable

access for Māori organisations. These are intended to aid growth, add scale, and increase return on a wide range of projects.

The recently released list of R&D funding recipients, as an example, highlights a large proportion of successfully funded projects in the five key industry areas that make up the bulk of the Māori economy asset base.

With our people in all these areas, accessing R&D incentives can support and accelerate innovation for the wellbeing of the taiao Agribusiness, get more out of forestry, explore the next phase of aquaculture, create value through local manufacturing, and build for the future in property and construction.



Innovating for the wellbeing of the taiao - Māori agribusiness

Māori businesses are major players in New Zealand's agriculture industries, making up 30% of New Zealand's lamb, sheep, and beef production, alongside 10% of New Zealand's dairy production. Eligible R&D projects that have been claimed in these areas include:

- Development of processes to improve efficiency, reduce cost, or enhance the quality of products;
- Sustainability and carbon reduction programmes; and
- Improvements to soil health and pest /disease management through the integration of mātauranga Māori in the use of companion planting, plant extracts, cover crops, and precision agriculture to improve crop yields.



Fresh thinking for forestry

Approximately half of commercially planted forest land in New Zealand is Māori owned, which is likely to increase as the remaining Treaty of Waitangi settlements are reached. Science and innovation are seen as the key enablers of forestry and, in the coming years, forest-derived products. For forestry land and tree owners, projects eligible for R&D funding can include:

- Developing sustainable harvesting practices, tailoring carbon sequestration and offsetting to your whenua;
- Reforestation projects to explore methods of restoring degraded forests and reforesting areas that have been cleared or damaged; and
- Cultural and ecological mapping to chart traditional ecological knowledge and cultural values of the forest, which could help inform management practices that incorporate traditional knowledge and values.



The next phase of aquaculture

Māori businesses account for 50% of fishing quotas and play a critical role in the overall aquaculture industry. Projects that could be eligible for funding include:

- Development of processes to improve sustainability and increase efficiency in the commercial seafood sector, including future nets, dredges, and traps to reduce impact and enhance the selection of targeted species;
- Incorporating traditional knowledge of fish behaviour into catch management plans, developing value-added products using local resources; and
- Research and trialling of new aquaculture species that are not currently farmed but have the potential to be.



Building for the future in property and construction

Māori property development companies and joint ventures, demolition and remediations, and related construction services comprise over a quarter of the Māori economy. Activities that can be eligible for R&D funding in this sector include:

- Sustainability initiatives such as processes around smart building technologies to reduce energy consumption;
- Location specific construction requirements;
- Modular construction techniques to reduce waste and improve construction timelines;
- Innovations in health and safety management; and
- Incorporating Mātauranga Māori into planning and designing elements to improve resilience/ environmental impact measures.



Creating value - local manufacturing

Similar to property, manufacturing is an often overlooked area of R&D funding. Māori-owned manufacturing businesses have a growing Māori economy footprint focusing on food & beverage, wood, and other materials processing.

Apart from the conventional R&D activities like designing new products, eligible production and manufacturing activities can include:

- Process improvement
- Reducing cost or changing inputs while maintaining product quality.
- Enhancing efficiency

The opportunity

In summary, many of the activities Māori businesses are already undertaking in these areas will be eligible for R&D funding.

If you are making improvements to products, processes, or services, R&D incentives may be able to support these activities to stimulate further growth and create sustainable returns for your stakeholders.

Our <u>Innovation and Growth Advisory</u> team specialise in navigating R&D incentives and the wider ecosystem of <u>Government Grants</u>. <u>Understanding the relevant opportunities available, the requirements to access them, and aligning them with your business needs and growth strategies.</u>

We are able to assist you with identifying innovation activities, preparing an application, and managing the funding process.

So, if you're engaging in activities that seek to improve your business operations in any way, don't assume these won't qualify simply because they don't fit the traditional image of white lab coats and test tubes. Get in touch - the scope of R&D Incentives is broader than you might think.

Mauri ora!



Chris Carrington

Māori Lead – Innovation and Growth Advisory, Tax Whakatōhea, Tainui ccarrington@kpmg.co.nz



Riria Te Kanawa (Missy)

Partner - National Industry Lead - Māori Ngāti Maniapoto, Tainui-o-Tainui, Ngāti Porou rtekanawa@kpmg.co.nz