

1 **DAY 3 - PERSONAL BANKING SERVICES MARKET STUDY CONFERENCE**

2
3 **SESSION 7 - PROMOTING COMPETITION FOR LENDING ON MĀORI**
4 **FREEHOLD LAND**

5
6 **15 MAY 2024**

7
8
9 **(9.00 am)**

10 **RAKIHIA TAU:** Ki a whakamoemitia ki te Matua, te Tama, te Wairua Tapu me ngā
11 Anaherapono. Ko te Managai, hei tautoko mai, ai anei ake nei Ae.

12 E ngā mana, e ngā tapu, e ngā ihi o te whenua. Ko Maungakiekie ki runga, ko
13 Waitematā ki raro, Whātua Ōrākei mana, Whātua Ōrākei Rangatira. Te Kahu Tōpuni o
14 Tuperiri, maia te kupu maioha, maia te kupu aroha, tēnā koutou, tēnā koutou, tēnā tātou
15 katoa.

16 Whakapuakina te tatau, te tatau o te mātauranga whakaaro here ai te tangi a te
17 pipiwharau, kui, kui, whitiwhiti ora. Kui, kui kia rangi e tū nei, kui, kui kia
18 Papatūānuku e takoto nei. Tū mai ihi, tū mai wana, rere ki te puna o te pipiwharau. Ko
19 Tāne tukua, ko Tāne horohia, kia rongo ai koe te tangi a te manu nei. Kui, kui, whitiwhiti
20 ora, ki te whai ao ki te ao mārama, tihei mauri ora. Tēnā koutou e te hunga whakarongo,
21 tēnā koutou e te paepae kōrero. Haere mai, tauti mai, whakakotahi mai i tēnei wā. Ka tiaki
22 rā ka huri ahau ki a koe Jared -- Teaho.

23 **TEAHO PIHAMA:** ... Tihei Mauri ora. Tēnā ko tātou nei ki paimārire, ki tātou
24 Kīngitanga. Ki ngā mate ... te wā ... ko to pai rau, ko to pai mahara, moe mai, moe mai,
25 whakaharu atu. ... e Papatūānuku hei Matariki ki te Rangi, koutou ki a koutou, tātou ki a
26 tātou e moe. E ngā Maata Waka ngā mana whenua te rohe nei, tēnei te hunga, pēke ... tatau
27 mai ki roto i a koe, hei aha, hei kaupare ngā tini kaupapa o ... iwi Māori, tēnā koutou, tēnā
28 koutou ... manaakitia mai tātou i tēnei rā. ... whakapapa o rātou mā ki te kaupapa pū o te
29 Rangi nei a me pēhea rā e whakatuwhera atu ngā kuaha o te ao pēke ki to taua iwi Māori, e
30 mihi ana ki te kaupapa, e mihi ana ki te kaupapa, e mihi ana ki kaupapa.

31 Kei ahu toi rangatira o te Kōmihana ... enei kaupapa tini, enei kaupapa mano, a ko
32 whakamanatia to tātou iwi Māori anō hoki ki Te Tiriti o Waitangi ki roto i koutou mahi i te
33 Rangi nei, nei rā te mihi, mai te whānau whāiti, whārahi o ngā kaupapa Māori anō hoki mō
34 te rōpū o Tāwhia, tēnā koutou, tēnā koutou, e te tuakana tēnā koe.

35 **RAKIHIA TAU:** Ladies and gentlemen, welcome to day 3, you've made it through
36 the last two days into this day. Look, first of all I'd like to welcome our panel here before

1 us. We have Scott Barkman from Ngāti Whātua, Whai Rawa. We have Jared Pitman,
2 National Manager for Whenua Māori, Te Puni Kōkiri. We have Teaho Pihama, Māori
3 Advisory at Kiwibank. We have Fonteyn Moses, Māori Strategy and Indigenous Inclusion
4 from Westpac. We have Whetu Rangi, head of Māori Business BNZ, and Anthony Ririnui,
5 Kaihautu Māori, ASB. Now have I forgotten anyone? Yes, we also have online Stacey
6 Beer, kia ora Stacey, and David Harrison as well from ANZ. We've just assembled just
7 now so we were doing a bit of a whakawhanaungatanga just before we started off today.

8 Look, before we move in I'll do a bit of a scene set for our discussion up until 10.30
9 this morning. Just general housekeeping rules -- let me first introduce you to the
10 Commissioners and staff that are in attendance here today. We have some of the
11 Commissioners sitting over here, John Small, we have Bryan, Anne and Tristan here. And
12 at the back there we have, I won't go through everyone, staff from our Auckland and
13 Wellington office as well and our stenographer over here.

14 In terms of our stenographer, if there is any discussion amongst the audience,
15 I suspect there won't be because we're going to have a full on discussion up here, I think
16 we've got about 10 minutes each if we were to run up to 10.30; but if we do, please use the
17 mics and the staff will bring them around, one over here and one at the back as well.

18 Just general housekeeping matters. Fire exits, if there is an emergency, just
19 assemble out there on Waterloo in the quadrant, that's just out in front of the reception
20 there. If where there are any speakers, and that goes for the panel as well, please name,
21 rank and serial number so that can be recorded by our stenographer. And toilets are at the
22 end of the hallway here, straight in front of you, or slightly on the right. Ka pai? Have I
23 missed anything, John? Okay, that's good.

24 Right, the way we're going to run things today is a panel discussion, so it's a little bit
25 different than what we undertook over the last two days where we had a bit of a
26 conversation out in the audience here. We have a number of experts sitting here, so I really
27 want to lean into their expertise around resolving some of the issues around Māori access to
28 personal banking services, and I'll cover that of what that means shortly.

29 Right. Let's move into the panel discussion now. I've used my 10 minutes up
30 almost. Look, as a bit of a scene setter, in terms of the development of chapter 3, as you
31 will be aware there was a round of consultation this year, submissions received. Generally
32 the issue confronting Māori, there's two themes that I teased out of this. One, the issues
33 confronting Māori in terms of accessing personal banking services, there are similarities to
34 other communities as well; whether that's lack of ATM machines in the community,

1 whether that's a lack of a branch or only one branch in a community, in a rural community,
2 that was certainly affecting Māori. That will be discussed later on today because it's a
3 general trend that came through in our report, our discussions and our wānanga etc.

4 The more immediate thing confronting Māori was two matters. The first one is
5 Māori freehold land and the ability or inability to secure competitive optionality, or what
6 have you, to secure finance to build a home, first thing.

7 Second thing we heard was around the Anti-Money Laundering Financing and
8 Countering Financing of Terrorism Act, I'll just go the AML Act, and the barriers that that
9 threw up in front of Māori trusts that held land on behalf of its owners and the paperwork
10 and what have you, the compliance requirements to go through that. That was certainly a
11 matter that arose from our discussion and wānanga, submissions, etc. So I really do want to
12 focus on those particular two issues.

13 The speakers today in order, we're going to ask Teaho Pihama to speak first and
14 provide a bit of an overview, and then we're going to hand over to Scott and just give his
15 view on more generally Māori land and development here in Ngāti Whātua, ngā mihi.

16 **TEAHO PIHAMA:** Kia ora tātou katoa. Lending on Māori land is perceived to be complex. The
17 perception is that we don't understand what it actually means, what Māori land is, and in
18 essence what the process to extract value from whenua Māori is. For a long time our
19 industry has looked to government, looked to Māori entities to try and find solutions.
20 Whereas as an industry we have really simple products that we already have that are very
21 fit for purpose. The core part to that, though, is we don't have the policies to support it.

22 Kiwibank, when we started developing our Rautaki Māori, our Māori strategy, went
23 to look at a business development angle to that. Through our research and strategy
24 development, it was made clear to us that actually for us to really partner with Māori under
25 Te Tiriti o Waitangi we needed to first increase our cultural intelligence. It meant that
26 actually informing the position of all of our 2,500 staff around what their position is to
27 support and enable the Māori economy.

28 But that cultural intelligence is the core part to being able to partner and understand
29 how small nuances in policy, small nuances in social understanding, small nuances within
30 the process can have significant value to both the Māori economy, whenua Māori and our
31 industry as a whole. There's a large opportunity there for us. It seems relatively small, but
32 5% of our land across Aotearoa is Māori land. A lot of that is starting to become more
33 utilisable as we have a sprawl of all of our main centres out to more rural areas.

1 So we need to look at this as an ecosystem and try and influence all of the parts of
2 the process. But more so, we actually need to look at ourselves and understand what our
3 part to play is within this. And having product managers that understand Māori tikanga,
4 Māori kawa, culture, intelligence, really does go a long way. And by taking that approach,
5 I hope that the audience here today would have seen the value of that that Kiwibank has
6 presented to the market over the last five years.

7 We have a really, really strong part to play in further building the Māori economy,
8 increasing well-being of Māori through the enablement of, not only houses, but actually
9 businesses and commerce across Māori land.

10 The complexity generally comes in, from my perspective, when trying to
11 understand who is essentially within the decision-making or control of any specific land
12 block or groupings of land. To understand that, you really actually have to participate in
13 the local community. To the comment made earlier, that's something that has been a theme
14 across the entire Commerce Commission report, is that participation within community.

15 So one of the shifts that Kiwibank has made in February of last year was specific to
16 whenua Māori. We moved from a mass market approach where all lenders could support
17 lending for the purpose of residential property on whenua Māori, to training a really
18 specific group of what we're calling champions who have been provided significant levels
19 of training over and above their core competencies. They're our most experienced lenders
20 across the country and they're strategically placed in different communities across Aotearoa
21 where Māori land is prominent.

22 Some of the successes we've had from that is a significant uptake in the Kāinga
23 Whenua Loan Scheme; in other general mixed ownership models that Kiwibank offer, such
24 as Co-own. And for us that's been really successful way of looking at how we approach
25 this in a slightly different way. Kia ora.

26 **RAKIHIA TAU:** Kia ora Teaho. That gives you just a snapshot, and we're going to lean into
27 more of this very shortly around Māori freehold land. But I want to also provide a different
28 context as well with yourself, Scott, in terms of what Ngāti Whātua is doing with what
29 I assume is just general title land but happens to be under iwi ownership. Tēnā koe.

30 **SCOTT BARKMAN:** Tēnā koutou. Ko Scott Barkman ahau. Nō Ōtepoti ahau, ko te Manahautū
31 Pūtea, Ngāti Whātua Ōrākei Whai Rawa. Tēnā koutou, tēnā koutou, tēnā koutou katoa.
32 Good morning, thank you for this opportunity to speak. I'm Scott Barkman, I'm the CFO of
33 Ngāti Whātua Whai Rawa. As you have may have picked up on, I'm still on the te reo
34 journey, but I have a lot of teachers and a lot of resources I can rely on.

1 I thought I'd start by just giving some context around Ngāti Whātua Ōrākei and
2 what we're trying to achieve. Housing, as you can appreciate, is important to the trust and
3 to the iwi. It starts at the 50 year plan where it's documented around its key strategic
4 initiatives, and one of them being mana motuhake, or self-determination, which talks to
5 housing as being key to that; housing being a key enabler for the hapū to provide personal
6 aspirations, allow financial security, stability in life.

7 So housing, as I outline, is key. The trust has challenged Whai Rawa -- and Whai
8 Rawa is the commercial arm of the trust -- to build whānau housing. We've had success to
9 date. We've built kaumātua units adjacent to the marae in Takaparawhau and in 2018 we
10 finished a development up on Kupe Street being Kāinga Tuatahi, which is 30 residential
11 units which we provide the mortgages. Those two initiatives are being done purely by
12 Whai Rawa and the trust with no external support.

13 To meet our goals set by the trust, we then embarked on the Hawaiki Street
14 development on Kupe Street. 24 terraced apartments that are providing one, two and four
15 bedroom on Ngāti Whātua land. And just picking up the point there, this is not Māori
16 freehold land, this is land that we actually purchased. In saying that, though, it's 500 metres
17 from the marae, so it's quasi-Māori land; it's land that will never be sold in that space.

18 As a result of that, and these units are built, they're intergenerational, you can have a
19 four bedroom, one bedroom, two bedroom etc. There's a lot of thought went into that, there
20 was background studies etc as we arrived at that.

21 I now move on to sort of probably two or three key themes. We approached our
22 banking group and said, you know, look this is what we're trying to achieve, this is what
23 we'd like the banks to do. The first development we did, Whai Rawa provided the
24 mortgages, so we thought this time we'd ask the banks to provide the mortgages. Now
25 we're talking about plain vanilla mortgages, we're not talking about anything over-the-top,
26 but plain.

27 Our engagement with the banks, and I'll talk about, is our banking group, I think it
28 was very much mixed. There were a couple of themes that came through, on reflection.
29 We approached them all. One came back straight away and said "no, this is too bespoke,
30 sorry we won't participate". One came back and said "yeah, okay, very keen" and we're
31 still working with them today around the operational aspects and making this fit within
32 their systems. And noting that I'm talking about 24 mortgages in this space. And the other
33 two banks have fully participated and we've been working with them to provide mortgages
34 to the hapū members.

1 In saying that, we did run into quite a few interesting discussions with the banks
2 around what we were trying to do and how to make it fit within their systems. One bank
3 already had an existing product and said "look, we've got it, here it is", but it didn't really
4 work for us, and so it didn't achieve the objectives that we wanted to achieve.

5 I would also point out too, building houses in Ōrākei is quite challenging in its own
6 to make it, well, more affordable. I'm not going to say it's affordable, but more affordable.
7 And it comes with its own challenges in that space. Also, we weren't going to sell the land
8 so we put a lease, a 130-odd year lease structure in that so we didn't sell the land.

9 The engagement with the banks was interesting from our perspective around
10 systems, making it fit within systems and just trying to achieve what we wanted to achieve.
11 I will caveat that slightly by saying that our overall goal was to put in a structure that
12 worked, that we could roll out for future developments. And this will occur, we will,
13 obviously when we finish Hawaiki Street, we do have a plan to continue to build houses.
14 But those houses will meet the requirements of the hapū, whether it's ownership, rental, etc.

15 And so we were quite -- we held the line with the banks around what we were trying
16 to achieve and made sure that we could do this once and once only and set it up. In saying
17 that, we had some very interesting discussions around lending and the purpose of that
18 lending. And occasionally an observation would be that some of the banks may have
19 stepped sort of more into the iwi side of the transaction and not necessarily sat there as a
20 lender.

21 What also became very apparent, and I've sort of already touched on it, is sort of the
22 inflexibility of the banking systems in the background. We had a lot of discussions around
23 operation aspects from the banks, which we found interesting in that we only were talking
24 about 24 loans. But we were obviously very conscious about those 24 loans, and things
25 like regular reporting etc sort of threw up a few, I'll call it curve balls. It wasn't
26 insurmountable, but it sort of did lead to issues around some of the, potentially some legal
27 documentation etc, but not too much; but around how we wanted to run this from an iwi
28 point of view versus the banking system point of view.

29 The other sort of comment I'd also make is the length of time it took for this to be
30 put in place. I think it's probably a year from when we first had initial discussions with the
31 banks around what we were trying to achieve etc. And in that year there's a lot of resource
32 and time that went in to putting this structure in place.

33 Yes, I'm referring to the 24 mortgages, but as I've also said, it was around a bigger
34 structure that we could actually roll-out. So there was a lot of work that went into making

1 sure we got this right and when the next development comes along we knew exactly what
2 to leverage on. But it took a lot of resources, a lot of time. A lot of lawyers involved who
3 stood up to play, you know, some pro bono work going on in the background, which was
4 definitely to the benefit of us. But then there were other banks who said "here's our legal
5 bill for this", which was interesting.

6 I would just make a couple of other general comments around Ngāti Whātua Ōrākei
7 was really -- we have the resources and the capability to do this. You know, you can look
8 at our financial statements, we've got a strong balance sheet, etc., so we've got the resources
9 and capability. So we could push on with this, we had the ability to spend money to make
10 this happen, we had the ability to work with the banks to make this happen.

11 I'm not really too sure how that goes with other iwi around the country, but it would
12 definitely be a challenge. And I'm coming purely from my observation as part of this
13 process in Ngāti Whātua.

14 I'll leave it there, but happy to take any questions from the panel, or any sort of,
15 yeah, if you want anymore background around what we're trying to achieve.

16 **RAKIHIA TAU:** There's some commonalities with your discussion, Teaho, and yours. Is there
17 any discussion from the panel here on what Scott or Teaho had to say? Any discussion
18 from the audience, or any questions from the audience. Yes, Tex. If we've got a mic over
19 here.

20 **TEX EDWARDS:** Kia ora, Tex Edwards. I'm not Māori. I've spent 16 years working with
21 Māori. I financed a Māori group personally and I've introduced Māori to an indigenous
22 people group in Zimbabwe called Shona, (inaudible) and we raised 500 million bucks to get
23 a cellphone (inaudible) here in New Zealand. And it was my pride that continually we had
24 30% Māori ownership. It would have been more of a success if we'd had 51%. My
25 message to the panel is ownership, ownership and ownership. I really respect what
26 Kiwibank have done with Māori. I really respect what ANZ have done with Māori. The
27 BNZ Māori representative is speaking at the INFINZ conference maybe in a week.

28 I think Māori interests are best preserved by Māori ownership. A lot of the
29 conference, particularly yesterday and the day before, was discussing open banking. This is
30 new technology, this is software overlays that creates new banks and new organisations.

31 I hate to bore my other colleagues in the conference, because I am a bit boring, but
32 actually our submission was that ANZ and ASB be broken up. Our group has submitted to
33 the Commerce Commission that part of the break-up creates a greenfield institutional

1 start-up, which in my mind has to be Māori-owned. And ownership must be the pathway of
2 Māori participation in banking.

3 And I'm very grateful for your comment, sir, because I'm going to say iwi
4 coordination and choreographing into iwi relationships is critical to get what we call the
5 critical mass and a large book for capital. And I invite you to read the submissions from
6 Northelia who had experience in a previous industry telco. We also submitted in the
7 supermarket cartel discussion where we initiated a break-up of the supermarket cartel and
8 Māori ownership there. And if I could sign off with one word; ownership please, thank
9 you.

10 **RAKIHIA TAU:** Kia ora. If I can hand over to Teaho in response.

11 **TEAHO PIHAMA:** Thank you for that question, and e mihi ana ki ngā mahi ko tūtuki, so
12 congratulations on the work achieved. The word "ownership" is an interesting one. And if
13 we consider ownership within sustainability in a te ao Māori lens it's actually kaitiakitanga.
14 And it's the fact that although we don't own anything, we were the stewards and we're the
15 guardians of Papatūānuku and Ranginui, our land and our sky, our environment, our nature.

16 And so I take the point around ownership and I sort of broaden that out a lot more to
17 kaitiakitanga, and what is the responsibility, both social responsibility and corporate
18 responsibility, that we have in Aotearoa to really face into that.

19 And as citizens given the right to be here under Te Tiriti o Waitangi, I think we
20 really need to lean into that across all of Aotearoa and really take the point about that. How
21 do Māori take ownership, how do we see more kaitiakitanga within not only our industry,
22 but all of Aotearoa.

23 For me, we need to see a lot more representation across decision-making, across
24 negotiations and across essentially our senior leadership across the entire industry. But
25 yeah, tautoko your kōrero about that.

26 **RAKIHIA TAU:** Thank you, Tex, for your comments. If I could now hand over to Jared for a
27 discussion from Te Puni Kōkiri. And really the question I've got is, can you please outline
28 what you and your team do at Te Puni Kōkiri and observations on what is working and
29 wasn't working in regard to improving Māori access to securing, I suppose, homes,
30 ultimately where we're at in the Commission and around financing as well.

31 **JARED PITMAN:** Tuatahi, ka mihi atu ki a kōrua tahi, Rakihia, Teaho ngā kōrua tahi, tuwhera
32 to tātou nei kaupapa mō te rangi nei. He mihi ki te mana i te whenua ngā koutou o tēnei
33 takiwā, o tēnei rohe. My role as manager of the whenua Māori service means that I have a
34 number of staff sitting across the country that encounter Māori landowners on the daily,

1 and proactively seek to understand their aspirations and also the barriers in terms of their
2 development needs. That's a very interesting space to be in at this particular time.

3 And I think in much the same way that Teaho is talking about how Kiwibank has
4 organised to gain intelligence in this space, the real intelligence sits out there in the
5 communities amongst the landowners themselves. They're the ones on the daily
6 experiencing what we term the Māori go round, if I can talk to that in a little bit more
7 detail.

8 For a Māori landowner, and to the gentleman who was talking about ownership just
9 before, I appreciate that kōrero. I think it's important to understand with circa 1.3 million
10 legal ownership interests in Māori land and around 5% of the land mass in Aotearoa, a lot
11 of the ownership in Māori land is not by decision. The process of becoming an owner in
12 Māori land is won through the Māori land court. I can make an application to succeed to
13 my parents' interests, or grandparents' interests, but by nature of the application it brings my
14 siblings into that realm as well and they become owners.

15 So when landowners are looking to access products, services, supports, the Māori
16 go-round is that there's the information that they require from the Māori Land Court around
17 their titles, in particular to housing, there might be information that they seek from Te Puni
18 Kōkiri around development grants, or training of trustees. They inevitably have to engage
19 with local government around the land provisions within that particular district plan, or
20 regional plan that allow them and ultimately dictate how far they can develop their land.
21 And with all of that information they can then approach a lender to see whether what they
22 have in terms of an aspiration actually fits into a lending product that's pre-existing with the
23 bank itself.

24 So that's some of the preconditions before the conversation is even there with Māori
25 landowners, around we want to build on our whenua Māori. That decision to do so has a
26 limited shelf life. A lot of things can happen from that decision to build on Māori land in
27 between that decision and them actually securing finance to do so. Trustees can pass away,
28 an AGM might raise a subject from one of the beneficiaries of a trust, for instance, that puts
29 things on hold. So what that talks to is the necessity of capitalising on that window of
30 decision-making, because of the process that those owners have been through to get to that
31 point, and it does have a limited shelf life.

32 So when my team is out engaging with people, this is essentially what they're
33 addressing, the Māori go-round. How do we bring all of that information into one space so
34 that our landowners are informed, have a clear pathway in their mind to achieve what it is

1 that they're wanting to achieve, and that the capitalisation of that decision is swift and
2 effective.

3 If I leave that there, if there's any questions around that, because I can talk about this
4 for a long time. So maybe Rakihia.

5 **RAKIHIA TAU:** Thank you Jared. The key one I picked out of that one is speed, both from the
6 landowners' perspective and the banking lending fraternity as well. But also picking up on
7 your point, Scott, that speed isn't -- when you've got a well-heeled iwi, it doesn't necessarily
8 mean anything either in terms of getting finance packages over the line.

9 **SCOTT BARKMAN:** No, as I said at the start, you know, I think this took pretty much a year to
10 put in place. There were a lot of discussions, as you can appreciate. But as I said, a lot of it
11 was around where Ngāti Whātua was coming from around setting up this process, doing it
12 once, make sure we get it right, then we can just roll it out. But the time, it did take quite a
13 bit of time to put in place.

14 **RAKIHIA TAU:** Thank you everyone. Well look, I know we've got Fonteyn here, so you've got
15 free reign whenever you want to interrupt. Look, what I want to do now is hand over to
16 Whetu Rangi, head of Māori business at BNZ; in particular your observations around the
17 work you've done with Ōrākei, Ngāti Whātua. And you've read our report, you've read, I'm
18 assuming, recommendation 15 in our report in terms of Māori. What's your take on it in
19 terms of our recommendation, what's your take on things in terms of where the Commerce
20 Commission should be heading in terms of the direction of our recommendation?

21 **WHETU RANGI:** Apologies, what's recommendation 15?

22 **RAKIHIA TAU:** Recommendation 15 --

23 **TEAHO PIHAMA:** Hononga ki te iwi Māori.

24 **WHETU RANGI:** Ae. Yeah, a fair bit to unpack there. If I just go directly to the Ngāti Whātua
25 example. So, we've been involved in that journey, I think you're being generous there,
26 Scott. My understanding it's been a 10-year journey between the banks and Ngāti Whātua.

27 And just picking up on Jared's comments, one of the cultural disconnects between
28 the banking system and Māori is there's a tikanga amongst Māori of mā te wā; so mā te wā
29 being in time. So the general practice within Māori, and it pertains to land
30 decision-making, is consensus. Majority votes has only just sort of come through in the last
31 couple of decades. And so our people have always been patient around mā te wā, we want
32 everybody on-board. And ten years, is, you know, an example of some of the
33 decision-making timeframes that we operate with. But that's completely at odds with, I

1 guess, the requirements of banking to meet deadlines, to meet quarterly reporting etc, etc.
2 So that's just one thing I wanted to pick up there.

3 But in terms of the Ngāti Whātua transaction, we at BNZ came to the realisation
4 about 2021 that we would treat Māori freehold title the same as general title. And
5 internally we perceive the risk to be the same for Māori. So if Ngāti Whātua own two
6 neighbouring blocks, one being general title, one being Māori title, the risk is the same to
7 us, it's a reputation risk that we don't want to be seen to be selling off Māori title.

8 So that's where we came to comfort with that position. And then, so from a
9 functionality, it's easier from a commercial property, or an agricultural or rural property.
10 Where it gets murky is within residential, and that's sort of where we want to focus on here
11 today.

12 So with the Ngāti Whātua transaction, the best decision there was for a leasehold
13 structure, and in this case being a 130 year lease. That lease -- so one of the limiters on
14 doing that on whenua Māori is that there's provision with Te Ture Whenua Māori Act that
15 any lease beyond 52 years has to go through a judge's approval and 50% shareholder
16 approval. And for some of our land blocks, being able to replicate that on whenua Māori
17 where you have thousands of shareholders, some of them are disengaged, some of them are
18 deceased, some of them the beneficiaries haven't succeeded those interests, it's virtually
19 impossible to be able to get a long-term lease on a structure like that.

20 So for us as a bank, we've been trying to navigate how do we replicate the good
21 work of what iwi like Ngāti Whātua are doing, but make it replicable and scalable so that
22 their success is also something that small land trusts in Te Tairāwhiti with, you know, not
23 the 1 point something billion dollar balance sheet that Ngāti Whātua has, but we can give
24 home lending to those land holders there. So we're on our journey with that.

25 I would like to make note around some of the restrictions around Māori Land Court
26 and the AML conversation. Māori Land Court is the source of truth for us in the bank. We
27 can't -- our documents have to reflect what's reflected in Māori Land Court, so the trustees
28 etc. The process for trustees to be replaced in Māori Land Court, we're dealing with some
29 that are taking one, two years. That's to replace a trustee.

30 So, yeah, we have responsibility as a bank, but we can only move as slow as our
31 slowest mover. So trustees, even though they may have passed in minutes at an AGM that
32 they are replacing trustees, they can act on all things except financial matters, so that
33 excludes them from any banking conversation. So there are some limiters there.

1 Just generally about what our view is at BNZ, is that we've got a real drive of
2 having a workforce that's reflective of our communities that we're serving. And so what
3 that means is in the areas where we have higher Māori demographic, it's our people leaders
4 that are going out there that are trying to find people within the community that understand
5 the challenges of that community.

6 And so in the Central North Island we have over 30% Māori staff who are dealing
7 with our Māori customers that are walking through the door because it makes sense there.
8 And so I think, picking up on Teaho's point, dealing with Māori land trusts and that is a
9 perception thing. And so if we bring up our cultural capability as an organisation, I guess
10 that limits, that reduces some of those barriers, because you have a workforce that can align
11 with the people that are walking through the door and understand some of the challenges.
12 But yeah, I'll just park that there.

13 **RAKIHIA TAU:** Kia ora Whetu Rangi. Anthony. Anthony's the Kaihautu Māori at ASB.

14 Anthony, can you briefly talk to us about an initiative you've been undertaking in terms of
15 addressing barriers to lending for housing on Māori whenua, land. And just to turn to our
16 recommendation 3, it was really about industry and government working together to reduce
17 barriers in terms of financing Māori land.

18 **ANTHONY RIRINUI:** Okay, yeah. e te tuatahi, ānei te mihi Ngāti Whātua, he ahi kaa roa. Tēnā
19 koe e te rangatira mō te tuwhera kōrero i tēnei wā, tēnā koe ngā pūkenga, tēnā koutou.
20 Kia ora everyone. Ko Anthony Ririnui tāku ingoa, no Tauranga Moana, Kaihautu Māori
21 ASB.

22 Yeah, I'll just provide a little bit of background in terms of, I guess, before I get to
23 the points that have been asked. Yeah, my role at ASB, I'm General Manager of Māori
24 business. I've been with ASB for 29 years and I've had the privilege to be in this role in
25 terms of supporting Māori for the last 12 years.

26 My role and my team work to support the ambitions of our community, our Māori
27 community. Our primary role has actually been supporting the Māori economy in terms of
28 access to capital and propelling the success of many of our entities that are serving our
29 people at an iwi level, at a hapū level, and the best way to explain that is probably at a land
30 trust level. And then also accessing finance for our whānau for housing, which is dear to
31 my heart.

32 I also in my own -- I wear many hats. I serve my hapū, I serve Mahu Whenua
33 Trust, I'm also a landowner. So I've got lived experiences in terms of some of the
34 problematic things that do happen to us and they've been raised this morning.

1 But to talk to probably why we're here, it is to lend on whenua Māori. And at ASB
2 we have had a framework to lend on whenua Māori since 2014. So the big part for us is
3 actually delivering by Māori for Māori. And speaking to some of the comments around
4 that Whetu raised, it is about having talent, Māori bankers that can serve our communities,
5 and that's also a big focus of us at ASB.

6 But just looping back in terms of lending on Māori freehold. We have the same
7 treatment, as Whetu just raised, in terms of the treatment of lending on Māori land. We use
8 the same product, we use our lenders. We, in terms of my team, we oversee and support
9 our lenders. We also scale our knowledge in terms of the details and, I guess, some of the
10 nuances that do crop up across the country for lending on Māori land.

11 So we actually see the applications that come through and actually we support the
12 applications in line with our criterias. So it is an important part of our function to ensure
13 that we can enable our community, our whānau live on their ancestral land. So yeah, I'm
14 proud to say that we do that at ASB and it is invested in and we do look at improving.

15 Then just to talk about housing. Also housing is something that, if it isn't on
16 whenua Māori, it's normally working with an iwi, like Scott, or a health provider in terms
17 of providing a social or affordable housing. That is also something that we're proud to be
18 involved in, and with many of our Māori entries across the motu, and it's something that
19 does need to be accelerated. Pleased to say we also, at ASB, provided a fund to help
20 support some of the developers in terms of building more houses and I just see my
21 colleague from HUD who's going to be talking a bit later.

22 So it is something that does need to be constantly worked on. It isn't a landscape
23 that is easy because we are reliant upon a legal system. Before you get to a legal system,
24 it's having the conversations at a whānau level. So there's a whole lot of, I guess -- it's a
25 journey across a continuum where a bank is an important part; but in terms of the banking
26 part, it's making sure that we're as responsive, we're empathetic, we actually understand.
27 And my team and I have looked to support our bankers within ASB to the best ability we
28 can to ensure that we can get more Māori whānau on their whenua.

29 So it is something that deeply passionate about, and have spoken to anyone that
30 wants to listen to me, and normally it's been working with government stakeholders. But,
31 yeah, talking to the issue of the day, that's just my whakaaro and my experiences in terms
32 of supporting our whānau with whenua Māori. Kia ora.

33 **RAKIHIA TAU:** Thank you very much. Look, given that you referred to our next panellist, I
34 will refer to yourself, we haven't forgotten about you, Stacey. So Stacey is from HUD and

1 it will be interesting to just get your experience on Māori land as well, so please.

2 Sometimes we have a bit of a delay between getting you online. Can you hear us yet? We
3 can't hear you yet.

4 **STACEY BEER:** There we go. Thank you for allowing me to unmute myself. Mōrena koutou,
5 ko Stacey Beer tāku ingoa. I'm the Lead Commercial Advisor for Te Kahui Māori Housing
6 within Te Tūāpapa Kura Kāinga, the Ministry of Housing and Urban Development. Like
7 Scott, I'm also pretty early on my te reo journey, so aroha mai for that.

8 First off, I'd like to thank the Commerce Commission for inviting me to this
9 consultation conference and aroha mai for not being there in person. It was my intention
10 and I was looking forward to joining you all in person, but the Rotorua weather got the
11 better of us yesterday. So it's great to be able to join you online.

12 So from a HUD perspective, HUD being Ministry for Housing and Urban
13 Development, I'll use that term a lot; we very much appreciate the challenges of developing
14 Māori freehold land for residential housing. We have workstreams within HUD focusing
15 on really understanding what those challenges are, what government interventions might be
16 appropriate for those, including a recent review of the Kāinga Whenua Loan Scheme.

17 What we acknowledge is that access to finance is a key challenge for building on
18 whenua Māori. But one of the complexities is teasing that particular challenge out from the
19 many other challenges to building houses on whenua Māori and, to be honest, building
20 houses in general. Things like planning restrictions, adequate infrastructure, general
21 development economics in many regions of the country, all create additional challenges for
22 land and sometimes in particular whenua Māori. So isolating that access to finance
23 question is not straightforward from our perspective.

24 So just to talk to a little bit of those other challenges. A lot of the challenges of
25 building on whenua Māori are common to those faced by much of Aotearoa New Zealand
26 and particularly regional and rural parts of Aotearoa New Zealand. It's been mentioned a
27 number of times that whenua Māori makes up about 5% of the land in Aotearoa
28 New Zealand. But a lot of that land is in regional and rural parts of New Zealand and the
29 challenges there are also great for general title land, you know, right next door to any sort
30 of whenua Māori block.

31 And one of those big challenges is the development economics of building where
32 the cost to build exceeds the market value of a finished home, which makes lending
33 particularly challenging on houses in these areas, regardless of whether the land is whenua
34 Māori or general title. So HUD has a role in addressing the broader challenges in the

1 housing space as well as doing what we can to enable greater access to finance for building
2 on whenua Māori.

3 And just in terms of what good looks like for us, I think good looks like any given
4 piece of land having the same access to finance regardless of whether it's general title or
5 whenua Māori. And that's the kaupapa with which the Kāinga Whenua loans programme is
6 designed.

7 And just mihi to Teaho Pihama. I know that Kāinga Ora and Kiwibank have been
8 very deep in discussions about what changes are required for the Kāinga Whenua Loans
9 Scheme to enable that to have a greater uptake. It was announced in 2022 that the price cap
10 for Kāinga Whenua loans of \$200,000 would be removed, and there's some other changes
11 that we are currently working through which hopefully, I'm told I can probably give an
12 indication of August/September this year we should be able to provide further details on
13 that.

14 The Kāinga Whenua Loan Scheme is not an exclusive arrangement between
15 Kiwibank and Kāinga Ora. HUD and Kāinga Ora would be more than happy for other
16 banks to join the scheme, and I know that some banks have looked at joining the scheme
17 and have chosen not to for their own reasons. But we would be -- and hopefully the
18 changes that will be announced might provide further, or might enable the other banks to
19 join the scheme as well.

20 So that's probably where I'd leave it for now, unless anybody's got any questions for
21 me.

22 **RAKIHIA TAU:** Yes, look I was just wondering, I was asking Teaho how many banks were
23 involved in the Kāinga Whenua Scheme?

24 **STACEY BEER:** So it's currently just Kiwibank. But, as I said, there is nothing to stop other
25 banks from joining the scheme as well.

26 **RAKIHIA TAU:** Maybe the question is what is stopping, or why not, I suppose, aren't other
27 banks?

28 **TEAHO PIHAMA:** I might just jump in there. So the Kāinga Whenua Loan Scheme has gone
29 through some rigorous changes following the review in terms of how Kiwibank present it to
30 the market, and that's seen nearly a 50% increase from the last calendar year in comparison
31 to what we've delivered over the previous ten years.

32 So for context, to the ten years to December of last year, sorry, the year before that,
33 '22 we had 20 million on the books. For calendar year January to December '23, we
34 delivered another 14.5 million. So that's off the back of a range of different maturities

1 across processes that all of our partners have participated in. So wanted to acknowledge
2 MHUD and Kāinga Ora, the Māori Land Court in some cases, for the work that's gone into
3 that.

4 But in particular for Kiwibank it goes back to that cultural intelligence and that
5 understanding of how our people as lenders approach the conversations, understanding the
6 history and the background to whenua Māori and to Māori as a peoples within Aotearoa,
7 and also recognising the strengths that we bring to the transaction in terms of that collective
8 nature; shared income, shared assets, shared expenses, and essentially that's where the
9 strength lies in our part.

10 Also in terms of Kiwibank, we have reviewed our process maps to try and reduce
11 the time to delivery as much as possible. That's less about us and it's more about the people
12 that we're trying to serve.

13 Kiwibank also welcomes other partners into the scheme, and we would love to JV
14 on some of the developments. However, we can't hang our hat on one product, we need
15 diversity, we need options. So not only within our general credit policies, but also in the
16 Kāinga Whenua Loan Scheme and other opportunities, both from the private sector and the
17 public sector. Kia ora.

18 **RAKIHIA TAU:** Kia ora. Stacey, I'll hand-over back to you.

19 **STACEY BEER:** In terms of the challenges with having other providers come into the scheme, I
20 think the scale of the opportunity is sometimes mentioned. As I said, the challenges with
21 building on whenua Māori are pretty significant in addition to the access to finance. And I
22 think some of the other people on the panel might be able to talk to any particular
23 challenges that their bank found when they looked at the Kāinga Whenua Loan Scheme.
24 But I think resourcing, as Teaho mentioned, restructuring Kiwibank's offering so that
25 there's a smaller number of champions I think was a fantastic idea. And that might be
26 indicative of the level of resources required for the given demand.

27 **RAKIHIA TAU:** Thank you very much, Stacey. Thank you for your contribution, especially
28 around the Māori whenua loan component. I wouldn't mind picking that up very shortly.
29 Just to refer back to yourself, Teaho, you mentioned diversity of products, certainly from a
30 competition perspective who are interested in diversity in terms of product. Can you tease
31 that out a bit more for us, what that might look like? Is that different financial instruments
32 to support, or customise instruments at whānau level, policy?

33 **TEAHO PIHAMA:** So where I want to start with that question -- I mean I'm also conscious that
34 I've done a lot of talking, so I think it's only appropriate that we pass on that question to

1 others on the panel -- is really informing our position on what true risks are represented
2 within the Māori economy in this position, specifically housing. And until the time that we
3 do that work, we rely on social discussions to inform our positions.

4 So for Kiwibank, unrelated to retail, but in terms of te ao Māori there's a connection
5 between retail and commercial banking. Some of the work that we undertook to reduce
6 barriers to access, Māori access and capital, was to recognise that Māori have a young
7 population, so our businesses are generally start-up. We have cultural goodwill that is
8 handed through generations and derisks propositions. We have a cultural construct that
9 looks at money as a tool, so a means rather than an ends. And as part of that we have made
10 some shifts to the way that we enable SME lending by shifting the conversation around
11 security from the beginning of the conversation to post-approval.

12 So we really focus in on the business and its capability, the revenue and its pros and
13 cons, the individual and/or collective's capability to facilitate their interests. And then it's
14 not until the time where we've given the approval up to a dollar figure in which the
15 conversation around equity or residential property securing lending comes into play. And
16 that's more about the interest rate and the term provided to the loan and less about the
17 approval itself. So the approval's given earlier in the process. So that's simply just by
18 undertaking a very small but long body of work in terms of informing our position on how
19 we can reduce barriers to Māori accessing capital.

20 But I think there's a lot of lessons from that that can be taken through to our
21 residential and retail products and services. However, to Anthony's point earlier, we do
22 need to start from that baseline of understanding, and having people facing into our
23 customers that are aware of their culture, that are aware of their history and are aware of the
24 process in which they've undertaken to become bank ready.

25 **RAKIHIA TAU:** Thank you. I'd just like to turn to our next speaker, David, at ANZ. We just
26 noted in your submissions to the Commission that uniform approach to the sector is
27 necessary to accelerate progress on accessing lending on Māori freehold land. So certainly
28 would like to open the discussion up on that, but also some of the pātai that have come
29 forward in regards to your thinking on diversity of product as well.

30 **DAVID HARRISON:** Tēnā koutou katoa. Tāku mihi rawa atu ki a koutou e te Kōmihana
31 Tauhokohoko, ngā mihi nui ki Ngāti Whātua ki Ōrākei, ko koutou te mana whenua nei,
32 otira ka mihi aroha ki a koutou katoa. Ko David Harrison tōku ingoa, I work at ANZ, my
33 role is Head of Māori Relationships which I've done for the last 12 or so years. It's a
34 pleasure to be in front of the Commission supporting the CEO and other members at the

1 table, Karleen Everitt, our Head of Te Ao Māori Strategy and Andrew Wild, Head of Retail
2 Credit Risk.

3 The issues you raise in the report we acknowledge and they're important to us.
4 They're at the forefront of our mind when we crafted Tākiri-ā-Rangi, which is our te ao
5 Māori strategy out to 2040. This is our long-term commitment to work with Māori to help
6 shape a better future.

7 We believe if we're going to build a more socially cohesive society we need to
8 invest in the idea that this nation was born on the promise of mutual prosperity. So we
9 support the draft recommendation around a coordinated approach from both government
10 and industry, and I think as an industry we have come a long way in the last decade from
11 where we were then to where we are now I think is a quantum leap, but there is clearly lots
12 more to do.

13 In terms of your pātai around products and solutions, I think it's important to note
14 that, you know, there is a real spectrum of scenarios in terms of lending on whenua Māori
15 and they're not all the same. There's a range of factors that cause differences in
16 circumstances, whether that be the size of the parcel of the land, the geographic location,
17 the intended use of the land, the number of owners, the ownership structure, and I guess the
18 financial strength of the landowners. We have existing policies around lending on whenua
19 Māori. Some of them have been in place for 20 plus years. And we've recently expanded
20 some to apply to a wider group last year.

21 Where our policies do apply is when, really, we kind of can cover three key criteria.
22 The first being that we can get real certainty on consensus amongst the landowner group
23 and that they are all in agreement around borrowing. The second is around they're happy to
24 grant their whenua Māori as security, and if they are then we treat it like we do with other
25 land. And the third being that they have the cash flow or income streams to be able to
26 service debt.

27 And so in those scenarios where we can cover those three broad areas, and I'm
28 over-simplifying but for this discussion it's probably okay, if we can cover those three
29 broad areas then we have solutions but that's only part of the spectrum and it doesn't cover
30 all scenarios.

31 In terms of those three areas, you know, where we see challenges, there are some
32 mitigants. So in terms of trying to get clarity around consensus of landowners, you know,
33 obviously if you've got a small group of landowners that's easier, or if you have a trust

1 structure that can be easier. But where you have large groups of owners without a structure
2 that poses problems.

3 Some landowners don't want to grant their whenua Māori as security. And so some
4 of the avenues to address that are things like the Kāinga Whenua Loan Scheme where there
5 is essentially some form of a take-out from Kāinga Ora, which I guess I'm not an expert on
6 Kāinga Whenua, but there's some level of an underwrite or a take-out from the government.
7 And that sort of third party credit enhancement I think is essential when we're removing the
8 whenua as security. And that's kind of probably more applicable to the scenarios where
9 you've got a licensed occupier and the land is not able to be granted as security.

10 In terms of those kind of third party credit enhancements, when we look at some of
11 the models that Scott's talking about in terms of iwi-led initiatives, iwi are stepping up and
12 providing guarantees or underwrites in some shape or form in order to remove the land
13 from the picture, and I think those are good models for us to progress with.

14 And then the last thing around affordability, the two most common tools that we're
15 seeing groups developing is using leasehold structures and shared equity in order to reduce
16 the overall amount of debt so that things become more affordable.

17 So those are some of the -- there's challenges in all those three areas and there are
18 some mitigants. And I suppose to your question to Teaho about how do we build that out,
19 Kāinga Whenua kind of helps with one part of that spectrum. Some of us have got tools for
20 others and we're just trying to continue to build that out, but I think we're heading in the
21 right trajectory.

22 And then just to kind of come back on those wider challenges that, yes, there are
23 definitely challenges around getting finance, but there are also so many more challenges to
24 kind of get to that point of being able to come to the bank. Those have been touched on
25 before, but the challenges around multiple ownership and arriving at consensus, the
26 legislative challenges around the Te Ture Whenua regime and the Māori Land Court
27 practices.

28 I do want to acknowledge the Māori Land Court for their practice note, I think it
29 was a fantastic resource and helps to bring up the overall level of common understanding of
30 how mortgages can be taken and be granted.

31 And then there's the regulatory challenges around AML and CFT and they do create
32 just complexity on complexity on complexity and cost. You know, obviously Ngāti
33 Whātua were able to fund it for their owners, but if you're a small group of owners then that
34 level of cost and complexity probably can be a bridge too far.

1 One of the comments in the report that I would refute is around the sense that the
2 high cost to serve leads to non-prioritisation in this space. And I guess our own
3 experiences at ANZ is that we have a lot of people working on Māori housing initiatives,
4 and so the idea that it's non-prioritised does not resonate with us.

5 And then if we look to solutions, I think the Kāinga Whenua Loan Scheme, thank
6 you Stacey, it was news to hear that it's not exclusive. My understanding was that
7 Kiwibank was the only bank to the Kāinga Whenua Loan Scheme. But I think that is
8 possibly the most obvious scalable solution that exists right now, that if that could be
9 extended to more banks then I think that would be good. Obviously I think we would all
10 want to review it and make sure -- I know that Teaho's done amazing mahi to unlock some
11 of the internal barriers and make the scheme more successful, and I guess making sure that
12 we can, if we are going to adopt it, also have the opportunity to improve it if necessary.

13 The Kāinga Whenua Loan Scheme is one example of government credit
14 enhancement, but we see the government make other credit enhancements around things
15 like the Covid loan and iwi guarantee schemes. Maybe that is an avenue that we could
16 collectively think about. And I think just continuing to work with iwi and Māori, as we are
17 at the moment around the emerging models that we're trying to find, because once we can
18 find things like what Whai Rawa have done and what others are doing at the moment then
19 we can look to find those scalable solutions.

20 Because one of the challenges at the moment is a lot of the models are bespoke,
21 they're small in scale, there's a lot of legal documentation and processes that we need to fit
22 into our standard practices and so they're a lot of work. So trying to find those successful
23 models that we can all adopt and take forward is part of the solution. So I'll leave it there.
24 Kia ora tātou.

25 **RAKIHIA TAU:** Thank you very much, David. What I would do, we're running well on time, so
26 Fonteyn, I'll hand over to you very shortly, and if we've got more time I wouldn't mind
27 circling back and asking some more questions on lending for Māori land. I think we've
28 come up with some good ideas and good conversation, especially on what you've just
29 advocated there, David.

30 Fonteyn, anything from your perspective from Tāwhia perhaps and then we can
31 wrap into AML. Because I think someone's got to coordinate this, if we go down the path
32 of David's submission to the Commission about working together, I can't remember the
33 words exactly in your submission, but I think that could be useful and we've already got
34 one idea around the Whenua Loan Scheme.

1 **FONTEYN MOSES-TE KANI:** Tēnei te mihi mahana ki a koutou, kia ora koutou, ko Fonteyn
2 Moses-Te Kani ahau. Thank you, and I think for the Tāwhia conversation I would rather
3 just leave that on the table, given that we're all Tāwhia members. For me I think what I've
4 seen is -- there's a quote from Plato, it says our need will be the real creator of change. And
5 I believe we don't ask the right questions. We actually move people to a product rather
6 than ask the question of what are you wanting to achieve. So because we don't ask the right
7 question, then actually what we do is we move our whānau to what we think is actually
8 going to be the solution to what they're actually wanting to achieve.

9 So for me I'm a -- kia ora, Tex, my mother was Jacqui Te Kani, so kia ora. I'm
10 saying that because I'm a product of, you know, watching Māori and iwi achieve greater
11 things when they have access to finance. So Mangatu Blocks, that's kind of my upbringing,
12 and so Westpac were the banker for Mangatu. Their role was just to provide access to
13 finance. It wasn't all the, you know, they just said, and my uncle explained it as "on the
14 back of an envelope I would say this is what we want, this is what we want it for, here's
15 how much it is." The banker goes "yeah, I trust you." So what they said is back in the day
16 you have a friendship that actually works to build your relationship on the depth of trust.

17 And so when we go to a product, that doesn't talk to me about the relationships that
18 we have with the people that we trust to enable us to have access to the financial tools or
19 capital required to fulfil our aspirations as iwi Māori. So we talk about the system being
20 broken rather than the ability of change.

21 So, you know, there's a quote that when we change the way you look at things, the
22 things you look at change. So is there a mindset change that we need to look at. Because if
23 we start with lending to whenua Māori is impossible, then how do you actually change
24 that? And so when we looked at it as Westpac, we realise that actually the mindsets of
25 some of our bankers is because they didn't have the experience. So we acknowledge that
26 there's a capability issue, there's a cultural confidence issue.

27 So you know, our role is then to go where's our team of experts, how do we coach
28 our bankers, especially in the regions, that this is not impossible, and maybe change from
29 thinking it's impossible to actually asking the question how can we help? So how many
30 times do we say how can we help, which then means you're engaged as a banker to actually
31 support whānau to think about how do we move together.

32 So for us when we think about innovation, it's the collaboration of the willing, the
33 willing to come together and what is the change and the agreement of the kaupapa that we
34 want to actually work towards, and also acknowledging who are we of service to. So when

1 we think about shared equity, we're of service to the whānau and because the whānau
2 actually carry the majority of the risk. So you know, no offence, a bit of tension in the
3 collaboration.

4 But, you know, when we think about it, we're going how do we enable whānau to be
5 able to do this? And so whilst there's a bit of time at the beginning, what we see is that
6 with the Shared Equity Programme, one of the iwi Māori that came to us, they had spent
7 five years trying to get -- and, you know, they did go to Kāinga Whenua, they were
8 declined, then they went to other banks and the banks couldn't get across it.

9 By the time they came to us, whānau were disheartened, because they're like "well,
10 you know, what can you do?" I was like "I don't know, you know, what are you wanting to
11 achieve?" Are we open to actually have the conversation, and the collaboration of the
12 willing was -- and so we've been using a framework of public iwi private investment, where
13 actually the willing all agree on what is it that we're committing to and are we committed to
14 change. And that requires everyone to actually move a bit.

15 And our role within that commitment is, we need to look at our system, at our bank,
16 what are the barriers that we've got, how do we change those barriers? Is it an
17 enhancement, is it a total change? For that iwi we worked with them on a bespoke model.
18 Eight months it took us to get through. And that was, for them, their level of scale is 11
19 homes. So when we talk about scale, you know, scale is relative to the whānau that are
20 actually asking us for the help that they need.

21 So our view was, how do we create this? And so we weren't the genius, just by the
22 way, it was iwi Māori, an Māori-led programme. Our role was to provide the finance to
23 whānau to get the mortgage. That's our role, very simple. So we didn't have to think about
24 all these other aspects; iwi Māori-led that. And so they led, you know, the local council,
25 they had submissions that all the neighbours around them said "we don't want you". They
26 led that, not us. They led the Māori Land Court when they said is this a papakāinga, or do
27 you want this other structure? So that wasn't us. Our role was really clear. So we said
28 these are the things that we need, you do that and we will do this.

29 So for me when we talk about system change, is there the mindset? So one of these
30 young ladies, when we were talking about access to a bank account, because I think it's still
31 relevant, because if you don't have a bank account you're financially excluded and you do
32 not belong to this society. So, you know, and it's all related.

33 So for me, we talked about whenua, but actually the discussion should be about
34 whānau. And it's about every aspect of enabling from whānau to the big end of town,

1 which we're all, you know, as banks we love that side, we're like yeah, pick us, you know?
2 But actually we should be enabling all of iwi Māori to have the access that everyone has
3 access to.

4 And so how do we enable that so that people, you know, like I didn't know bank
5 accounts was a thing until Oranga Tamariki said these are what our kids want. You know,
6 so there are some things that we need to just listen more deeply around, actually "is this
7 what you're asking of us, how can we help?" Rather than "here's the product that will help
8 you."

9 So when I think about Westpac and actually being a child of the -- and I didn't even
10 think about it, to be fair, until today. So I was brought up in Mangatu and Mangatu use
11 Westpac and Westpac, you know, so we built on our land. So we had our own building
12 company, we had our own truck company, everyone was employed and the mandate of
13 Mangatu was for all shareholders to be employed on the land. And Mangatu is still here
14 today and we're still financially thriving.

15 So that's what access to capital and a very good relationship with the bank does. It
16 provides the ability for the banker to be a fierce advocate for you. Because you go from
17 actually this part of a relationship where it's kind of "you people", to actually a partnership
18 where it becomes "us" and "we" to actually, "you need this, I will do all that I can because
19 you are my friend."

20 So how do we take those ships that we travel to actually come to the most enduring
21 ship which is a friendship. Because money is personal, you know, like we talk about it like
22 it's a system thing and this one and that one, but actually money is personal. The
23 relationships that we have to enable us to achieve our dreams are personal, and so how do
24 we enable that.

25 And for me, you know, having all of us here means that we can create the
26 competitive tension of choice. And that's to Teaho's point, is that you have a diversity of
27 products because it's choice that whānau are asking for.

28 And so for us, as in our own banks, we have the toolkit, and in our toolkit we have a
29 variety of products. So when I think about the work that we do in regards to the framework
30 of using public iwi private investment, I think about shared home ownership and I think
31 about the contribution of Te Puni Kōkiri and the Ministry of Housing and Urban
32 Development and how they were the public side and they said here's our contribution. Our
33 part was to do the finance. Iwi said this is what we want and this is how we're going to lead
34 it. And, you know, like the example for the small trust, which is 11 homes on whenua

1 Māori, they pretty much said "this is what we're going to do, this is how we're going to lead
2 it, this is how we want to lead, will you support that?" And we had to work it out. And so
3 then when we did that, it was eight months; the next time they came, the ability to do that
4 again was two months. And that two months was just wording, you know?

5 So when I talk about our need will be the creator of change, it's because you're right
6 in regards to getting all these owners together, but when the need is great they will come
7 together, you know, that's just how iwi Māori work. You go right, we now need to do this.
8 I mean anyone that's been on a marae know that to be true. There's a tangi, the kitchen just
9 hums and everyone knows their role and responsibility. The reason we use a public iwi
10 private investment is because everyone knows their responsibility, you're very clear of who
11 you're of service to and you're very clear on the outcomes that you want to achieve.

12 So, you know, I was thinking also about when we supported Te Wānanga o
13 Aotearoa, the creator of change is that they were unable to get money from the government
14 to be able to do that education centre and they weren't able to get finance from somewhere
15 else, so they came to us and we gave them, you know, the money that they needed. Once
16 they started, you know, then it became competitive tension and it was up for other banks.
17 But that's alright, you know, that's kind of what happens.

18 And so for me, I suppose I would love to see the ability, I suppose this goes to
19 Tāwhia, for us to be able to share our learnings, so that for AML we can say what worked,
20 what didn't work. Because that type of collaboration of the willing enables innovation for
21 us to actually simplify the things that we are able to do. Same with the shared home
22 ownership. I'm happy to share everything that we have and say "look, this is our toolkit,
23 here you go, you guys have your own tools."

24 The feedback from iwi Māori is that they want to be treated the same. And so when
25 we use the products that we have in our toolkit, what they bring is extra. So here's our
26 ordinary products, this is what we're going to use. What iwi Māori bring is the extra. And
27 the extra that they bring is the programme around their whānau to create a more sustainable
28 financial future. They bring that.

29 Government, they bring in the blend of finance between funding and finance, so that
30 actually it reduces the risk of whānau to enable them to actually get this greater chance to
31 be able to do other things. The reason that iwi Māori asked us to look at shared equity is
32 because within the financial system it enables collaboration. It enables us to stay as a
33 collective and as a collective use the equity to go through our whānau.

1 So one of the whānau that we have started seven years ago. So for our programme
2 when we started, 70 whānau came through, average of 450 mill. Now what we're seeing is
3 most of the people with paying off that equity right now, so that's already kind of land back.
4 What we were able to do is use all of that information that was shared by iwi Māori,
5 collaborate with Kāinga Ora and then there was a new product that was developed which
6 was called First Home Partner. So through that programme, then we're able to achieve
7 scale, which is 536 whānau.

8 And then what they do is they utilise that capital, or that equity. So one whānau we
9 have, seven years ago they said "right, we're going to help our dad. Seven years later,
10 seven kids, they're all in a home and now they're using the equity to actually purchase a
11 rental home. Because they said "actually now that we are familiar with the tools, we know
12 how to use them, there you go dad, next to the brother, next to you", blah blah blah, they
13 roll it through, now they all go "right, we're going to have a rental property." But what they
14 loved is that they could do that as a collective and all they needed was that first step.

15 And so for us when we looked at Kāinga Whenua, we went actually, the iwi Māori
16 said to us "Well, you know, Kiwibank do that, this is what we want from you." And so it
17 was the question we asked around what is it that you would like to achieve. To be fair,
18 security is the last question you ask, because you know what they're offering. It's the not
19 the first. The first question you ask is, what do you want to achieve? What do you need
20 from us? How can we help? Who's involved, and is this culturally significant? So all of
21 the data that we have says that if it's culturally significant land, it will never be lost.
22 Everyone as the collective will actually ensure that that will stay in the hands of, not Māori,
23 but actually whānau who belong to that land.

24 So, you know, when I think about the extra that iwi Māori bring to our ordinary way
25 that we do business, then you have this extraordinary effect that happens, and we see
26 whānau in homes. And what we see is the element of, and what whānau said to me is that
27 we want mana motuhake. We use the term "agency". They want choice and they don't
28 want our opinions of where they spend, they want our support to just provide access to
29 finance to enable them to live their own dreams, to live on their land of choice and
30 community of choice and the way they choose to live.

31 So for me, Kāinga Whenua Loan is another product. But actually, when you're
32 led -- and we are led by iwi Māori, our customers -- do we ask the right questions to enable
33 them and understand what they need from us. And I suppose for me, one of the young
34 women said, you know, "the system's not broken, there's just a lack of the willing." And so

1 how do we all become part of the willing, you know, what is it, the extra that we do to the
2 ordinary work that we have to create something extraordinary. Kia ora.

3 **RAKIHIA TAU:** There was a brief second there, Fonteyn, when you mentioned AML, so I'd like
4 to --

5 **FONTEYN MOSES-TE KANI:** Oh yeah. I mean even the name of it, my goodness, anti-money
6 laundering, you know, that doesn't empower trust, does it? You all can't be trusted so we're
7 going to use this term. Anyway, that's just a by-product, sorry, distracted. Not effective
8 when you're building relationships.

9 So for us in regards to how we looked at AML, we have adapted and changed the
10 way that we do things to actually accommodate the AML, because we see it as actually a
11 very -- it is actually something that should be there.

12 What we also did is that we did do submissions in regards to the changes that we
13 see should be enhanced or done based off the access to banking report that we did. And so,
14 you know, they have taken those into consideration.

15 So I suppose from our perspective, those have been taken into consideration. We
16 believe if they're all adopted, all the changes and recommendations, then that will actually
17 be a really awesome step to simplifying the process, enabling our people in regards to
18 Māori Lands Trust, especially around succession and especially around, you know, getting
19 that bank account.

20 **RAKIHIA TAU:** We're out of time at the moment, but any final comments in regards to the
21 discussion we've had here from panellists, or in regards to anything else?

22 **SCOTT BARKMAN:** I'll just quickly touch on -- and I am conscious of time -- on what Fonteyne
23 picked up on. When we sort of started the development, we kind of knew ownership, we'd
24 resolved that one; finance, we'd resolved that one. The bit that was really unknown was
25 actually the whānau themselves and how do we take them on the journey, the journey being
26 pathway to home ownership.

27 AML was in there dealing with banks, "why are banks asking me for this
28 information?" etc. We put a lot of work in the background, you know, huis on the marae,
29 communication strategy etc, quite often was dealing one-on-one with the actual whānau
30 themselves around what they needed to provide the banks and just gave them context and
31 background.

32 I wouldn't underestimate the amount of time that went into that. AML, for various
33 reasons because the complex isn't finished yet plus the bank's in the background, the AML
34 isn't really too relevant, I'll say that lightly. But the journey with the whānau was quite

1 critical to making it, and it's all around breaking down the barriers of the scepticism,
2 banking, why do I need this? There are financial literacy issues as well, we knew they were
3 there. We put it in place an independent financial advisor, they were most welcome to go
4 and talk to get an independent view, you know, it's not our view to provide financial advice.
5 So the challenges around that were significant, but we sort of got there in the end.

6 **RAKIHIA TAU:** Any comments? One more down here.

7 **JARED PITMAN:** Just an opportunity to thank the Commission for addressing this issue and to
8 applaud the lenders and their efforts as well. Also, and at risk of putting myself and Stacey
9 at risk, the Crown has a big responsibility when it comes to Māori freehold land in the
10 system. It has been created by the Crown. The equity issue around choice is something
11 that is also the Crown's issue. So for those of you who are in this space, I encourage you to
12 keep that dialogue open with the Crown around the system itself.

13 If I can just give a couple of really, you know, some examples of waiting times in
14 court, is a lack of resourcing issue to the Māori Land Court; being able to facilitate whānau
15 outcomes and allow whānau and hapū and iwi to lead; is around Crown services,
16 outward-facing services being withdrawn. So I guess along with my thank you is also a bit
17 of a plea to keep the pressure on myself and Stacey in this space.

18 **RAKIHIA TAU:** I'm going to leave the second to last word to the gentleman in the lovely brown
19 coat over here.

20 **SAM STUBBS:** Hello, Sam Stubbs from Simplicity. I would make one observation about Māori
21 banking. 150 years after the biggest banks established themselves in New Zealand, their
22 combined lending to the Māori economy is way smaller than the actual Māori economy. So
23 you are perennially underbanked. And it is a similar pattern across the Tasman where their
24 parent companies have underbanked the First Nations, and you have a woeful situation
25 there.

26 So as a disruptor, I would encourage you to embrace Tex's comment about
27 ownership. I'd use the phrase "take back the power". If you owned your own bank and you
28 were in control of it, you would not only access the deposit base that would then allow you
29 to lend in a manner where only you can truly understand the risk. Because for all the
30 armies of risk analysts in the big banks, they somehow still struggle 150 years later to
31 understand what risk is in the Māori economy. But, you know, you know it, you
32 understand it implicitly.

33 And if you have the power, the power to get together the deposits to then on-lend to
34 your own members in a way that only you understand and can properly risk assess, then

