



TERRA MOANA
natural capital coaching



The New Zealand Experience

About the visit

- When- July 2017
- Purpose
 - To understand how NZ Iwi/Maori dealt with their Fisheries Settlement Assets
 - Meet with officials, organisations and businesses associated with Maori fisheries development to understand what governance and operational structures have evolved and why
 - Visit an Iwi to understand how the fisheries assets have benefited that Iwi and how their value has been maximised.
 - Visit actual Maori/Iwi owned fisheries based businesses and get the real story



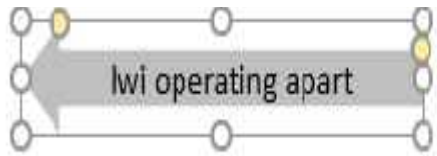
Complex Nature of Maori /Iwi Tribes



VIDEO 1

A critical component of the Treaty of Waitangi

Treaty of Waitangi 1840 specifically stated that the Queen of England confirmed and guaranteed the chiefs, tribes and individuals the full exclusive and **undisturbed possession** of their fisheries for so long as they wished to retain them.



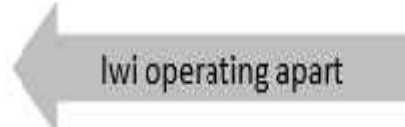
Pre Quota Management System (QMS)

QMS Introduced 1986



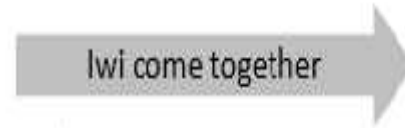
Maori Lodge Claim 1987

Treaty Settlement Granted 1992

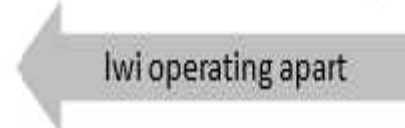


Allocation Debate begins 1993

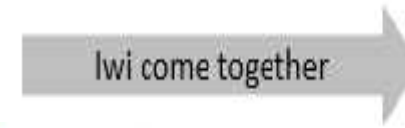
Process takes 10 years



Allocation Process Agreed (New Maori Fisheries Act) 2004



Individual Iwi Business Initiatives 2004-2010



Collective Iwi Business Models Develop 2010 >

Observations from the NZ Maori Fisheries Settlement process to date



Visit to the Te Ohu Kai Moana TOKM

Previously

~~Treaty of Waitangi~~
Fisheries Commission



Treaty of Waitangi Fisheries Commission - Te Ohu Kai Moana

- Originally set up to hold the Assets on behalf of Iwi
- Charged with finding a way through the allocation debate with Iwi

The Allocation Debate

Who were Maori and at what level would allocation occur

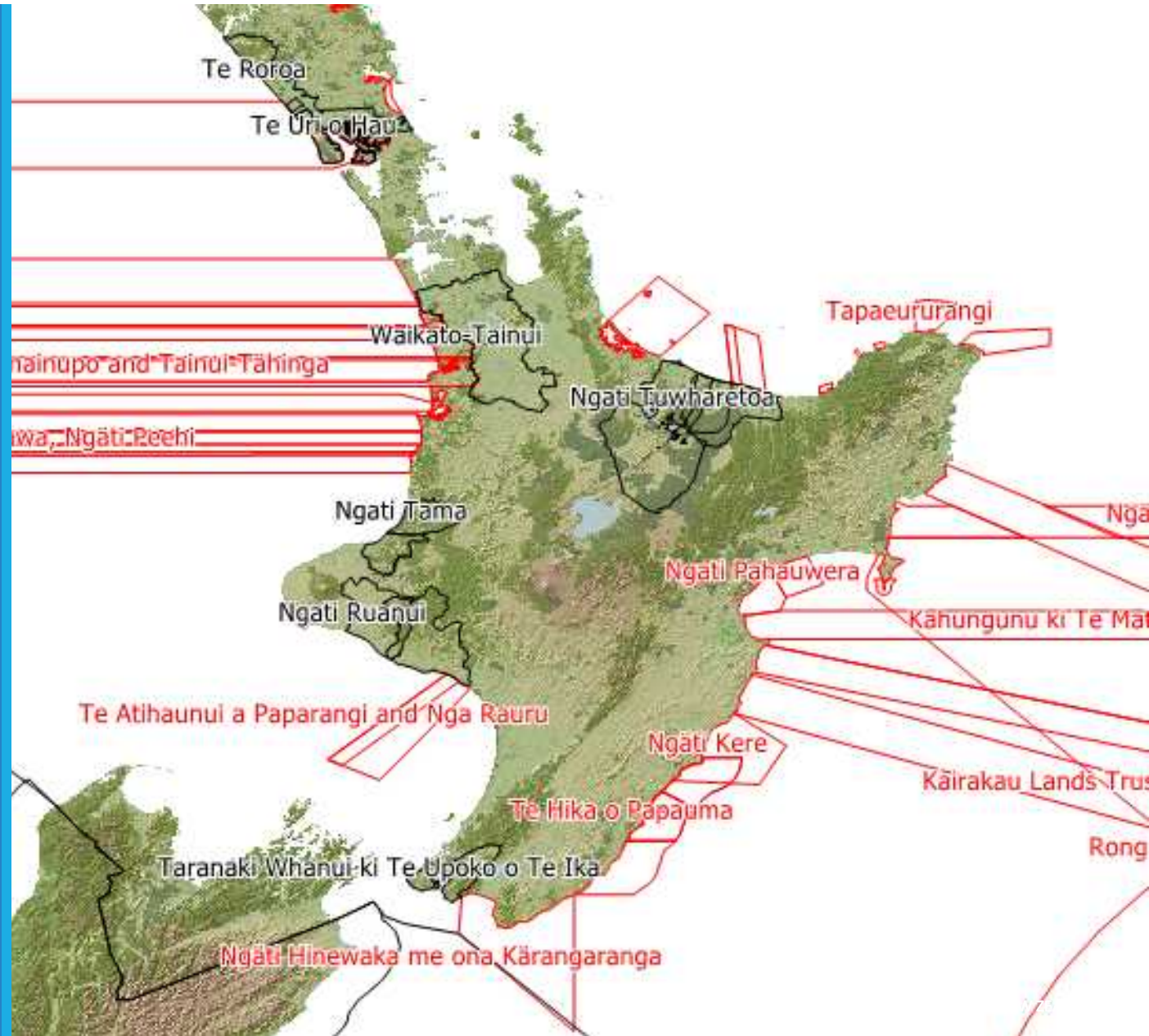
Iwi (Tribes) 57

Hapu (Sub Tribes) 100's?

Whanau (Family) ???

Individuals ????

How quickly things get complex (Hapu Boundaries)



The final outcome

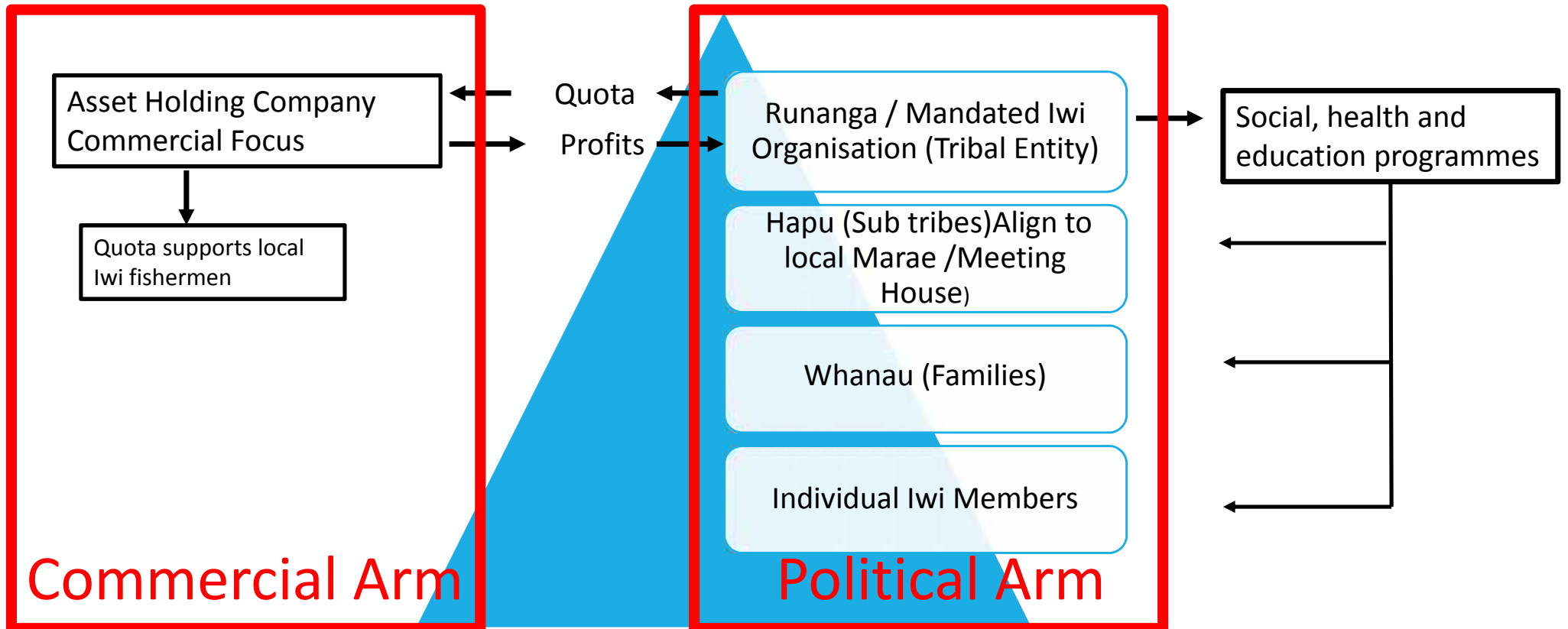
After 10 years and millions of dollars in legal fees they finally agreed that “Iwi’s” should be the legal entity for which any allocation should go to.

- Allocation became a mixture of population and coastline matrix

What then

- Iwi’s were then required to;
 - establish their mandate through acknowledgement by neighbouring Iwi
 - set up a Mandated Iwi Organisation MIO’s and Asset Holding Companies
 - Ensure individuals Iwi members were registered on an official register to establish population numbers.

Iwi Operating Structures





How it works in practice

During the 10 Year allocation debate

TOKM was allowed to grow the Settlement pie by leveraging from the collective holdings to

- Buy more quota on the open market and several inshore fishing companies

This drove a discussion on the value of “collective holding” business approaches

Resulted in the establishment of Aotearoa Fisheries Ltd in 2004 to hold the commercial assets from the Settlement (50% Sealord and commercial companies acquired during the period)

Settlement Asset Value at 2004

1. Cash (to iwi) \$23.50m (Leases of quota)
2. Cash to Trusts \$30.00m
 1. Te Pūtea Whakatupu Trust was established to promote Māori education, training and research.
 2. Te Wai Moari Trust was established to deal with fresh water issues
3. Inshore Quota (to iwi) \$158.47m
4. Deepwater Quota (to iwi) \$132.51m
5. Aotearoa Fisheries Ltd shares \$338.17m
6. Total \$682.65m

Observations since allocation 2004

Many Iwi parcels not big enough to go it alone so they lease their quota out on an annual basis

A lot of Iwi are now working together to combine their parcels as more valuable market packages (Iwi Collective Partnership (CP))

In specialist fisheries Rock Lobster and Abalone Iwi not only combining their quota but also their buying power for more quota or existing commercial operations together (Port Nicholson Fisheries Ltd)

Many Iwi using fisheries profits as catalyst for excursions into other commercial ventures or into health, education and social support programmes for their people

New collective structures have evolved

Aotearoa Fisheries Ltd (Moana NZ)

100% owned by the 57 Iwi

2016 Total Revenue (Moana Only)
NZ\$177.1m

Profit NZ \$19.416 (Included NZ
\$11m from Sealord)

\$38.6m in dividends paid out to Iwi
over 6 years

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Iwi Collective Partnership (ICP)

Hold 17,000mt of quota.
Annual Revenue
NZ\$6m



Port Nicholson Fisheries LTD

3 Iwi partners
 180mt Supply
 1 export factory
 2 depots
 NZ \$18m Revenue

2017

Acquired 2012



27 Iwi Partners
 640mt Supply
 2 Export Factories
 7 Depots
 NZ \$70m Revenue



Ngati Porou Iwi (East Coast NZ) Visit

Ngati Porou seafood business structure

“Whaia te Kauika a Tangaroa, Ma kona e ora ia, nga uri whakatipu”

“From the bounty of Tangaroa, we will sustain our future generations”



- Quota
- Property
- Plant & Equipment
- Investments

Food & Fibre Focus - Collaboration Key To Our Success



The Ngati Porou Vision

The lessons & challenges

- There is always strength in collective action and structures
- If your strategy is to grow the pie - you have to keep reinvesting
 - That means the current generation may need to accept that they may not see the of fruits that investment
- Commercial fishing access can no longer be regarded as free. The rights belong to all TSI's and therefore those rights should generate a return for the communities.



VIDEO 2

Additional background information

How are fisheries managed in NZ

Recreational - Bag limits per person and per boat

Customary – Through customary permits from Kaitiaki

- Generally for meetings, for visitors, for funerals.

Commercial – Through quota

Why did New Zealand go to quota?

It wanted to stop declining stocks because licencing and “input” controls” (boat, net size, pot numbers) don’t restrict overall take.

Initially to incentivise New Zealand investment in the deep water fishery to show we can catch the fish and therefore exclude foreign nations.

It fundamentally believed rights holds would then invest to protect their assets – quota estimated worth today NZ\$7b.

1mt of in perpetuity rock lobster quota ownership and catch rights recently sold for NZ\$1.3

Principles of the Quota Management System?

Quota ownership is on a public register managed by government

- It is in the form of shares
- There are 100m shares per fish stock

Each year the quota spawns annual catch entitlements

Fishers must report all their catch (or lose their quota, boat and gear)

Fishers must balance their catch through 1 of 3 ways;

- Owning the quota themselves
- Leasing it from another quota owners
- Pay a financial penalty (example rock lobster)
 - Port price \$100 per kilo
 - Penalty \$150 per kilo (Therefore no incentive to do it)

A sunset over the ocean with a blue footer bar. The sky is filled with horizontal streaks of orange, red, and purple, transitioning to a dark blue horizon. The water below is dark and textured. A solid blue bar is at the bottom of the slide.

Thank you for listening patiently to my presentation

Questions?