



14 May 2026

SUBMISSION TO COMMERCE COMMISSION FROM NEW ZEALAND MĀORI TOURISM

BY EMAIL: registrar@comcom.govt.nz

Re: Statement of Unresolved Issues

Rafting JV Co/Rotorua rafting operators

Introduction

1. New Zealand Māori Tourism (NZMT) submits this response to the Commerce Commission's Statement of Unresolved Issues (dated 30 April 2026) and the previous Statement of Issues (dated 5 February 2026), as well as considering other publicly available documents, in support of the above-mentioned proposed merger.
2. NZMT considers that proposed merger is unlikely to substantially lessen competition because rafting operators are constrained by wider tourism alternatives in Rotorua, customers remain acutely responsive to pricing changes, and the merged entities are more likely to preserve service quality, safety investment and long-term operational resilience than harm their customers. That is to say that, demand for a rafting experience in Rotorua is very much elastic, with a myriad of alternative spending options for visitors to consider.

Background and Summary

3. NZMT was established in 2004 as an incorporated society to provide an overarching direction and focus for Māori tourism. While NZMT has its own Board and is distinct from the Crown, NZMT works closely with tourism, trade, investment, and the appropriate private and public sector entities across the New Zealand tourism industry.
4. NZMT has the stated purpose of growing Aotearoa New Zealand's cultural, economic, and social wealth through Māori tourism, ensuring Māori culture is central to the Aotearoa New Zealand visitor experience. We advocate for and support the Māori tourism sector, and foster relationships with Māori tourism operators, and encourage quality growth in the sector.
5. Two of the companies, namely, Rotorua Rafting and Kaitiaki Adventures - involved in this proposed merger are members of NZMT. Both companies and their owners are known to NZMT,

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and NZMT supports the case for permitting this merger to proceed, as outlined by the parties – namely, improved sustainability, efficiency, and quality of rafting experiences in Rotorua, improved safety systems, guide training, iwi partnerships and enhanced tikanga and Māori cultural experiences.

6. NZMT considers that more weight should be given to the fact that the individual businesses may not be sustainable in the long run given a range of cost pressures, increasing costs in general, and impacts of climate change on the Kaituna River significantly affecting the merged parties' operations.
7. NZMT considers that there are reasonable arguments for defining the market as all tourism activities in Rotorua. Even if there is a case to define the market more narrowly as all adventure activities in Rotorua, NZMT contends there is still a reasonable argument for allowing the merger to proceed. This is primarily on the basis that in NZMT's view, customer demand for rafting experiences in Rotorua is very much elastic, with consumers readily able to substitute alternative activities when rafting prices or perceived quality become less competitive.
8. NZMT does not claim expertise in the economic analysis of competition and merger policy, nor has it sought expert or legal advice. Nevertheless, NZMT considers that the best course of action is to take a pragmatic, 'common-sense' and sensible approach, and endorses proceeding with the proposed merger. NZMT has outlined below some further technical issues (but in a 'laypersons' capacity) for the merger to be cleared.

NZMT: additional specific comments

9. NZMT argues that bringing together rafting operators on the Kaituna River creates an opportunity to review how competition analysis is used for small and medium enterprises (SMEs) in regional tourism markets in general. SME consolidation should be assessed proportionally, especially for Māori tourism operators, as these markets are highly substitutable, discretionary, and driven by experience and price.
10. While consolidation may reduce direct rivalry within a narrowly defined product category, regional tourism markets are characterised differently especially around competition at the demand level and destination level competition, digital price transparency, and the dynamic nature of tourism markets.
11. Tourism markets are different (e.g. compared with more traditional sectors like groceries and energy markets), because it relies on a mix of international visitors as well as New Zealanders. NZMT considers that international tourism is discretionary in nature, globally competitive, digitally transparent, experience driven and relies on strong reputation and promotion.
12. In respect to Rotorua, visitors have a great deal of choice, including adventure, cultural, geothermal, and nature-based activities, rather than narrowly defined experiences or products.

13. Accordingly, NZMT maintains a more common-sense and reasonable approach should be adopted, since a narrowly defined product market may overstate the situation. This is because visitors have a high degree of other choices and activities to engage in, both in respect to adventure activities, and more broadly a wide range of other activities in Rotorua. NZMT considers that attempts to degrade quality or raise prices materially would risk immediate loss of bookings, reputational damage and undermine relationships with agents, booking platforms and other partners.
14. NZMT respectfully submits that a degree of proportionality must be applied to the rafting activities on the Kaituna River that reflects the commercial realities and visitor behaviour. We consider that visitors can easily switch to other activities or destinations, and that there is every incentive for the merged activities to be proportionate in their pricing and maintain a high-quality tourism and cultural experience as well as their reputation.
15. On pricing, NZMT considers the relevant market dynamics indicate a relatively high degree of price elasticity within the target demographic, particularly among 15–34-year-old consumers who are typically discretionary and value-sensitive purchasers. In these circumstances, the merged entity would have limited commercial incentive or ability to increase prices beyond competitive levels, as doing so would likely result in demand substitution toward alternative recreational or tourism activities. NZMT further notes there is evidence that the merged parties' current pricing sits at the lower end of the national rafting market, suggesting existing pricing is already competitively disciplined relative to comparable operators across New Zealand.
16. NZMT also considers that the Commerce Commission may underestimate the countervailing power of travel wholesalers, agents, resellers, in-bound operators, and others across the tourism economy, which are likely to constrain any market power by the merged entity (NZMT notes the Commerce Commission's remarks in the Statement of Unresolved Issues, but considers these intermediaries do possess more than a limited ability to influence the merger parties, and the Commerce Commission does not sufficiently acknowledge the complex nature of a functioning tourism ecosystem).
17. NZMT considers that the Commerce Commission should give more weight to how regional tourism SMEs operate in practice. In the context of this proposed merger, the Commerce Commission should consider factors like weather and environmental disruptions, infrastructure challenges, seasonal revenue factors, and rising insurance and compliance costs. In other words, there are grounds for consolidation like these smaller operators coming together for enhanced visitor experiences, improved governance and management capabilities, enhanced safety systems, workforce stability, and greater investment in cultural and environmental stewardship.

Benefits for permitting the proposed merger to proceed

18. NZMT notes the comprehensive application from the parties' seeking clearance for the merger. NZMT agrees with the contents of the clearance application, and the parties' subsequent submission responding to the Commerce Commission's Statement of Issues (dated, 4 March

2026). NZMT agrees with the benefits to improve the sustainability, efficiency, and quality rafting experiences in Rotorua. And that this will benefit not only international and domestic tourists visiting Rotorua, but also Rotorua's economy itself.

19. Furthermore, NZMT agrees with the public statements made by Rafting JV Co that the proposed merger will allow for stronger adherence to tikanga Māori. This is particularly the case with two Māori owned businesses coming together with a third business, and the parties' commitment to Māori storytelling, and Māori values within the new entity. This cultural and authenticity benefit should not be underestimated.
20. NZMT observes that it is highly relevant that all submissions made to the Commerce Commission support the proposed merger. This includes a highly detailed and thoroughly researched submission from the Backpacker Youth Adventure Tourism Association of New Zealand, as well as submissions from Tourism Industry Aotearoa, Rotorua NZ, and Contiki NZ. NZMT respectfully considers that these submissions and the content of our own submission should be given a great deal of weight and in support of the proposed merger proceeding.

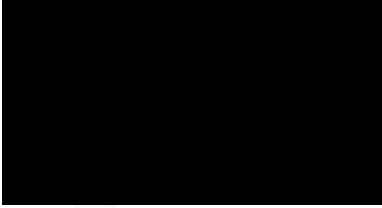
Alternatively, a pragmatic approach....

21. While NZMT acknowledges the competition concerns identified by the Commerce Commission, NZMT considers there is a credible and proportionate pathway to address these concerns through a conditional clearance framework rather than outright opposition to the merger. NZMT considers that requiring the parties to divest or surrender one or more Department of Conservation (DOC) concessions could materially mitigate potential concentration risks while still enabling the merged entity to benefit from operational efficiencies, investment capability, and broader consumer benefits likely to arise from the proposed merger. NZMT notes that the parties have indicated a willingness to pursue such an approach.
22. NZMT acknowledges that any transfer or reallocation of concessions would remain subject to DOC approval. However, provided the overall number of concessions and market access opportunities on the Kaituna River are maintained, NZMT considers that a targeted structural remedy of this nature would preserve competitive tension while avoiding the loss of merger-related efficiencies. On this basis, NZMT believes the Commerce Commission should consider a pragmatic, conditions-based approach that balances competition concerns against the likely long-term economic and consumer benefits of the proposed merger.

Conclusion

23. NZMT supports robust competition frameworks. However, NZMT contends that the unresolved issues identified to date should not prevent clearance. NZMT considers that the valid alternative view is that the proposed merger is unlikely to substantially lessen competition in any properly defined market and critically there is a strong case that it will enhance the quality, resilience and sustainability of guided rafting services in Rotorua, and contribute more widely to a stronger tourism market in Rotorua

24. NZMT, therefore, respectfully submits that in this case, more weight should be given to a highly demand driven regional tourism market and the necessity of a proportional approach, which requires careful balancing between any competition risks with practical constraints and a common-sense position. On these grounds, and through the content articulated in this submission, NZMT supports clearance of the proposed merger (and/or as noted above, clearing the merger, but with certain conditions relating to the surrendering of DOC concessions).



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