

**Resource Management (Extended Duration of Coastal Permits
for Marine Farms) Amendment Bill**

McGuinness Institute: Oral submission

27 June 2024 Final

Those representing the marine farming industry have expressed concerns that obtaining a replacement resource consent is costly and time-consuming. They have indicated that the process of renewing consents creates uncertainty, acts as a barrier to growth, and impacts their ability to invest in farms, improvements, and assets.

– Explanatory Note, General policy statement

The marine farming industry is seeking this reform for their own benefit.

This Bill did not seek the views from lawyers or accountants on whether the above statement is true. Secondly it does not seek the views and expertise of scientists on the unintended consequences. Thirdly, it is not forward looking and does not seek to address the potential impacts of climate change on the environment.

Ocean space is a public resource (as equivalent to public land). It is not privately owned but a shared public asset. The industry has use of that asset, with conditions, without paying anything to the public purse. In the case of some of the larger players, the financial rewards will go overseas. The costs, risks and benefits of significant proposals require due diligence.

Rather than mitigating uncertainty, this Bill would have the opposite effect. Durable public policy is key; this Bill will not last when another political party/ies come into power – it is too extreme. Businesses may go out and invest long term only to find the law is changed. If political parties are going to reverse this law in the future, the Industry needs to be told this clearly now.

Existing finfish farms can be extended without public consultation. There is an inbuilt ability to extend existing farms under NESMA. See pp. 2-4 in *Discussion Paper 2023/04* (from *Current legislative framework ...* (attached)).

A social licence is essential to operate; the industry's actions are cannibalising that licence (which will impact profitability).

Things the committee could do:

1. Limit extension to permits that have been evaluated fully at some time under the RMA, and not brought into existence by the deeming provisions of the 2004 reforms. See 28 June 2024 letter from Morgan Slyfield (see Attachment 5). Three farms have resource consents that date back to 1975, 1977 and 1978, see Table 4.1: NZKS salmon farms – By the numbers, pp. 19-20 in *Discussion Paper 2023/04* (see Attachment 4).
2. Remove salmon farming from the Bill. In particular, remove from the Queen Charlotte Sound – that was historically envisaged to be salmon farming free. See endnote 15 on p. 4 in *Discussion Paper 2023/04 ...* (see Attachment 4).
3. Remove the 2 year limit to review conditions (make it wide open). See Attachment 5.
4. Allow Councils to actively pursue without the signoff of MPI. See Attachment 5.

5. Include a climate clause, along the lines of the Blue Endeavour decision.
See Attachments 2 and 3.
6. Require a use of resource tax (and use this money to help the industry move to land-based aquaculture). Norway's parliament passed a [bill on 31 May 2023](#) mandating an additional resource rent tax on aquaculture with a tax rate of 25 per cent. A key element of the proposal is that the local communities which make natural resources available should be guaranteed a share of the resource rent.

Of note:

One of the committee members was interested to learn more about the Norway resource rent tax on aquaculture. If this is of interest to him, or other members of the committee, I am happy to provide an additional note. The purpose of sharing this example was simply to illustrate Norway's move to tax a resource rent for use of water space.

One of the committee members was interested in the contents of feed for finfish farms. From our knowledge all finfish feed is imported from Australia, or further afield (e.g. Chile). The feed is made from fish oil, fish protein, cereal/grain, vegetable protein, vegetable/poultry oil and animal protein (see p.21 of *Discussion Paper 2023/04*, mentioned in 4. above).

Thank you for your interest.

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Attachments:

1. 20240627: Oral submission (final) (this document)
2. 20240627: Change in water temperatures (due to climate change). Past (NZ) and Future (Global)
3. 20240627: Blue Endeavour Climate Clause
4. 20240408: *Discussion Paper 2023/04: Exploring the role of aquaculture in our marine space* (updated to 8 April 2024)
5. 20240628: Letter from Morgan Slyfield, Barrister, Stout Street Chambers