

# NGĀTI TAMA MANAWHENUA KI TE TAU IHU TRUST FISHING BUSINESS

## Annual Report

### INTRODUCTION

The 2013 financial year, will be the first year Tama Fishing Company Limited “fishing company” has operated as a stand-alone company. The fishing company now meets all direct costs associated with quota holdings and ACE sales including reimbursing Ngāti Tama Manawhenua ki Te Tau Ihu Trust “ Ngati Tama” for administration services performed by Trust staff.

Ngāti Tama’s fisheries assets are our most important class of commercial asset. The income we derive from their use is critical to our ability to offer a range of social, economic and cultural services to Ngāti Tama members. Our fisheries income also allows us to undertake investments to further develop and grow our fishing business. It is important that we protect and utilise our fisheries assets effectively so that we can continue to provide services to Iwi members well into the future.

### ALLOCATION OF FISHERIES SETTLEMENT ASSETS

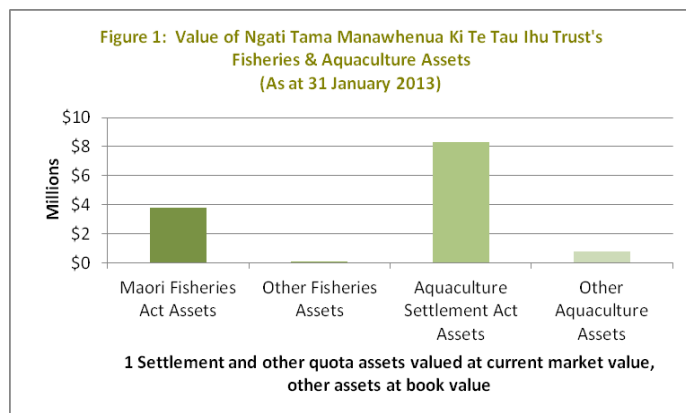
Ngāti Tama now owns its Settlement quota shares rather than leases these from Te Ohu Kaimoana and is now able to contemplate a potentially different future in the fishing business.

In addition to Settlement fisheries assets, we also received benefits from the Aquaculture Settlement with the Crown signed in 2008. Our share of the Aquaculture Settlement was \$9m and we received these funds in 2010.

We discuss our Fisheries and Aquaculture Settlement assets in a little more detail below.

### OUR CURRENT FISHERIES ASSETS BASE

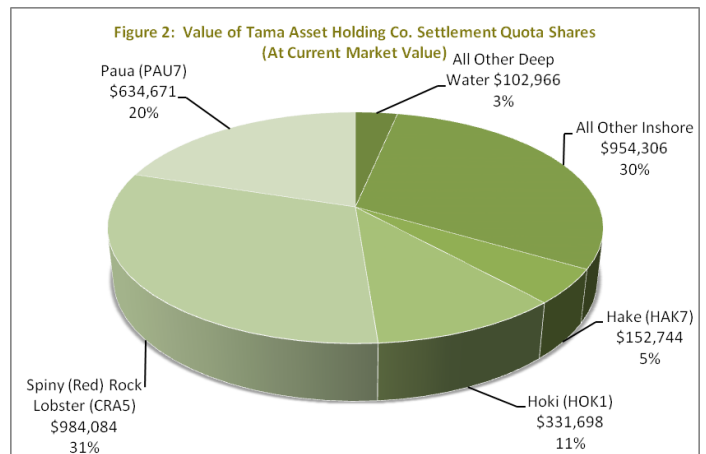
Ngāti Tama has a significant fisheries and aquaculture assets base with a total value of an estimated \$13.25 million. The breakdown of this assets base is shown in Fig. 1 below.



Ngāti Tama’s fisheries assets base comprises four main classes of assets – assets allocated to it under the Māori Fisheries Act (Settlement quota shares, income shares in AFL and Settlement cash), other fisheries assets that it owns (cockles, hake and scallop quota shares), assets allocated to Ngāti Tama under the Aquaculture Settlement Act (Aquaculture Settlement cash) and other Aquaculture assets (marine farms and other aquaculture investments).

Of these four asset categories, Māori Fisheries Act assets and Aquaculture Settlement assets comprise nearly 95 per cent of the value of all of Ngāti Tama’s fisheries assets.

The most valuable species in our Settlement quota share parcel are shown in figure 2.



Inshore stocks make up more than 75% of the total value of our Settlement quota, with rock lobster and paua by far the most valuable of our quota stocks. Our deepwater stocks make up the other 25% of our quota portfolio, with hoki the most valuable of these stocks. Although our Settlement quota is a valuable asset, the parcel of Settlement quota that we have received is very small in fishing industry terms. However, our portfolio contains some strategically valuable inshore and deepwater fishstocks that we anticipate may provide us with some opportunities to further develop our fishing business in the future.

### OUR CURRENT FISHERIES STRATEGY AND RESULTS ACHIEVED

Ngāti Tama has operated a relatively conservative fisheries development strategy to date, concentrating on maximising financial benefits from the use of its quota assets. We have operated cautiously because we believe that this was the most appropriate strategy given that until late last year we did not have full control of our Settlement quota shares. In addition, we have needed to be mindful of the difficult economic environment confronting the seafood sector over the last ten years.

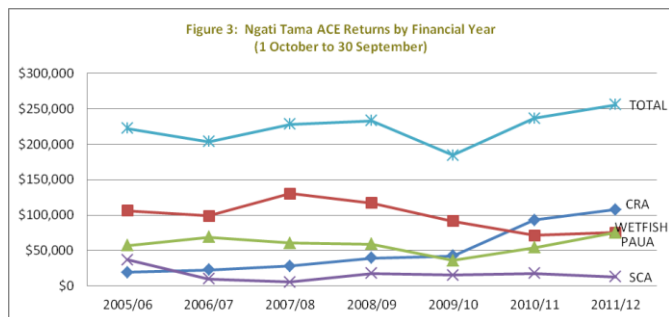
The key results of our current fisheries strategy are:

**FIRST**, Ngāti Tama has provided on-going input to the management of fisheries resources in Te Tau Ihu where this has been requested. Now that we own our quota share portfolio, we will be able to have a more direct and active input to the management of fisheries resources in Te Tau Ihu. Ngāti Tama has taken a leading role in the Fisheries Forum established by the Ministry of Fisheries for the top of the South Island to advise on resource sustainability issues.

**SECOND**, over the last five years, we have used commercial processes to market our quota/ACE for maximum cash returns.

The commercial fishing season comprises the 1 April and 1 October fishing seasons. We offer our ACE to the market using the competitive tender process and a profit-share arrangement with Ngai Tahu with our crayfish and paua ACE. While we have a wide range of fishstocks to offer, our main income species are paua, crayfish, southern blue whiting (SBW) and deepwater package.

Gross returns achieved from the marketing of Ngāti Tama quota/ACE since 2005/06 (Fig. 3 below) are substantial and have contributed significantly to our current sound financial position.



Gross returns from marketing Ngāti Tama ACE for April and October stocks annually in the period 2005/06–2010/11 totaled \$1.3m, averaged \$216,000 each year and increased by 8 per cent across the period.

Total returns for the 2011/12 trading season was just over \$256,000 which represents an improvement in our wetfish, paua and crayfish returns on the previous year's trading. We consider 2011/12 to be good results given the small size of our quota/ACE parcel in fishing industry terms and the very challenging international seafood environment within which we have been marketing our quota/ACE.

**THIRD**, Ngāti Tama is committed to the development of the fisheries resources of Te Tau Ihu and we have undertaken some investment in the aquaculture sector in Te Tau Ihu. Ngāti Tama's principal investments in this sector are its 4Ha waterspace at Port Waikato and its various shareholdings in (yet to be developed) waterspace in Tasman Bay/ Golden Bay.

**FOURTH**, we will continue with our Iwi fisher scoping project in 2013 to determine if we have any established or emerging Tama fisher whom we can support in the seafood business. For example, we would like to encourage Ngāti Tama fishers to submit offers for our various parcels of quota/ACE, particularly inshore and shellfish resources such as paua and rock lobster.

**FIFTH**, we have worked and will continue where possible with other Iwi in Te Tau Ihu and local seafood companies in utilising our fisheries assets. We also currently operate a profit-share arrangement with Ngai Tahu for our rock lobster and paua. We have also worked closely with Talley's Fisheries in the harvesting/processing of our scallops.

We are also considering the establishment of a Te Waipounamu seafood business venture based around developmental species.

**SIXTH**, Ngāti Tama has gained significant industry knowledge of the complexities and operations of the fishing industry over the last six years. This knowledge is essential if we are to further develop our fishing business into the future. Our engagement with the wider NZ seafood industry in the marketing of our quota/ACE annually has been of significant benefit to Ngāti Tama's understanding of how the seafood market operates. This has enabled us to for instance, design the most effective strategies for achieving optimum financial returns from what is a modest parcel of quota/ACE in industry terms.

**SEVENTH**, we realise that relationships are a vital mechanism for transferring knowledge of the seafood industry and for building successful seafood businesses. Therefore we have established new and mutually beneficial relationships with a range of seafood businesses particularly within our local area (FMA7) including locally-owned fishing businesses. For example, Ngāti Tama has a long established relationship with Talley's Fisheries which has been of great benefit to us. Talley's has provided koha to assist Ngāti Tama with its customary seafood requirements such as for tangi and hui.

## THE NEXT FIVE YEARS

Now that we have received our full complement of Settlement fisheries assets, Ngāti Tama intends to review our current fisheries development strategy and undertake a planning process for the development of the business over the next 5 to 10 years. We need to position the business for growth in order to maintain the benefits gained to date and having our full complements of Fisheries and Aquaculture Settlement assets will assist us in this process. The global seafood trading environment continues to provide challenges due to the impacts of the prolonged recession. However, demand for seafood remains strong internationally and the long term value of our seafood assets is very promising.

Ngāti Tama envisages that it will continue to operate a moderately conservative fisheries development strategy over the next two to three years. This will continue to focus on optimising financial and other benefits from the use of our fisheries assets whilst at the same time limiting our exposure to commercial risk. We will be cautious and prudent however, if genuine opportunities arise for Ngāti Tama to improve the returns that it receives from the use of its fisheries resources, particularly within Te Tau Ihu and especially the marine farming environment, then these will be carefully considered. Protection of our commercial seafood assets to ensure their long term contribution to our Iwi's future will continue to be a high priority.

As we prepare our business for future growth, Ngāti Tama will continue to build its skills in the area of fisheries advocacy. We must be prepared to contribute our voice to ensure that both the customary and commercial resources of the rohe are managed sustainably. We will also need to be vigilant in protecting our environment and confront developments that threaten the future health of our water and resources.



**NGATI TAMA**  
MANAWHENUA KI  
TE TAU IHU TRUST