



SANFORD

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NZX Continuous Disclosure

Sanford Announces Proposed Closure of Tauranga Fish Processing Plant – 65 Potential Job Losses

New Zealand seafood company Sanford Limited has announced it is proposing to close its Tauranga fish processing plant which could result in 65 job losses. The company is working with affected staff to try to minimise the number who are impacted. It currently employs 77 people at the Bay of Plenty site. Sanford says the proposed decision was based on a number of factors but two were key, firstly the impact of COVID-19 has meant Sanford is processing less fish caught by other companies, which has seen processing volumes for its North Island sites drop significantly, and secondly the buildings at the plant do not meet new seismic strength requirements. Chief Operating Officer Clement Chia says even if processing volumes eventually return to pre-COVID levels, the seismic issues with the buildings and surrounding area mean it is not viable to continue at the Tauranga site.

“We are very sorry to have to take this path. Until very recently we had been planning a strong future for our Tauranga team. We had installed a second processing line at the end of last year, but in 2020 our fish processing arrangements were not only hit by the impact of COVID-19 but we received the results of engineering reports showing that the site was not viable in the long term. We would have needed to rebuild or move out within three years. The pandemic has unfortunately moved up that timeline.”

Sanford Chief Executive Volker Kuntzsch says the intention is for some operations in Tauranga to continue. “We would continue to unload seafood at the Tauranga site under the proposed arrangements and we plan to retain a number of staff in that area. We are entering a period of consultation with our team and we will not know the final configurations until that process is complete. Tauranga has been an important base of operations for Sanford and we have enjoyed being part of the community there. It is very unfortunate that circumstances have pushed us down this path.”

Sanford has operations at eleven sites around New Zealand and has completed seismic surveys for all of them, following the Christchurch and Kaikoura earthquakes. Most of its buildings will require some remedial work, but the company has no intention of closing any of its other New Zealand processing bases. Mr Kuntzsch says its Auckland processing site will require some short-term work, but it has already been brought up to the necessary earthquake standards. Sanford’s long-term plan is to eventually replace its factory there with a brand-new facility to add further capability to widen the range of its seafood offerings.

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