

Subject: Our OIA 2023/16: Request for public consultation for six expiring NZKS salmon farms
Date: Saturday, 16 September 2023 at 8:47:55 AM New Zealand Standard Time
From: Wendy McGuinness <wmcg@mcguinnessinstitute.org>
To: [REDACTED]
CC: Patrick Shonakan <ps@mcguinnessinstitute.org>
Attachments: image001.jpg

Kia ora,

Official information request for public consultation for six expiring NZKS salmon farms

The Institute has just completed a piece of research that has led to [Discussion Paper 2023/04 – Exploring the role of aquaculture in our marine space](#). It is in final draft as we are waiting two further OIAs 2023/14 (DOC) and 2023/15 (MPI) however, I expect the responses will not impact the 17 recommendations.

What became apparent is that the current resource consent process to permit the farming of salmon enables NZKS to apply to MDC to extend six of their existing marine farms without requiring public consultation. However, this can be rectified if NZKS, when applying to extend the farms, was to explicitly request MDC to undertake a public consultation process.

We are writing to ask if New Zealand Superannuation Fund (who owns just over 9% of NZKS's shares, see page 61 of [NZKS 2023 annual report](#)), would consider asking the NZKS Board to request public consultation on all six expiring farms. The farms are due to expire in December 2024. The attached discussion paper explains how this current process came about in detail.

Please note the other two major shareholders are based overseas and are unlikely to have an interest in our environment (see list below).

Given the above, we are writing in the hope that the New Zealand Superannuation Fund (NZSF) might have some sway in ensuring NZKS requests MDC to undertake a public consultation process. We note the NZSF has been positioned by government, and has actively sought to position itself, as a leader in stewardship. For example:

- 2023 [Statement of Investment Policies, Standards and Procedures](#) (especially 5.1.1 and 5.2.3)
- Signatory to the 2022 [Stewardship Code Aotearoa New Zealand](#). The industry-led code brings transparency and accountability to the practice of stewardship, also called active ownership.(especially Principle 3: Incorporate material ESG matters – Signatories will incorporate material ESG matters in their investment decision making, to seek to achieve the goals of effective stewardship and Principle 7: Collaborate and advocate for change)

Our specific questions are as follows:

Question 1: Does the NZSF have a seat on the NZKS Board? If no, is there any discussion at this time of the NZSF requesting a seat on the NZKS Board?

Question 2: If NZSF is not on the NZKS Board, what is the process that is undertaken by NZSF to be informed of current and emerging issues faced by the NZKS company?

Question 3: Was NZSF aware of the expiry of the six farms in 2024? If yes, was NZSF aware of the current process, which results in 'no public consultation'? If yes, does NZSF have a view on this?

Question 4: Would NZSF consider raising this issue with the NZKS Board, in particular asking the company to request a public consultation process when reapplying to extent any or all of the six expiring farms?

Salmon farming in the Marlborough Sounds has always been a questionable activity and we believe public

consultation is the best process to deliver NZKS a social licence and to deliver the environment an effective set of protections (e.g. better conditions are likely to be put in place through public consultation).

If you have any questions or points of clarification, please do not hesitate to contact me.

Many thanks,

Wendy McGuinness
Chief Executive

PS: Please see below the full list of NZKS's 20 largest shareholders (an excerpt from the 2023 NZKS Annual Report)

NEW ZEALAND KING SALMON ANNUAL REPORT FY23		CORPORATE GOVERNANCE
20 Largest Shareholders		
Set out below are details of the 20 largest shareholders of the Company as at 6 March 2023:		
Shareholder	Shares	% of shares
Oregon Group Limited	214,146,078	39.55
China Resources Enterprise Limited	53,125,934	9.81
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSD	49,162,718	9.08
Masfen Securities Limited	15,121,468	2.79
ANZ Wholesale Australasian Share fund - NZCSD	11,901,047	2.20
Grantley Bruce Rosewarne & Bianca Jade Rosewarne	9,840,873	1.82
New Zealand Depository Nominee Limited	9,464,492	1.75
Accident Compensation Corporation - NZCSD	8,828,869	1.63
FNZ Custodians Limited	6,797,983	1.26
Custodial Services Limited	6,134,471	1.13
John William Dudley Ryder	5,322,978	0.98
HSU-Cheng Yang	4,890,000	0.90
Jack Lee Parus & Robert Narev	4,762,128	0.88
NZKS Custodian Limited	2,855,246	0.53
MA Investments Two Limited	2,774,825	0.51
Hobson Wealth Custodian Limited	2,752,046	0.51
Takutai Limited	2,500,000	0.46
Peter Plowman	2,333,808	0.43
Iconic Investments Limited	2,282,186	0.42
Citibank Nominees (New Zealand) Limited - NZCSD	2,054,641	0.38

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