

29 June 2023

Commerce Commission New Zealand
Moana /Sanford
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**SUBMISSION ON BEHALF OF TE ARAWA FISHERIES IN SUPPORT OF THE ACQUISITION OF
SANFORD'S NORTH ISLAND INSHORE FINFISH BUSINESS BY MOANA NEW ZEALAND**

“ Ka Pu Te Ruha “

“ Ka hao te Rangatahi “

“ (The old net is cast aside, the new net goes fishing) “

Te Arawa Fisheries Te Arawa Fisheries is a leading Māori-owned fisheries company representing 10 Te Arawa iwi in New Zealand. With a strong commitment to sustainable practices and the responsible management of seafood resources, Te Arawa Fisheries plays a vital role in the development of the Bay of Plenty Aquaculture industry. As a company, we aim to create economic opportunities and enhance the well-being of our communities through the growth and success of our fishing operations.

The world is changing rapidly and so is the world of fishing with wildstock fisheries in decline due to overfishing, climate change, loss of licence to operate leading to increased regulation. For Te Arawa Fisheries strategically this means two things:

- **Added-value strategy:** We need to figure out how to do more with less to transition away from the prevailing commodity strategy pursued by the fishing industry into new product development aimed at new high value and growth markets of the world like those now opened up in mega economies of Britain and Europe. Such a strategy will build resilience into our strategy geographically diversifying our market mix from China to include these new opening markets. The commodity strategy in today's world is a '**mugs game**'.
- **Large scale Collective Maori Aquaculture:** Te Arawa Fisheries is leading a large collective Maori aquaculture project in the Waiariki aligned to the global strategy of aquaculture filling the void left by the diminishing wildstock fisheries. Coined as 'smart maori aquaculture' integrating world class science, research, technology and innovation and under-pinned by our Maori values of:
 - **Tahua:** Economic wellbeing and prosperity;
 - **Kaitiakitanga:** Environmental sustainability and climate change mitigation and adaptation;

- **Manaaki and whanaungatanga:** Grow and develop our people and future generations; and
- **Tikanga:** Grow, promote and perpetuate our Maori culture and beliefs.

Contributions to Te Arawa Communities and the Bay of Plenty Aquaculture Industry Te Arawa Fisheries has made significant contributions to the Te Arawa communities and the development of the Bay of Plenty Aquaculture industry.

Through our operations, we have created employment opportunities for local communities, supported training and skill development initiatives, and fostered economic growth. We have actively engaged in sustainable practices to protect the marine environment and ensure the long-term viability of fish stocks. Additionally, our partnership with other iwi and industry stakeholders has allowed us to collaborate on strategic initiatives that promote the social, cultural, and economic well-being of our people.

Te Arawa Fisheries supports Moana New Zealand's application to acquire Sanford's North Island Inshore finfish business as follows:

1. **Operational Efficiency and Increased Value:** We **think** that this acquisition aligns with our objective of optimizing the value of our assets and providing increased value for our shareholders. The proposed acquisition aims to enhance operational efficiency, leading to better value and sustainable management of seafood resources. By leveraging Moana's expertise and resources, we can maximize the potential of our collective assets and achieve superior outcomes.
2. **Empowerment and Employment Opportunities:** This acquisition opens up a pathway for empowerment among our whanau (extended family) and creates opportunities for increased employment and training within the fishing industry.

The initiative aligns with our vision for the well-being and economic prosperity of our communities.

Furthermore, the acquisition of ACE rather than Quota adds an additional layer of protection against anti-competitive behaviour. The finite nature of ACE compared to the perpetual nature of Quota ensures that the intended efficiency benefits are not compromised, safeguarding fair competition in the market.

Our support for the MoanaNZ acquisition is **qualified** however and that it is not simply to add scale to their operations to prop up their 'prevailing commodity strategy'. As the returns from this strategy to the Te Arawa Fisheries Group are simply not good enough at 3 percent return on investment (ROI) for the last eight years.

“ A value-add strategy will we are clear generate a far more acceptable ROI of 10 to 20 percent if executed successfully! “

In considering approval of the MoanaNZ acquisition not only should the Commerce Commission consider competition matters but also any approval must **be conditional that MoanaNZ be required to demonstrate a clear strategy to move 'up the value chain'**.

In conclusion, Te Arawa Fisheries firmly supports the proposed acquisition of Sanford's North Island Inshore finfish business by Moana New Zealand. We think that this acquisition will enhance




operational efficiencies, promote economic empowerment, and align with our commitment to sustainable resource management.

We trust that the Commerce Commission will carefully consider our submission and provide a favourable response to this application.

We are available to speak to our submission if there is such an opportunity.

Kia ora and kindest regards.



Chris Karamea Msley
Chair, Executive Director
Te Arawa Fisheries Group

