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

Ngati Porou

Aotearoa
New Zealand

Te Ika a Māui
North Island

Te Waipounamu
South Island
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.
Observations from the NZ Maori Fisheries Settlement process to date

- Pre Quota Management System (QMS) introduced in 1986
- Maori Lodge Claim in 1987
- Treaty Settlement Granted in 1992
- Allocation Debate begins in 1993
- Allocation Process Agreed (New Maori Fisheries Act) in 2004
- Individual Iwi Business Initiatives from 2004-2010
- Collective Iwi Business Models Develop in 2010+
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

Commercial Arm

Asset Holding Company
Commercial Focus

Quota

Quota supports local
Iwi fishermen

Political Arm

Runanga / Mandated Iwi
Organisation (Tribal Entity)

Hapu (Sub tribes) Align to
local Marae / Meeting
House

Whanau (Families)

Individual Iwi Members

Social, health and
education programmes

Profits

Quota supports local
Iwi fishermen
How it works in practice

1. Beneficiaries elect Trustees to the Iwi Trust (MIO)
2. Iwi Trust appoints and removes AHC Directors
3. Trust approves Statement of Investment Principles & Objectives (SIPO) and associated Policies with AHC
4. AHC Board develops Annual Plans to deliver on the SIPO
5. The Iwi Trust approves the AHC Annual Plans
6. AHC management implement the Annual Plans
7. Quarterly Reporting from AHC to Iwi Trust
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
Iwi Collective Partnership (ICP)

Hold 17,000mt of quota.
Annual Revenue NZ$6m
Port Nicholson Fisheries LTD

Acquired 2012

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

2017

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

Export Plants:
- Auckland
- Wellington

Receiving Depots:
- Great Barrier Island
- Whangarei
- Tauranga
- Christchurch
- Napier
- Chatham Islands (2)

PREPARED BY TERRA MOANA LIMITED, WELLINGTON. NEW ZEALAND.
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”
Food & Fibre Focus - Collaboration Key To Our Success

2017
Assets Value $200m

2020
Assets Value $400m+

2028
Assets Value $700m+

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 fruits of 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)
Thank you for listening patiently to my presentation

Questions?