

# AQUACULTURE LEASES

CREATING GROWTH OPPORTUNITIES

# 2036



**Marshall**  
LIBERAL TEAM

# 2036

## WILL MARK OUR STATE'S BICENTENARY

By the time our State turns 200 years old, I want South Australia to be a place of prosperity.

Planning and delivering on my vision for a better future starts now.

This policy is just one part of our plan to deliver a clear and responsible pathway to recovery and success.

See where it fits in below

### 1.0 GROWING OUR ECONOMY

- 1.3 Investing in programs to increase export potential of businesses to drive sales and opportunities
- 1.6 Unlocking the resources and production of our regional areas and ensuring growth opportunities for regional businesses and industries

### 2.0 THE BEST EDUCATION SYSTEM

### 3.0 BEING A HEALTHY STATE

### 4.0 STRENGTHENING COMMUNITIES

### 5.0 BUILDING OUR STATE

### 6.0 ENSURING SAFETY AND JUSTICE

### 7.0 PROTECTING OUR ENVIRONMENT

### 8.0 EMBRACING OUR UNIQUE CULTURE

### 9.0 RUNNING AN EFFICIENT AND STABLE GOVERNMENT



“Further growth of our world class aquaculture industry is being held back by limits on their ability to borrow and invest in their businesses.”

## THE OPPORTUNITY

Aquaculture is an important part of South Australia's well established and highly developed seafood industry. We have the most diverse range of aquaculture in Australia, including subtidal and intertidal mollusc farming, sea-cage farming of finfish and a range of land based operations.

More than 80% of marine life in southern Australian waters is found nowhere else in the world.

The aquaculture sector provides high value niche products, particularly Southern Bluefin Tuna, oysters, mussels and abalone. Latest figures show an annual output from aquaculture of more than \$180 million for domestic and export markets.

Demand far outweighs supply for South Australian seafood from the nutrient-rich waters of the Southern Ocean and there are immediate investment opportunities for further commercial development of under-utilised species.

Marine based aquaculture sites must have a licence and a lease from the South Australian Government. A licence describes the activity that can be undertaken and the lease grants the exclusive use of an area of water for marine aquaculture.

**The existing lease structure prevents aquaculture operators from growing their businesses in a substantial way.**

The capacity of aquaculture operators to expand their businesses largely relies on their ability to borrow against their existing assets.

However, the current structure of aquaculture leases prevents existing leases being used as security.

Oyster growers alone estimate that removing this limitation could treble their annual output to \$100 million.

# THE STATE LIBERALS' PLAN

By making aquaculture leases a more attractive security we will create more opportunities for operators to expand their businesses.

If elected in March 2018 a Marshall Liberal Government will modernise legislation governing aquaculture production to support the growth of the industry.

Specifically, a Liberal Government will legislate to:

- Extend the period of a production lease from 20 to 30 years
- Prescribe that an interest holder in a mortgage will be privy to the same lease notification requirements as the principal mortgagee

These changes have been identified following our consultation with the aquaculture sector and lending institutions, and we will continue to work with key stakeholders in finalising these reforms.

The current 20 year duration of production leases limits the amount of longer term finance operators are able to secure.

In circumstances where a Minister may consider cancellation of a lease, there is a requirement to notify the lessee first of an intention to do so. Lending institutions as third party interest holders have requested that they be given the same notification to enable them to assess options prior to any formal cancellation.

These measures would make aquaculture leases a more attractive security to lending institutions.

A Liberal Government will also continue consultation with aquaculture operators to identify any other action that may help to encourage further growth of their industry.

“We will modernise the legislation governing aquaculture to help industry operators to grow the sector and to boost exports and regional jobs.”

Steven Marshall, State Liberal Leader

If you would like to provide feedback on our policy or learn more about our plan, please get in touch via:

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