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**TRANSCRIPT OF PROCEEDINGS**

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**MARLBOROUGH SALMON RELOCATION ADVISORY PANEL  
PUBLIC HEARING**

**HELD AT  
MARLBOROUGH CONVENTION CENTRE,  
42A ALFRED ST, BLENHEIM,  
ON 11 APRIL 2017**

Appointed Panel Members:  
Professor Peter Skelton, CNZM (Chairperson)  
Mr Ron Crosby  
Mr Alan Dormer, MNZM

[9.03 am]

- 5 CHAIRPERSON: Right, well, good morning, everybody. The hearings are now resumed and I think the first person we're going to hear from today is the Harbourmaster, Luke Grogan.
- CAPTAIN GROGAN: Yes, good morning.
- 10 CHAIRPERSON: Yes.
- CAPTAIN GROGAN: I presume I'm sitting here, am I? I have some additional written comments.
- 15 CHAIRPERSON: Yes, thank you.
- CAPTAIN GROGAN: So I'll submit it, if that's okay.
- 20 CHAIRPERSON: I think before we go any further, would you make sure your microphone is switched on?
- CAPTAIN GROGAN: Sure.
- CHAIRPERSON: Because we are recording these proceedings.
- 25 CAPTAIN GROGAN: Test.
- CHAIRPERSON: Make sure that you get close enough to it, so that it ...
- 30 CAPTAIN GROGAN: How does that sound?
- CHAIRPERSON: It sounds all right to me.
- CAPTAIN GROGAN: Excellent.
- 35 CHAIRPERSON: To the people in the room here, yes.
- CAPTAIN GROGAN: Now, would you like me to bring these to you?
- 40 CHAIRPERSON: Yes, please. Yes, thank you.
- 45 CAPTAIN GROGAN: Now, just a brief explanation on those additional comments. I noticed a number of submissions around the Tio Point farm and I just wanted to clarify a few points, particularly just around the Harbourmaster's perspective on navigation risk in relation to that farm. But also the process whereby mitigation strategies might be defined, identified and determined for Tory Channel, hence the additional couple of pages here.

CHAIRPERSON: Yes. Well, we would be happy if you read those additional comments.

CAPTAIN GROGAN: Sure, not a problem.

5 CHAIRPERSON: Then when you've completed that, we'll have an opportunity to ask you questions if we want to.

10 CAPTAIN GROGAN: Okay. So the following comments serve to clarify the Harbourmaster's view on the navigation risk of the proposed Tio Point farm. Further, these comments briefly explain the means by which risk mitigation strategies for navigation in Tory Channel are determined.

15 The proposed Tio Point farm is likely to increase navigation risk in the Tory Channel. The factors indicating a likely increase in navigation risk include the proximity of the farm to a recognised navigational route, a narrowing of the navigable waterway and the proximity of the farm site to away point on the recognised navigational route that requires a significant alteration of course.

20 The above factors add complexity to the navigation of ships in Tory Channel and may increase the risk of collision between large ships in this area. Given the potential consequence of an event involving a collision between ships in Tory Channel, the navigation risk this proposal generates must be properly evaluated. Thereafter, appropriate risk mitigation measures can be identified and the Navigatus Risk Report is not sufficient for this purpose.

30 Navigation risk in Tory Channel changes constantly over time, as evidenced by the following recent proposals: the Tio Point salmon farm, a proposed seaward shift of the Clay Point salmon farm, a proposal to introduce Interisland ferries up to 25 per cent longer than presently exist and a proposal to resume transits of large cruise ships through Tory Channel.

35 Proper consideration of the cumulative effect of continual changes in the navigational risk profile of the harbour is achieved by ongoing review of the Marlborough Harbour Risk Assessment, as recommended under the New Zealand Port and Harbour Safety Code. The Marlborough Harbour Risk Assessment is currently undergoing a full review by Marico Marine and Risk Consultants Limited. This risk assessment will incorporate all identified navigation risks within the harbour, including all those proposals listed above.

5 The revised and comprehensive Marlborough Harbour Risk Assessment will inform the mitigation strategies that the Harbourmaster employs to manage and ensure provision of a safe and navigable waterway in Tory Channel. Risk mitigation strategies that may be employed in regards to the management of shipping risk in Tory Channel may include provision of a traffic control system, extension of the controlled navigation zone, establishment of an enhanced local port service or vessel traffic service and establishment of Tory Channel as part of a one-way system.

10 Until the review of the Marlborough Harbour Risk Assessment is completed, it is not possible to state with certainty what mitigation strategies will be appropriate to ensure navigation safety in Tory Channel.

15 In summary, the proposed Tio Point farm is likely to increase navigational risk in Tory Channel. The Harbour Risk Assessment incorporates the cumulative effect on navigation safety of this proposal and all other relevant proposals in the broader context of harbour navigation risk. A Harbour Risk Assessment review is being undertaken by Marico Marine and will inform the risk mitigation strategies the Harbourmaster employs for Tory Channel. Such measures may restrict or control the movement of certain ships through Tory Channel. And that concludes the additional comments.

25 Do you wish me to read the comments in relation to Waitata reach?

CHAIRPERSON: I think we have read those --

30 CAPTAIN GROGAN: Okay.

CHAIRPERSON: -- on your written comment.

CAPTAIN GROGAN: Okay.

35 CHAIRPERSON: And you just confirm that is your position --

CAPTAIN GROGAN: Yes, that is my position.

40 CHAIRPERSON: -- on the navigational issues relating to that.

45 CAPTAIN GROGAN: Yes. So, I make no judgment, essentially, as to whether these farms should or should not go ahead. I just make these submissions to outline my responsibilities in regards to the Maritime Transport Act and to indicate how I go about assessing risk and what measures get put in place to manage said risk.

CHAIRPERSON: So, is it fair to summarise your position on the Waitata reach as being there may be risk but it can be mitigated?

5 CAPTAIN GROGAN: Yes, essentially, that would be my view on almost any maritime project that one might care to undertake, regardless of size or scale. Any maritime project will likely lead to maritime risk but, even with a large-scale maritime enterprise, that risk can be mitigated or managed. Of course, there's opportunity cost around that in terms of what other activities can and cannot thereafter occur, following the establishment of whatever the maritime project is in the waterway.

10

CHAIRPERSON: I gather from reading your comment on Waitata that it's principally a night time issue.

15 CAPTAIN GROGAN: Yes, principally a night time issue, obviously when you're navigating at night your reliance on navigation lights is far more critical. But it should also be noted that in cases of inclement weather navigation lights can serve a purpose as well.

20 CHAIRPERSON: Yes, okay. Thank you. Alan, do you want to ...

MR DORMER: Just one question in relation to your comments from this morning.

25 CAPTAIN GROGAN: Sure.

MR DORMER: When will the assessment by Marico Marine be completed?

30 CAPTAIN GROGAN: I'm expecting that next month. In saying that, these things have been known to take longer than the timeframes given but I'm hoping for next month.

MR DORMER: Is it possible that they might produce a preliminary report before preparing their final?

35 CAPTAIN GROGAN: Yes, they will and I can stipulate that if necessary.

40 MR DORMER: I've never prepared a maritime risk assessment report of course. Most of the reports I have prepared have been in advance draft form, so little time before that final is submitted.

CAPTAIN GROGAN: That would be the common process for maritime risk assessment as well. So, just to clarify, I would expect to receive a draft, a report next month and, thereafter, make comments on that to return to Marico Marine before the final report is completed.

45 CHAIRPERSON: What, by next month? Have you got some timeframe for that?

5 CAPTAIN GROGAN: No, I mean, to be fair, as I pointed out in my comments, mapping maritime risk is a little bit of a moveable feast and obviously with this process being in play it's important for the risk assessment consultant to get their head around some of this material as well. So, specifically what date is something that I retain good contact with the risk assessment consultant but our last conversation suggested in May I'd receive a draft report, so that's as clear as I've got at this stage.

10 CHAIRPERSON: It might be June or even later before the final report is complete.

CAPTAIN GROGAN: Yes, it's possible, yes.

15 MR CROSBY: Just the only question that I've got, well, it's probably a general proposition more than anything, in relation to the whole of the Sounds but particularly in relation to Tory Channel. But in the whole of the Sounds and also in Tory Channel, is it a reasonable deduction from looking at your evidence and the navigator's report that lines of travel are very much as a first point, dictated by the headland-to-headland line? In other words, that that fixes your baseline that you must avoid.

20 **[9.15 am]**

CAPTAIN GROGAN: No, that's not my take on things, particularly in relation to recreational craft.

25 MR CROSBY: Right.

30 CAPTAIN GROGAN: You might see, as you can note in the navigator's risk assessment, those vessels which have AOS tracks, it's quite possible to determine the tracks that they follow and obviously to map those tracks. When we come to recreational craft the challenge is significant in that the whole concept of recreational navigation differs considerably to commercial navigation. So, whereas commercial navigation is about point-to-point navigation and efficiency of movement across the water, recreational navigation is probably more akin to a wayfaring kind of seat-of-the-pants type, on a whim, go where the wind takes you, that kind of element to it.

40 To essentially determine recreational tracks, one really needs to, I guess, do two things. One is to engage with recreational boat users and garner as much information as possible that way but there are other ways, for instance, the use of camera recording equipment. So, that's one way where you can set up camera monitoring equipment and actually track the movement of recreational vessels to or through a space, to then start to determine what is the best representation of recreational movements in that area. That's something that I'd really like to do for Waitata reach but it hasn't, as yet, been done.

45

MR CROSBY: Right. In terms of Tory Channel and in terms of the commercial side, if we talk of the larger vessels, are their movements predominantly based on a baseline of ensuring headland-to-headland clearance?

5 CAPTAIN GROGAN: So, it would be more correct to say that the larger commercial vessels are navigating as per their passage plan, which --

CHAIRPERSON: As per what?

10 CAPTAIN GROGAN: As per their passage plan, so they have passage plans which are --

CHAIRPERSON: Passage plans, yes.

15 CAPTAIN GROGAN: Yes, so that's the route that the vessel will follow and there's a significant amount of work that goes on on board the bridge of a ship to ensure that the vessel stays within a close proximity to that pre-defined navigational track. That track is shared with both the Harbourmaster and Maritime New Zealand, so that both organisations have the opportunity to review and advise on that track, so that all those  
20 involved are agreed that this is a safe and navigable track to follow.

It differs slightly when you move into smaller commercial vessels, so, for instance, when you look at barging operations you may find that there's certain idiosyncrasies that exist. In an area like Tory Channel  
25 you might, for instance, observe barges travelling up the port-hand side of the Channel, which is in contravention to the maritime rules but, nonetheless, because of the context of the environment, one could argue that in fact it's quite a safe thing to do.

30 So, you find these different idiosyncrasies exist in all areas, hence the need when reviewing navigation risk to undertake a comprehensive view of all of these different dynamics and attempt to understand how they interrelate.

35 MR CROSBY: In the risk mitigation measures that you list for Tio Point, you have the first two bullet points. Can you just explain those in a bit more detail to us, provision of a traffic control system?

40 CAPTAIN GROGAN: Yes. So, at the moment there's a number of systems in place to manage risk through Tory Channel. We have a controlled navigation zone marked on the navigational charts at Tory Channel entrance. The requirement there is a radio-reporting requirement whereby ships will call in to Picton Harbour Radio and advise, initially, at the halfway mark through the Cook Strait, their ETA into Picton, so that first flags  
45 to other ships in the region that they're on the way in.

5 Then as they approach that controlled navigation zone they're required to make a ten-minute call and that's ten minutes prior to passing East Head or entry into the controlled navigation more precisely. That then indicates to other ships who may be outbound, if the incoming ferry is inbound, obviously they can't see around the corner, so that gives them an indication of time and we can then avoid having any kind of passing situation at East Head. That works quite well, obviously, to have two ships passing each other at the Tory Channel entrance is unacceptable in terms of navigation risk.

10

MR CROSBY: One can understand that.

15

CAPTAIN GROGAN: Yes, absolutely. Those first two bullet points really identify that those kinds of processes could potentially be employed or extended to the Tio Point region where we see, again, a significant alteration of course and the narrowing of the waterway. We start to create an environment that could loosely be considered akin to East Head and West Head, hence there may be a need to increase those shipping controls and ensure that only one vessel transits that area at any particular time.

20

Another concept is the one-way system, that's the fourth bullet point and that was a suggestion that if increased demands on shipping in Tory Channel continue, it may be necessary to move away from those mitigations that attempt to prevent passing in high-risk locations and in fact just make it a one-way system. You might say large ships over 500 gross tons can go outbound through Tory Channel but they must come inbound through the northern entrance and that way you create a sort of, I guess, a roundabout effect, as it were, and you overcome a lot of those issues immediately.

25

30

MR CROSBY: Thank you.

CAPTAIN GROGAN: Thank you.

35

MR DORMER: Are there any drawbacks to the one-way system?

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CAPTAIN GROGAN: Purely looking from my own perspective, which is managing navigation risk, there's very few drawbacks. In fact I would argue that it could create a much safer system, even than presently exists. That said, risk must be balanced against cost and I know that for some of the larger stakeholders in the ferry companies, the business of following a one-way system would add to their costs in terms of the fuel consumption and the additional time that it takes to transit via the northern entrance, so it would add roughly half an hour to the journey, including additional fuel for that. From the perspective of those stakeholders, yes, sure that would be a cost. From my own perspective, it would mitigate risk.

45

CHAIRPERSON: That would be just for vessels over 500 tons.

5 CAPTAIN GROGAN: Correct, although I should point out that the pilotage limits at Tory Channel is 350 gross tons, which is somewhat unusual in the scheme of things but that just reflects the risk that Tory Channel carries in terms of that entry and exit point. That pilotage limit is enshrined under Rule 90 of the New Zealand Maritime Rules.

10 CHAIRPERSON: By pilotage limit, you mean there has to be a pilot.

CAPTAIN GROGAN: That's correct, so there has to be a pilot on board any vessel with a gross tonnage of more than 350 gross tons in the Tory Channel and in the Queen Charlotte Sound 500 gross tons and in the Pelorus Sound 500 gross tons.

15 CHAIRPERSON: The vessels that come up to Shakespeare Bay, they're big vessels, aren't they?

20 CAPTAIN GROGAN: Sure, yes, yes.

CHAIRPERSON: Are they under pilot?

25 CAPTAIN GROGAN: They are, so some of those vessels are up to 30,000 gross tons, the bulk carriers and more for the cruise ships.

CHAIRPERSON: Yes, and do they come through Tory Channel?

30 CAPTAIN GROGAN: In the past we have had cruise ships come through Tory Channel, cruise ships up to around about 200 metres in length. There was a grounding incident with a cruise ship in early 2016 at Tory Channel entrance and, as a consequence, we have put a hold on all cruise ships navigating through Tory Channel. That said, I am working closely with Port Marlborough and Port Marlborough pilots to look at how we can reintroduce cruise shipping through Tory because it has a number of  
35 benefits and it is of interest to those cruise ship companies. We believe that it can be done safely, it's just a case of ensuring that we have the adequate controls, mitigations and processes in place to enable that.

40 CHAIRPERSON: You mentioned introducing ferries up to 25 per cent longer, what do you mean by that?

- 5 CAPTAIN GROGAN: At the moment the largest ferry to navigate through Tory Channel entrance is about 185/186 metres in length and there is talk of introducing larger ferries, which may be up to, as it's being proposed, 230 metres in length. That's a significant change in the size of the ferries, so that's length and breadth of the vessel. But one can also assume it's carrying significantly more passengers and cargo, hence the consequences of an incident involving a larger ship are greater than a smaller ship in general.
- 10 CHAIRPERSON: Where does that idea come from?
- CAPTAIN GROGAN: That's from one of the ferry companies who is looking to ...
- 15 CHAIRPERSON: We're going to hear from the rail people.
- CAPTAIN GROGAN: Yes, I believe so, yes, yes.
- CHAIRPERSON: Yes.
- 20 CAPTAIN GROGAN: So that will be a good question to ask of KiwiRail
- CHAIRPERSON: Yes. Is it KiwiRail that's proposing this --
- CAPTAIN GROGAN: Yes, correct.
- 25 CHAIRPERSON: -- or is it the other one?
- CAPTAIN GROGAN: It's KiwiRail.
- 30 CHAIRPERSON: Yes. All right. Nothing from you?
- MR DORMER: No.
- CHAIRPERSON: Okay, thank you very much for coming, Mr Grogan.
- 35 CAPTAIN GROGAN: Thank you, I appreciate that.
- CHAIRPERSON: The next presenter is KiwiRail indeed. Have we got somebody from KiwiRail here? Yes. Now, who have we got here?
- 40 MS BEALES: Good morning. My name is Rebecca Beales. I'm the --
- CHAIRPERSON: Rebecca ...
- 45 MS BEALES: Yes.
- CHAIRPERSON: Beales.

MS BEALES: Beales, yes.

CHAIRPERSON: Yes.

5 MS BEALES: I'm the RMA team leader for KiwiRail.

CHAIRPERSON: Right.

MS BEALES: I have with me my colleague, Peter Wells.

10

MR WELLS: I'm the Strategy Manager for the Interislander business within KiwiRail

CHAIRPERSON: Sorry, your name again?

15 MR WELLS: Peter Wells.

CHAIRPERSON: Peter Wells, yes, and you are the ...

MR WELLS: Strategy Manager for the Interislander business part of KiwiRail.

20

CHAIRPERSON: Right. Are people hearing that? Yes. Right, how do you intend to proceed?

25 MS BEALES: We were just going to talk briefly through the submission and then answer questions that the Panel may have, particularly in light of the technical nature of the ferry service.

CHAIRPERSON: Right.

30 MS BEALES: So, for KiwiRail the biggest risk we have is around managing our safe operations through the National Transportation Route here. We are only interested in the Tio Point salmon farm. We're not interested in any of the other ones. There are a number of areas of concern that are outlined in our submission, including things about ships passing that area, the nature of the Tory Channel at that point, that ships can pass there now, how that works, the wash impact that arises from the vessels, whether they're passing or not and then the consequences that that may have.

35

40 Then, in particular, breakaway risks that arise with having a marine farm near the National Transportation Route. In the event that the Tio Point farm is included in the Marlborough Sounds Plan or the Marlborough Environment Plan or both, we would really like to see stronger provisions around the National Transportation Route and navigational safety for Tio Point than what are proposed in the provisions at the moment.

45

CHAIRPERSON: Yes.

5 MS BEALES: Yes, the concern for us is that the provisions proposed don't address it sufficiently. It needs to be a lot stronger around that one farm for the National Transportation Route, rather than from the navigational safety around the structure or of the structure itself; it's beyond that into the National Transportation Route.

[9.30 am]

10 CHAIRPERSON: Just remind me, would you please, about how the National Transportation Route is delineated or provided for? Is it in some formal way?

15 MS BEALES: It's provided for through the Marlborough Sounds and Resource Management Plan and it's included in the new proposed Marlborough Environment Plan as well, so it's protected --

CHAIRPERSON: It's in the current operative plan.

20 MS BEALES: Yes.

CHAIRPERSON: Yes.

25 MS BEALES: And in the proposed plan.

CHAIRPERSON: In the same way?

MS BEALES: Yes.

30 CHAIRPERSON: It's on a map, isn't it? Yes.

MS BEALES: It's mapped and it has specific provisions around it, enabling certain activities within that corridor.

35 CHAIRPERSON: Yes, right. Okay, is there anything else you want to say?

MS BEALES: I guess if Peter can just talk you through some of the technical issues, so you understand some of that; that would be good.

40 CHAIRPERSON: Yes, that will be good, thank you.

45 MR WELLS: Okay, so the farm at Tio Point, as Rebecca said, what we're concerned about is navigational safety and the potential impacts on our business, on a farm on the National Transportation Route. The farm at Tio Point that's proposed comes into the National Transportation Route slightly, so it's narrowing the channel, the navigable channel.

CHAIRPERSON: Did you say it comes within the ...

- MR WELLS: There's a navigable channel and the farm that's proposed comes into that channel a bit, so it further narrows the channel. It is not that wide and you'll note in some of the submissions that it is noted to be 285 metres from the path which is inside the recommended 500 metres. You'll also see that ferries do not track on a point line; they track in a range of positions. The tracks that are measured are measured from a point device on the ship, whereas the ship itself is significantly larger.
- 5
- 10 So, as a ferry turns the point device will be in one location but the stern of the ferry may turn and swing significantly wider than that position. So the tracks that you see are not a true reflection of the total amount of water occupied by the ships transiting through that area. You also have the recently agreed consent of Clay Point more or less opposite that area, which enlarge the farm area and so further narrows the channel.
- 15
- CHAIRPERSON: Was that consented by the council?
- 20 MS BEALES: Yes.
- CHAIRPERSON: It wasn't an Environment Court one.
- MS BEALES: The expansion to it was just a resource consent through council.
- 25
- CHAIRPERSON: But the original location, you don't know.
- MS BEALES: I couldn't comment on that, sorry, I'm not sure.
- 30
- CHAIRPERSON: Okay, yes, right.
- MR WELLS: You have this issue of passing ferries, so ferries do pass in that area and they will pass other shipping and anything that is potentially seen to narrow the channel will impact on the decisions that the bridge teams of those ships make. Anything that potentially causes the bridge teams to take that approach, which is closer to an opposing ship, is not a good thing.
- 35
- CHAIRPERSON: No.
- 40
- MR WELLS: Clearly, we want them to spread apart. Any real or perceived risk from this farm will potentially mean that the ship's navigating crew will keep a distance from the farm.

5 There is the wash effects that come from the ships and as if ships pass close to the farm the wash effects will be increased. The wash effects will increase the risk of strain to the mooring system but also any loose equipment on the farm will be affected. The farm would need to be designed in a way that the wash impacts do not affect its operation and we don't want any phone calls to complain about the ships passing and wash impacts; we're the existing user of that channel.

10 In terms of breakaway, it's not clear to me what the mitigation proposed would be, as to how any farm would be managed. How would we be notified that there is a risk to navigation? The ferries we're operating are large ferries, 20,000 to 25,000 gross tons. Future ferries, as noted by the Harbourmaster, may be significantly larger.

15 CHAIRPERSON: Yes.

MR WELLS: It's a constrained area of navigation with tidal flows, our ability to avoid, once committed to the channel, is limited, so early notification is key. That doesn't seem to be well provided for at the moment as to how we would be alerted to a navigational risk. It kind of suggests a manual intervention, because there's somebody on the farm we would be alerted but the process of alerting is not clear.

25 Lighting, it is important that the ability of the bridge crew to clearly see hazards, without being impacted by radiant light from a farm, is quite important. If there's another small boat the lighting of the farm should not obstruct the bridge crew from being able to see other navigational hazards in the area.

30 What else have we got here? This potential impact on our operations from -- I note a proposed control that says ships could agree with each other not to pass in that area; that's not practical. There is no means of doing that at the moment and any means of doing that will impose a cost on our business. So, any sort of traffic control --

35 CHAIRPERSON: That is a cross factor or a physically practical impractical issue.

MR WELLS: Well, currently there is no means of doing that, so it would be, what would you have, like radio contact and the rules sort of expressly prohibit navigating by radio anyway. So there is nothing that provides for that currently. If we do, do that, then you're into delaying and slowing passengers of the ships. The ships are timetabled in a way and Awatere is a good example of this. Awatere, when she's timetabled to do 3 return crossings in a day - 6 crossings in a day; she is timetabled to make a crossing of 3 hours, 10 minutes, 50 minutes in port, that makes 4 hours; you do that 6 times a day; any delay to that ship potentially impacts on her ability to meet her service requirement. So any proposal that would delay the vessel by holding her in Tory to allow another ship to pass has an impact on our business as a result of this farm being in place or this proposed site being authorised.

Similarly, if ... I know that the Harbourmaster was talking about a one-way system; the delay to go out the northern entrance is actually quite significant, it's about 50 minutes to the journey because it is not deemed to be part of the National Transportation Route and we have a speed limitation down that area, so it adds about 50 minutes. So that's 50 minutes of fuel burn, that's the direct operational cost, but indirectly it actually throws the whole timetable out; you can no longer meet your timetable as per the example of Awatere, so we actually lose the ability to make 6 crossings; we can only make 4 crossings per day, which is a very significant loss to our business in terms of losing that revenue.

CHAIRPERSON: The Harbourmaster said 30 minutes.

MR WELLS: Yes, it is longer for us, there's the 15-knot speed limit.

CHAIRPERSON: You don't agree with that?

MR WELLS: Yes, that's --

CHAIRPERSON: Okay.

MR WELLS: That's what we are seeing in crossing times.

CHAIRPERSON: Yes.

MR WELLS: Those are really the main points I wanted to pick out from that.

CHAIRPERSON: Yes. Do you have any questions?

MR DORMER: No.

CHAIRPERSON: No? Or you might?

MR DORMER: Sorry?

CHAIRPERSON: You might have?

MR DORMER: No, I haven't, no. He's done it well.

5

CHAIRPERSON: Ron?

MR CROSBY: The only question I had was I think you were asked by the Chair as to whether there was any difference between the provisions in the existing plan and the proposed plan as to the National Transportation Route. Are there any significant differences that you have perceived or not?

10

MS BEALES: There are differences in terms of the ship speeds, but that's a matter that we have raised in our submission on the proposed plan, in that it actually affects just one of our vessels rather than all three. And that's becoming a legal argument around existing use rights and a certificate of compliance and the practicality of that. But in terms of mapping the National Transportation Route, it's the same in both plans, and in terms of it enables ... the National Transportation Route has provisions which enable activities within that corridor at different speeds that aren't enabled in other corridors of the Sounds. That concept still exists in both plans.

15

20

CHAIRPERSON: So does the proposed plan seek for a reduced speed, does it?

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MS BEALES: For one of our vessels it will have that effect, yes.

CHAIRPERSON: And you have submitted against that?

30

MS BEALES: Yes.

CHAIRPERSON: Right.

MS BEALES: So we would like to be able to operate at the current speed for that vessel.

35

CHAIRPERSON: Can you tell us what that is?

MS BEALES: 18?

40

CHAIRPERSON: Can you tell us the difference between the two?

MR WELLS: It's 15 knots is the limit unless you have a consent to exceed it within the National Transportation Corridor.

45

CHAIRPERSON: Right.

- MR WELLS: In the context of Awatere, she had existing grandfathered use rights and when she was lengthened she got a certificate of compliance to confirm that, so she doesn't specifically have a consent. Is that correct?
- 5 MS BEALES: Yes.
- MR WELLS: So it's just about how the wording is applied in the proposed plan.
- MS BEALES: Yes, so Awatere currently can sail at 18 knots or is it 17?
- 10 MR WELLS: I think she's 19 the whole way through.
- MS BEALES: 19, so it's more than the 15 and the proposed plan would force us to reduce to 15.
- 15 CHAIRPERSON: Will reduce it to 15.
- MS BEALES: Because that grandfathering provision has been removed.
- 20 CHAIRPERSON: All right, I see. Anyway, you've submitted on that?
- MS BEALES: Yes.
- CHAIRPERSON: Seeking to go back to the --
- 25 MS BEALES: Yes.
- CHAIRPERSON: Yes. Have you got anything else?
- 30 MR CROSBY: No, nothing further.
- CHAIRPERSON: Now, this idea of larger ships for you, is that a reality or is it just something you are thinking about?
- 35 MR WELLS: It is something that we are thinking about and actively looking at, but it is not as yet confirmed. So KiwiRail is looking at lots of different options for future ships. The ships that we operate are around about 20 to 25 years old and they won't go on forever, so they have to be replaced and we have to make decisions about whether we should continue to operate a mixed fleet of medium sized vessels as we do now, or possibly a smaller fleet of larger vessels. So that's a discussion that's active within KiwiRail and that's a discussion that we've been having with the Harbourmaster about how we can operate them safely within the Tory Channel environment. For that purpose we talked about ships of up to 230 metres in length and 32 metres in beam; that's clearly significantly larger than we currently operate, but there's no decisions been made about what size of ship we would actually end up with.
- 40
- 45

CHAIRPERSON: Do you have to make any alterations to your port facilities to accommodate ships of that size?

[9.45 am]

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MR WELLS: Yes, absolutely, so my boss would describe it as, if you buy the bigger car you've got to have the garage to park it in.

CHAIRPERSON: Yes.

10

MR WELLS: So we'll have to make suitable amendments. Whatever ships we choose, that we change to, there will need to be changes to facilities in both Wellington and Picton to match with the ships.

CHAIRPERSON: Yes.

15

MR CROSBY: Just the lighting comments, if you could have a look at the original comment that you presented to us. You have referred to the fact that you are seeking a minimisation of radiant light, as this could interfere with safe navigation of ships. In relation to the Board of Inquiry approved farm which was at Ngamahau on the northern side entering the channel, is that lighting configuration one that you were involved in setting?

20

MR WELLS: Unfortunately, I'm not qualified to comment because I am not a mariner, as such, so I wasn't directly involved in those discussions. Just you mentioned that other farm I just wanted to mention briefly, I had comment from my colleagues at Strait Shipping that that farm, although approved, is not currently marked on the charts, electronic or paper charts, and that is from their point of view a concern navigationally. But I can't comment unfortunately on the lighting.

25

30

MR CROSBY: Okay.

MR DORMER: But you wouldn't expect it to be marked until it was put in place, would you?

35

MR WELLS: Again, I'm not in a good place to -- they have asked for -- they mentioned that there is no mention of it currently, advising the ... the officers, the ship's navigating officer of its existence or proposed existence.

40

CHAIRPERSON: That's the one at C, isn't it, that you're talking about?

MR CROSBY: Yes.

45

CHAIRPERSON: Yes.

- MR DORMER: I think he was talking about A.
- CHAIRPERSON: Was he?
- 5 MR WELLS: I think it was C that Strait Shipping were referring to.
- CHAIRPERSON: C, was it?
- MR WELLS: Ngamahau.
- 10 MS BEALE: Yes.
- CHAIRPERSON: Ngamahau, yes.
- 15 MR DORMER: Okay, I thought they were talking about Clay Point?
- MR WELLS: I mentioned Clay Point at the beginning in the sense that Clay Point has been recently gone through the Marlborough consenting process and, I believe, been granted an ability to enlarge.
- 20 CHAIRPERSON: Yes, but C is the Board of Inquiry one, but it's not in place yet?
- MR DORMER: And there is an, as yet, unexercised consent for the enlargement of A?
- 25 CHAIRPERSON: Yes, okay. I think that's ... thank you very much.
- MS BEALES: Thank you.
- CHAIRPERSON: Thank you for coming.
- 30 (off mic conversation)
- CHAIRPERSON: Mr Wells, just while you are still here, a little query we've got. If you come -- sorry to bring you to the microphone so that we can record what you are saying.
- 35 MR WELLS: That's okay, yes.
- CHAIRPERSON: My colleague, Mr Dormer, is questioning whether, when you look on that map that shows the farms - I think you have got the same map as we've got?
- 40 MR WELLS: Yes, we are talking this one?
- 45 CHAIRPERSON: Yes. And you see the black oblong which is number 6?
- MR WELLS: Yes.

- CHAIRPERSON: That's the Tio Point farm?
- MR WELLS: Correct.
- 5 CHAIRPERSON: We understand that to be the footprint including the anchors.
- MR WELLS: Right, yes.
- CHAIRPERSON: Is that your understanding?
- 10 MR WELLS: It's not completely clear. I had assumed that. I was not directly involved myself --
- CHAIRPERSON: So that the structure itself is inside or I'm not sure whether even then it's inside it. We did a helicopter flight on Sunday and we looked over the site. We got the impression, I think it's fair to say, that the structure itself appeared to us to be inside the point?
- 15 MR WELLS: Yes.
- 20 CHAIRPERSON: So that what would be actually going into the Channel would be the anchors?
- MR WELLS: Yes.
- 25 CHAIRPERSON: You would agree with that?
- MR WELLS: Well, I don't have enough detail.
- 30 CHAIRPERSON: If you don't know, say so.
- MR WELLS: Yes, I prefer to say I don't know, because I wasn't involved in the detail of the discussions.
- 35 CHAIRPERSON: All right.
- MR DORMER: The 285 metres you refer to is the 285 metres from the navigation route to the outside of the black box on the plan.
- 40 MR WELLS: Right, okay.
- CHAIRPERSON: Well, it's your evidence; we are asking about your 285 metres.
- MR WELLS: Well, no, the 285 metres comes from the navigator's report, okay.
- 45 CHAIRPERSON: Oh.

MR WELLS: So that's the 285 I am referring to. The navigator's report also identifies that there is some track variance of minus 90 to plus 110 metres, so we're closer to, so 285 minus 110. The track is also measured by a point device and the ship is obviously 25 metres wide, so that brings it a little bit closer. And then there is this discussion about the fact that the ship does not follow -- the whole of the ship does not follow the track, it swings.

CHAIRPERSON: Yes, it swings.

MR WELLS: It swings. So I think in terms of the risk of collision, we would agree with the report, that the risk of direct collision with it is low, however whether real or perceived the impact of it and perceived narrowing of the Channel has a decision, you know, affects the decision making of navigating crews. And then you've got also the wash impact, so the ship could be transiting less than 100 metres from the farm structures and the wash will be clearly more significant closer to the ship. And we would -- you know, it will have an impact on the structures that are present there. We certainly don't want to see anything that potentially inhibits or restricts our ability to navigate there or for ships to pass in that area.

MR DORMER: Can you go in some more for me, this plus or minus 90 or 100 metres?

MR WELLS: Though not being exactly clear how navigators measured that line, so I am assuming that the ships that are inbound are on the far side of Tory Channel from the proposed line, and the ships that are outbound are closer to the Tio Point site. I am not exactly clear from the navigator's report whether they measured the typical outbound line or whether they measured the centre of the track for the 285 metres. I am assuming it would be the typical course line for outbound ferries. And then within that, sometimes the ships will be positioned, because they are ... on the day the bridge team will decide the best course and the best -- depending on the navigational risks, other vessels, small craft or large craft or the currents, they will decide the best track to follow. And on occasion they are following a track which is 110 metres closer to the shore than the nominal route on the chart system, and that may well be because of other vessels in the vicinity. And then in addition to that you have the effect of the stern swinging in that area as the ship starts to turn, so the ship will not be precisely 110 metres clear of the structures or the site; it will be a bit less than that.

CHAIRPERSON: And for outgoing vessels it will be turning to port, won't it?

MR WELLS: Yes, they will and so the stern will be swinging out towards the site.

CHAIRPERSON: The stern will be swinging towards the point?

MR WELLS: Yes.

CHAIRPERSON: Yes.

5 MR WELLS: I have got a -- we occasionally do these swept path drawings and we  
did this for a look at the Tory Channel entrance for larger vessels, just  
to see how ships -- and we monitored how ships actually track. So  
10 maybe I can place this on the desk for you. So you can see the actual  
track lines of ships; this is inbound ships through Tory Channel  
entrance and you can see that the ship is wider than -- the stern is wider  
than the widest marked track on the plan. So this was just as a  
navigational -- this is actual recordings of the ship transiting through,  
and somebody has overlaid the ship bulk size to show what it looks like  
15 and what the stern looks like. So it's just showing an illustration of  
the --

CHAIRPERSON: So where is the --

20 MR WELLS: You can see the -- you can't see the exact track line they are following  
on this occasion, but you can see that the stern is wider than all of the  
track lines that are marked.

CHAIRPERSON: So the green is the swept line?

25 MR WELLS: The swept line of the ship, yes.

CHAIRPERSON: Is that in Tory Channel?

30 MR WELLS: That's the Tory Channel entrance, so it's inbound.

CHAIRPERSON: Oh, the entrance.

MR WELLS: It's not exactly the same location, but it wasn't done for this purpose.

35 CHAIRPERSON: Yes. Do we want that?

MR DORMER: I'm not about to say, "No, I don't want" it because the times I say, "no,  
I don't want it" --

40 CHAIRPERSON: Then you do want it.

MR DORMER: Yes.

45 CHAIRPERSON: Okay, can we hold onto that?

MR WELLS: You can keep hold of that.

CHAIRPERSON: Okay, thank you.

(Off-mic conversation)

CHAIRPERSON: Mr Grogan, you have heard what Mr Wells has been telling us.

5

CAPTAIN GROGAN: Yes.

CHAIRPERSON: Do you have any reason to differ from that or do you want to comment on it?

10

CAPTAIN GROGAN: I can make a few comments.

CHAIRPERSON: All right.

15 CAPTAIN GROGAN: In terms of the 30 minutes, 50 minutes, certainly Mr Wells knows his business and ships better than I do, so I'm quite comfortable to go with his estimate. And re the speed limits, it is quite complex in terms of the speed limits that are applied to the different ferries and they do vary from ship to ship. But you can view an upper limit as 18 knots with resource consent or grandfathering or any other such measure, and the overall restriction on speed for Queen Charlotte and Tory is 15 knots. So that's a restriction that exists under the bylaw as present.

20

25 The business of the AIS which is the equipment used to monitor the tracks of ships, just by way of a brief technical explanation, that equipment is usually located in the case of a ship with a forward bridge or a bridge up the forward end of the ship, as it the case with the ferries, that equipment will be located on the bridge. It's also worth noting that when a ship is underway, the turning point or the pivot point, if you like, about which the ship rotates is toward the forward end, hence you get that stern swinging effect as evidenced by the swept path analysis.

30

**[10.00 am]**

35 So, again, if you were to look at the Azamara Quest incident which was a cruise ship that grounded on Wheki Rock which is a rock notable on that swept path, if you were to look at the AIS track, you would see the track leading clear of Wheki Rock, whereas in fact the stern of the ship swung to such an extent that it collided with the rock. So this phenomenon is well known to navigators and we attempt to mitigate that when we have the conduct of a ship by using, you know, counter helm, etc and, indeed --

40

CHAIRPERSON: Using what?

45

- 5 CAPTAIN GROGAN: Counter helm, so if you make, let's say, a hard turn to port your stern will start swinging and then you need to correct that with a hard turn to starboard, which may involve, you know, in some cases steering toward the object of concern in order to ensure your stern swings in the correct direction.
- I don't think, unless you have got any other technical matters or questions you would like to ask?
- 10 CHAIRPERSON: No. I just thought while you were here it would be useful.
- CAPTAIN GROGAN: Yes, absolutely, I'm more than happy to.
- CHAIRPERSON: And we are grateful to you for that.
- 15 CAPTAIN GROGAN: Yes, absolutely.
- CHAIRPERSON: Thank you.
- 20 CAPTAIN GROGAN: Thank you.
- CHAIRPERSON: Okay, so the next person we are going to hear from is the Marlborough or Port Marlborough?
- 25 MR McNABB: Port Marlborough.
- CHAIRPERSON: Port Marlborough.
- MR McNABB: Harbour Board, essentially, quite a number of years ago.
- 30 CHAIRPERSON: Yes. Some of us still live in that era. Right, and you are?
- MR McNABB: Ian McNabb, the Chief Executive Officer of Port Marlborough.
- 35 CHAIRPERSON: Thank you. Executive Officer, yes. Yes, thank you, Mr McNabb. What do you want to do?
- MR McNABB: Thank you. I've got a number of comments to make, quite short. I don't profess to be a master mariner, so those technical matters I will defer to the Harbourmaster if any issues arise, and hopefully I will be quite short. Firstly, I would like to just make it quite clear that we actually support the initiative to consider the relocation of the various salmon farms throughout the greater Marlborough Sounds. However, like the two speakers who have gone before me, we have some issues in relation to one particular farm. And that centres around the National Transportation Route which is through Tory Channel and into Queen Charlotte Sound, and then into the Port.
- 40
- 45

5 From our perspective and the perspective of New Zealand, it's critical to the wellbeing of New Zealand. It's a transport route that's been there for many years and will continue to be there, I suspect, for many, many years to come. I'm not sure whether it's contained in any evidence that you have seen to date and I certainly haven't seen it, but I just would like to point out that in the 2015/16 financial year, June to July and it doesn't matter what measure you take or what time of the year you take, there were in excess of 6,000 movements along that route of vessels over 500 tonnes. That's quite a lot of vessels over a period of 12 months going in and out of Tory Channel. A lot of those --

10 MR CROSBY: The vessels are over how much?

15 MR McNABB: Over 500 tonnes.

MR CROSBY: 500, yes.

MR McNABB: Which corresponds with pilotage rule for Tory Channel, 350.

20 MR CROSBY: Yes.

MR McNABB: A large percentage of those, a very large percentage of those are the ferry traffic and then there are other the Harbourmaster alluded to, smaller cruise ships, cement ships coming through Tory Channel, larger fishing boats. But the vast majority are, in fact, ferry movements. That's a lot of movements. Probably Wellington would be the only other port in the country that would have more movements.

25 In 1970, just to give you a feel --

30 MR DORMER: So it's about 17 or 18 movements a day?

MR McNABB: Yes. In the 1970s when I suspect it was the Aramoana - and Peter will tell me if I'm wrong - probably 1,000 movements a year would have been the norm, and that period of time there was one ferry, there are now five.

CHAIRPERSON: And that includes the Bluebridge ones?

40 MR McNABB: Obviously it includes all vessels over 500 tonnes that come through that National Transport Route.

CHAIRPERSON: Not just KiwiRail?

45 MR McNABB: It includes the Interisland Ferry and includes the Bluebridge Ferries and all other vessels over 500 tonnes.

CHAIRPERSON: Right.

MR McNABB: So my question then becomes, well, 1970 and 2015; in 2030 we have to try and extrapolate what that might be and, realistically, we don't know. If you look at the difference between 1970 and 2015, you would have to say it's going to be more vessels, rather than less.

5

10

15

The Harbourmaster has alluded to the review of the navigational risks in Tory Channel that's currently ongoing. If navigational risk is increased, which tends to be, I think, what Luke was alluding to and you would expect that to be the case if there is more traffic etc, then that comes at a cost. And that cost may be a number of factors that, again, the Harbourmaster alluded to, whether that's some additional technology or he even suggested, I think, a one-way system of over the -- in the northern entrance and out the Tory Channel or vice versa. That comes at a cost, a direct cost in the case of the vessels coming in and potentially a direct cost to other parties involved. And then the question then becomes, "Well, who pays?"

20

So I think in a final comment, sir, that we need to be very careful where - and we are talking purely about the Tio Point Farm only - we need to be very careful that if you place a farm in the wrong place, then there is a cost and the cost may be to other third parties and it's not a recoverable cost.

25

CHAIRPERSON: Mr McNabb, in your written comments you have concluded by saying that the Port Company seeks that that site be declined. Is that still your position?

30

MR McNABB: Declined or moved.

CHAIRPERSON: It doesn't say that here.

MR McNABB: Okay, I will change that into "declined or moved".

35

CHAIRPERSON: And "moved"?

40

MR McNABB: Moved, if -- you know, at the moment it appears to be within that, I think, the figure is 285 metres from the edge of that route. And in the Maritime New Zealand/Aquaculture Guidelines, they are saying it should be 500 metres. If that can be moved back, then that may be an acceptable option.

CHAIRPERSON: Right. Alan, have you got any? No?

- MR CROSBY: One of the issues, Mr McNabb, that's been raised by KiwiRail and I think that your comment also addressed it, was this question of breakaways. You have already got the Ngamahau, Clay Point and Te Pangu farms in Tory Channel. What arrangements are in place at the present time in terms of notification of breakaways?
- 5
- MR McNABB: I'm not sure, to be honest, Mr Crosby. I would -- yes, no, I don't know, but I would suspect that the first port of call would be to the Harbourmaster's Office, being a navigational issue within the harbour, not the port. The second response to that would be Picton Harbour Radio which is a Port-run institution, would have received some instruction from the Harbourmaster in relation to that, to broadcast that on Picton Harbour Radio. But the Harbourmaster might wish to comment on that, Mr Chairman.
- 10
- CHAIRPERSON: Yes, if you might ask.
- 15
- MR CROSBY: Picton Harbour Radio, is that a 24-hour manned --
- MR McNABB: Yes, 24, 7 days a week, 365 days a year.
- 20
- MR CROSBY: Right, and is Picton Harbour Radio the first point of contact, in a radio sense, between incoming vessels and outgoing vessels?
- MR McNABB: Correct. Picton Harbour Radio is run by Port Marlborough but, yes, it picks up all incoming, all outgoing, all radio traffic, in effect.
- 25
- CHAIRPERSON: Does that include recreational vessels? Does everybody call on that?
- MR McNABB: They can do.
- 30
- CHAIRPERSON: Or is it -- do they use the --
- MR McNABB: There is another channel which is channel 16, which is used in --
- 35
- CHAIRPERSON: Oh, that's the emergency channel?
- MR McNABB: Yes. Well, sorry, yes, the channel that the normal chitter chatter doesn't come down.
- 40
- CHAIRPERSON: The Coastguard Channel.
- MR McNABB: Yes, I wouldn't quite deem it to be that.
- CHAIRPERSON: Is that different?
- 45
- MR McNABB: Yes, it's different, yes.

CHAIRPERSON: Okay.

MR CROSBY: Do I take it from your reactions, that you don't encourage Picton Harbour Radio use by recreational vessels?

5

MR McNABB: No, but it does happen from time to time.

MR CROSBY: Yes, okay.

10 CHAIRPERSON: Anything from you?

MR DORMER: No, but I would like to get a copy of these Maritime NZ Guidelines. The Harbourmaster would be well equipped.

15 CHAIRPERSON: Yes, okay. Thank you, Mr McNabb.

MR McNABB: Thank you.

20 CHAIRPERSON: It is Captain Grogan, is it?

CAPTAIN GROGAN: Yes, sir.

25 CHAIRPERSON: Yes, I apologise, I should have correctly addressed you before. I wonder, there are a couple of questions that we have got for you arising out of that, if you wouldn't mind? Alan?

MR DORMER: Thank you. I would like to see a copy of the Maritime New Zealand Guidelines.

30 CAPTAIN GROGAN: Sure.

MR DORMER: I wonder if you could be so kind as to get a copy along and give it to us?

35 CAPTAIN GROGAN: Yes, absolutely, not a problem. Yes, that's fine, they are available online; I can get them printed at the council and I can bring them over today.

MR DORMER: Thank you very much.

40

CAPTAIN GROGAN: Not a problem.

45 CHAIRPERSON: And the other question arises out of what Mr Crosby was asking Mr McNabb about what arrangements, if any, are there for the current farms in Tory Channel as regards breakaway?

5 CAPTAIN GROGAN: Yes, so that's interesting. There has been over the years attempts to  
include in the consent conditions of farms in Tory Channel, some  
means to address this issue. And I think most recently with the  
10 Ngamahau Farm, there has been the installation of GPS monitoring  
equipment which, essentially, if the farm is to move off or outside of  
the parameters of its established location, then it immediately sends  
text message alerts to various persons, including myself and obviously  
the King Salmon team. That's equipment that, I guess, in a sense is  
15 being trialled for the first time with the Ngamahau Farm. But certainly  
technology in that space is growing and there are mechanisms, I think,  
available whereby you can properly monitor and alert relevant parties  
through the use of this technology. I know, for instance, you can even  
monitor the tension on the anchor warps that secure the farm in  
20 position. So, again, whilst you could have an alerting system based on  
the GPS position of the farm, which they have to some extent at present,  
you could also have an alerting system based on the tension on the  
anchor warps, so once it goes above a certain point, immediately you  
have an alarm system. And, in fact, that system would provide for early  
warning, whereas the movement of the farm in terms of its geographic  
location, the warning is triggered after the fact, whereas tension on the  
lines gives you early warning that, in fact, the line is at tension. And  
you might have an awareness that above a certain tension is a warning,  
but still may well be below breaking point, so that can be useful.

25 [10.15 am]

I wonder if I should comment just briefly on Picton Harbour Radio?

30 CHAIRPERSON: Yes, please do.

35 CAPTAIN GROGAN: So we have a number of radio networks available in the Sounds for  
recreational boaties. The primary one is Marlborough Marine Radio,  
that's a volunteer network of radio operators who are active between 8  
in the morning and 10 at night. There is a licence fee or a subscription  
fee for joining up to that. They provide weather reports and a good  
point of contact for recreational vessels operating in all parts of the  
Sounds from Queen Charlotte, Tory Channel and Pelorus Sound as  
well.

5 Picton Harbour Radio is operated by Port Marlborough, but it was  
established a navigation safety mechanism. The licence for the radio  
station rests with the Harbourmaster and the Harbourmaster also pays  
that licence fee. And so it can be viewed directly as a risk mitigation  
strategy. Under, I guess, international definitions of radio services that  
10 might be provided to ports, it would be called a local port service, rather  
than a vessel traffic service, and that simply indicates the level of  
training that the operators have and the equipment that's available to  
the operators. A local port service is the lowest level and then we move  
into VTS level 1 through VTS level 3 and there's very specific  
15 guidelines around what's required for those various different traffic  
services.

20 So you can imagine a place like Singapore obviously is operating with  
VTS3. There are no VTS or Vessel Traffic Services established in New  
Zealand; it's all local port services, but one of the discussions that  
comes up again and again is whether or not the route between  
Wellington and Picton is perhaps a case or makes the best case for the  
need for VTS in New Zealand.

CHAIRPERSON: For GPS?

25 CAPTAIN GROGAN: For VTS or Vessel Traffic Services, a Vessel Traffic Service  
incorporating appropriate software infrastructure and training of those  
manning the station. Then when we look at local port services which  
we have around the country, we see a real variety ranging from, quite  
simply, someone on the radio just filling out a logbook through to some  
quite well-run systems that could be viewed as being akin to a Vessel  
30 Traffic Service, and almost meeting those standards with operators  
having the requisite training in that regard, but nonetheless still being  
defined as a local port service.

35 The point that I'm trying to make is that when we talk about managing  
risk and using the radio function to manage that risk or to control traffic  
through a region, we need to ensure that the operators of that radio  
station, regardless of whether it's local port service or VTS, are trained  
to an appropriate level whereby the information that they give ships is  
clear and precise and is unlikely to be misconstrued by the navigator to  
40 the point that you could have an incident result. And obviously that's  
something that I am looking at closely in terms of what are the  
standards of training that currently exist in Picton Harbour Radio and,  
potentially, what do they need to be going forward in the future. And,  
again, you can see that those kinds of changes or the need for those  
kinds of changes will be informed through the Marlborough Harbour  
45 Risk Assessment. As for the costs in terms of upgrading Picton  
Harbour Radio, if necessary, that's a discussion for myself and the Port  
and the other stakeholders who utilise Picton Harbour Radio.

CHAIRPERSON: What about the Coastguard?

5 CAPTAIN GROGAN: So the Coastguard is operational in Marlborough, but they tend to use  
Marlborough Marine Radio and Picton Harbour Radio, depending on  
where they are operating and who they are communicating with. And,  
10 of course, in the event of an emergency, which is often what  
Coastguard is involved in, then Channel 16 becomes pretty critical. 16  
is not particularly good in the Marlborough Sounds in terms of ship-to-  
ship communication, so you need to be line of sight to use 16 to  
15 communicate with another ship. That's not the case with Channel 19 --  
oh, sorry, channel 18, Picton Harbour Radio or the Marlborough  
Marine Radio stations. Nonetheless, channel 16 works because  
wherever you are in the Sounds, you will be able to contact RCCNZ  
which is the Rescue Co-ordination Centre. So even though you might  
not be able to talk to the ship that's around the corner, you will be able  
to contact on 16, RCCNZ --

CHAIRPERSON: Through the co-ordinator.

20 CAPTAIN GROGAN: They will then come through to the Coastguard via the Police or  
whoever the case might be and they will mobilise that way. And then  
as the Coastguard is operating on the water, they will tend to use  
Marlborough Marine Radio or Picton Harbour Radio, as required.

25 CHAIRPERSON: What do the recreational boaties use?

30 CAPTAIN GROGAN: So most of them will tend to use Marlborough Marine Radio, if they  
know about it. So generally an informed recreational boatie in the  
region, if they are navigating from Picton Harbour, will be more than  
likely to switch on channel 19 and have a listen to up their awareness  
of ferry movements. And then they may do a trip report on the  
35 Marlborough Marine Radio channels and then, more than likely, they  
will keep a listening watch on channel 19 as they steam out of the  
immediate confines of Picton Harbour, and thereafter it's most likely  
they would switch back to Marlborough Marine Radio for their general  
navigation throughout the Sounds. If they were then to proceed out  
40 through Tory Channel, let's say they were going on a fishing trip to The  
Brothers, then again they would switch back to Picton Harbour Radio  
which is channel 18 - we recently changed it, so excuse my occasional  
confusion there - but they would switch back to Picton Harbour Radio  
channel in order to hear the calls of ferries approaching Tory Channel,  
so that they might time their ingoing and outgoing transits.

45 CHAIRPERSON: Now, have I got this, that the channel you've talked about of Picton  
Harbour Radio is 18?

CAPTAIN GROGAN: Picton Harbour Radio is 18.

CHAIRPERSON: And the Marlborough Marine channel --

CAPTAIN GROGAN: They tend to use VHF channel 1, channel 5, channel 63, channel 65 and channel 66.

5

CHAIRPERSON: Okay.

CAPTAIN GROGAN: So a variety, depending -- and that just depends on where their radio repeaters are in the Sounds and what channels are going to work in which environment.

10

CHAIRPERSON: But those initial comments you just made, were you really referring to 18, rather than 19?

15

CAPTAIN GROGAN: I shouldn't have made any reference to 19.

CHAIRPERSON: Right.

CAPTAIN GROGAN: If you take any -- if you cross out all 19s and make them 18s.

20

CHAIRPERSON: I've just done that.

CAPTAIN GROGAN: Thanks. It changed in October last year and after a number of years on the ferry, making these exact radio calls to Picton Harbour Radio on channel 19, it's still stuck in my mind somewhat.

25

CHAIRPERSON: That's understandable.

MR CROSBY: Whilst we have got you here, you would have looked at the footprint of the actual site proposed for Tio Point.

30

CAPTAIN GROGAN: Yes.

MR CROSBY: And there have been these references to the 285 metres. Is that, on your look at the plans, is that in relation to the northernmost corner point of that site or is it to the actual structure?

35

CAPTAIN GROGAN: I thought that that was to the structure.

40 MR CROSBY: Right.

5 CAPTAIN GROGAN: But I'd have to check that. I can say that the anchor warps all lead in varying steepness from a farm, depending on the depth of the water that they are in, obviously. So if you were in very deep water you could expect the lead on an anchor warp to approach the vertical, whereas if you were in more shallow water you would expect the lead on an anchor warp to more approach the horizontal. So that creates, for a few metres, the potential for a vessel to strike the anchor warp of the salmon farm. So, for instance, when I navigate in a small boat around Clay Point Farm, for example, you might be prudent to stay 5 to 10 metres off the farm to avoid crop strike. Obviously with a deeper draft ferry, then that may need to be a little bit further off the structure as well. And so there is a dynamic there. I would have to review the Risk Assessment again to really determine exactly where those numbers came from, whether I agreed with their accuracy.

15 MR CROSBY: Yes, we will look closely at that as well.

CAPTAIN GROGAN: Yes, I'm sure you will.

20 MR CROSBY: Thank you.

CHAIRPERSON: Alan?

MR DORMER: Yes. Going back beyond the radio discussion.

25 CAPTAIN GROGAN: Sure.

MR DORMER: Am I right in thinking there seems to be three potential navigational risks, for want of a better expression? One is of vessels colliding with the farm structure; one is farms moving into the path of vessels; and the third one potentially is residual stuff breaking free from the farm structure. Is there any other potential?

35 CAPTAIN GROGAN: Yes, in my view those three risks don't capture the most significant risk.

MR DORMER: Okay.

40 CAPTAIN GROGAN: And that would be the collision risk between vessels, so that might be ship to ship or it might be a ship with a smaller vessel, it might be a recreational vessel or a vessel servicing the marine farm. So when we look at those three risks you mentioned and we talk about the consequence of a ship hitting the marine farm, the likelihood of that is reasonably low, and the consequences of that, well, they could be variable. That hasn't occurred in the history of marine farming in terms of a ship, in Marlborough, in terms of a ship striking a marine farm.

45 The breakaway effect has occurred, and so obviously that needs to be properly managed.

MR DORMER: The farm moving?

5 CAPTAIN GROGAN: Yes, so there has been a breakaway event, but since that time which  
was before I was in my current position, here have been changes in  
technology to anchoring processes and procedures and also increased  
10 monitoring, as I talked about. And then in terms of debris etc in the  
waterway, yes, again those are risks but I would argue that the  
consequences of that particular risk are reasonably minor in general in  
the most likely sequence of events.

15 Where I identify a more significant risk, and this is where I draw  
attention to shift beyond the Navigator's Report into the concept of a  
broader Harbour Risk Assessment is that you need to consider the  
effect of the farm in terms of its implication on the way vessels will  
navigate through that space. So I think, as Peter Wells pointed out, the  
20 presence of a marine farm in a particular location may create a  
perceived risk, and that presence of that farm and the perception of risk  
may alter the way in which a navigator chooses to direct their vessel  
when moving through that area.

25 So that is really what you need to capture when looking at these kinds  
of issues. That collision risk between two ships obviously has  
significant consequences and, hence, we put a lot of effort into  
considering whether or not there needs to be controls around the  
movement of ships through that region; should they be able to pass  
there, should only a single ship transit through there, etc. So, for me,  
30 one of the most significant risk in the Sounds is collision risk between  
vessels and that is the type of event that has resulted in multiple  
fatalities in terms of ferries colliding with small vessels, and in terms  
of small vessels colliding with one another. So anything that leads or  
has the potential to lead to collision risk must be closely looked at, and  
35 that's why we take a macro approach and have a Whole Harbour Risk  
Assessment so that we can look at all these different facets that are  
leading or that are contributing to maritime risk as a whole in a  
waterway, and attempt to get an entire perspective on that, and then  
extract from that what the necessary mitigations are.

40 MR DORMER: Thank you very much.

CAPTAIN GROGAN: It was a long answer.

45 MR DORMER: No, it's a very valuable one. I hadn't appreciated it to be quite of the  
consequence that you obviously do.

CAPTAIN GROGAN: Right.

MR DORMER: And your opinion on these matters is to be far more respected than my own.

CAPTAIN GROGAN: I couldn't comment, but thank you very much.

5

CHAIRPERSON: Ron?

MR CROSBY: No.

10 CHAIRPERSON: Thank you very much, Captain.

CAPTAIN GROGAN: Cheers.

15 CHAIRPERSON: Right, our next person appearance is by the Arapawa Blue Pearls. That's 11 o'clock, is that right? Are they here now? No. Okay, well we'll adjourn the hearing until 11 o'clock, in that case. Thank you all.

**ADJOURNED** [10.30 am]

20 **RESUMED** [11.04 am]

CHAIRPERSON: Now, we're going to hear from Arapawa Blue Pearls. Yes, would you come over here, thanks?

25

MR RADON: Okay. I guess I'm just here to give a bit of my backing to what's going on out in Tory Channel. We've been out there for the last --

30 CHAIRPERSON: You are?

MR RADON: Mike Radon.

CHAIRPERSON: Mike Radon, that's right. Yes, and we've got your written comments. Do you want to add anything to that or ...

35

MR RADON: Well, I think I pretty much said everything in it, as I remember. It's been a while ago, but just wanted to, you know, say that they have been good neighbours and, you know, they're --

40 CHAIRPERSON: You're at Whekenui, is it?

MR RADON: Whekenui, yes.

CHAIRPERSON: Bay, in Tory Channel?

45

MR RADON: Yes.

- CHAIRPERSON: Yes. And you say they've been good neighbours. Could you just -- I'm not quite sure where that is. My colleagues might know better than me. Can you tell us where you are in Tory Channel?
- 5 MR RADON: We're right at the entrance to Tory Channel. If you've ever come across on the ferry we're the first house you see when you come through Tory Channel where the leading lights are there. We've got that farm there.
- CHAIRPERSON: On which side? That's over on the north?
- 10 MR RADON: On the left-hand side going out.
- CHAIRPERSON: Yes.
- 15 MR RADON: Yes. Where the leading lights are, so that's where we're located.
- CHAIRPERSON: So is your property bound to the Hebbard property, is it?
- MR RADON: Yes.
- 20 CHAIRPERSON: On which side, on the east or west?
- MR RADON: We're on the inland side, coming in. Yes.
- 25 CHAIRPERSON: Right, okay. So are you between the Jacksons Bay and that bay, are you?
- MR RADON: Yes. We're between there. We own the property around the outside the whaling station and then we border on Tawhai on one side and the Hebbard's on the other side.
- 30 CHAIRPERSON: Right. Now you say who's been a good neighbour?
- MR RADON: Well, the Hebbard's certainly are.
- 35 CHAIRPERSON: The what?
- MR RADON: Yes, no. We find that since the salmon farmers have been down there it's been quite useful to us in the reciprocal use of water taxis. We're fairly isolated and them using the water taxi services puts them in our neighbourhood so we work with them with that a bit. If we need anything going in or out, as far as equipment or personnel, we kind of use them also.
- 40 CHAIRPERSON: You're farming there, are you?
- MR RADON: Yes. We do aquaculture. We do paua farming and sheep and beef. Paua.

CHAIRPERSON: Paua?

MR RADON: Yes.

5 CHAIRPERSON: Sheep and beef?

MR RADON: Yes.

10 CHAIRPERSON: Just those three?

MR RADON: We do homestays there also, yes.

CHAIRPERSON: Yes. Is your paua farm in the water, is it?

15 MR RADON: No, it's onshore.

CHAIRPERSON: Onshore?

20 MR RADON: It's onshore, yes. We pump water into the sheds that were there, former wool sheds for the Perano family.

CHAIRPERSON: Right.

25 MR RADON: Yes.

CHAIRPERSON: How long have you been there?

MR RADON: We bought the farm in 1993.

30 CHAIRPERSON: Right, yes. And I suppose it's all boat access there, is it?

MR RADON: It's all boat access, yes.

35 CHAIRPERSON: Yes. Okay. Have you got any questions?

MR DORMER: No, thank you.

40 MR CROSBY: No, I've no questions, other than an observation really that I was telling the other Panel members that many, many members years ago I had occasion to interview old Joe Perano about a case I was involved in. Is your property close to --

MR RADON: We own that property. That's the property we own now.

45 MR CROSBY: Which used to be owned by the Saunders?

MR RADON: The Peranos, yes, by Joe Perano, yes.

- MR CROSBY: Right, yes. And he used to row to Picton.
- MR RADON: Yes, I know. We think we've got it rough.
- 5 MR CROSBY: He told me he rowed there to play cricket.
- MR RADON: Yes.
- 10 MR CROSBY: Thank you very much.
- MR RADON: That's all you need?
- CHAIRPERSON: Thank you very much for coming, yes. Who is next, Mr Roman?
- 15 MR ROMAN: Good morning.
- CHAIRPERSON: Good morning. Now we've got your -- you produce the smelt, that's right, at Tentburn, is that --
- 20 MR ROMAN: Yes.
- CHAIRPERSON: Okay. We've got your written comment here, the one-pager.
- 25 MR ROMAN: Yes, that's enough for me.
- CHAIRPERSON: Is there anything you want to add to that?
- MR ROMAN: No, just probably reinforce what I put in my statement, my submission. I think in this on-growing industry we don't want to do the same mistake that we did overseas. So that's why the importance of this plan. I'm from Chile, as you can probably hear.
- 30 CHAIRPERSON: Yes, I gather that.
- 35 MR ROMAN: And now my country's suffering for what we did wrong 20 years ago so that is the relevance and importance of doing the proper things now.
- CHAIRPERSON: By that you mean -- what do you mean particularly by that?
- 40

MR ROMAN: Well, the last 20 year -- to be honest the last 10 years Chile has suffered a few diseases, breakdowns, because we didn't have proper management of the consents. So we have to think that in Chile we've got more than 600 consents, marine consents, for salmon industry. So when you relocate all together, or when the sites are not suitable for the salmon industry specifically, in 10 years or 15 years we're going to suffer the consequences. This is what we did wrong in Chile as a government, as an industry, as everything. We didn't take the measure by then to relocate the farms or spread the farms, these 500 or 600 consents, across the whole country. They are located just in two main areas.

CHAIRPERSON: By not doing that what consequences were suffered?

MR ROMAN: So basically you overload the system.

CHAIRPERSON: You overload the system?

MR ROMAN: Yes.

CHAIRPERSON: The natural system?

MR ROMAN: The natural system.

CHAIRPERSON: Is that what you're saying?

MR ROMAN: Yes. When you don't this type of plan.

CHAIRPERSON: Right. So you see the proposals for these new farms or relocated farms to be, in your view, avoiding that potential conflict, that consequence?

MR ROMAN: Yes, absolutely.

CHAIRPERSON: Your interest in this presumably relates to the fact that you provide the smelt?

MR ROMAN: Yes.

CHAIRPERSON: Yes. So there's a commercial interest in this for you?

MR ROMAN: Not for us. We can produce the same amount of fish but in a proper way, in proper location. So we're not going to grow or we're not going to increase our production just because we are relocating the farms. So we're going to stock the same amount of fish, provide the smelt, but in different locations. So we're not going to increase our production because of this.

CHAIRPERSON: Tentburn, I have some knowledge of. You say it's 45 kilometres south of Christchurch.

MR ROMAN: Yes.

[11.15 am]

CHAIRPERSON: Yes, is that the place where there's a facility for salmon coming from the sea?

MR ROMAN: Used to be, 10 years ago, 15 years ago. Used to be for repopulation of -- was part of our Fish & Game. I've been working for two years in this country. So I've been grabbing a lot of history about that but not anymore. Ten - fifteen years they were facilities for that reason, to grab them up from the sea.

CHAIRPERSON: Yes. They came up a chute or something.

MR ROMAN: Yes. Through the culvert, that sort of stuff.

CHAIRPERSON: Yes, through a culvert. But they don't do that anymore?

MR ROMAN: No, not anymore.

CHAIRPERSON: Where does the smelt come from then?

MR ROMAN: We have a breed stock hatchery located in Takaka, Golden Bay. We stock eyed eggs. We call "eyed eggs" which is the process when the eggs were fertilised and we grow them up to 120 grams average, 110 grams average.

CHAIRPERSON: They're fertilised eggs?

MR ROMAN: Yes, after the fertilisation in Tentburn.

CHAIRPERSON: What happens then at Tentburn?

MR ROMAN: So basically we stock these fertilised eggs and we grow them up. They hatch and then we grow them up to 120 grams when they are ready to go to the sea farms.

CHAIRPERSON: The fertilised eggs you say come from Takaka?

MR ROMAN: Yes. Then we stock those eggs in Tentburn.

CHAIRPERSON: Through Tentburn.

- MR ROMAN: In Tentburn, yes, sorry. Okay. Then after a week, ten days, they hatch. Once they hatch we grow them up to 100 grams, 120 grams, when they are ready to go to the sea. That's our main job.
- 5 CHAIRPERSON: And the salmon farm people buy those off you, do they?
- MR ROMAN: Sorry?
- CHAIRPERSON: They buy that off you? They buy the smelt off you?
- 10 MR ROMAN: No, we just grow up for our own company.
- CHAIRPERSON: Yes, I understand that. But then they go --
- 15 MR ROMAN: To the sea farms.
- CHAIRPERSON: They go to the farms.
- MR ROMAN: Yes, the sea farms.
- 20 CHAIRPERSON: Yes, which are run by King Salmon.
- MR ROMAN: Yes.
- 25 MR CROSBY: Are you employed by King Salmon?
- MR ROMAN: Yes.
- MR CROSBY: You are.
- 30 CHAIRPERSON: Thank you.
- MR ROMAN: Takaka, Tentburn belongs to New Zealand King Salmon.
- 35 CHAIRPERSON: Yes, right.
- MR CROSBY: So Takaka is Waikoropupū Springs, is it?
- MR ROMAN: Yes.
- 40 CHAIRPERSON: Yes, got any questions?
- MR DORMER: No, thank you.
- 45 MR CROSBY: Nothing to do with this case, but just out of general interest, why is the egg production done at Waikoropupū and growing on done at -- fertilisation and growing on done at Tentburn, can you just explain that?

- 5 MR ROMAN: Yes. It's a matter of risk. So instead of having all the eggs in the same basket, ideally you should have the breed stock separate from the fertilised eggs. So in case you have -- which is not the case, but just to be prepared in case you have disease or whatever, you don't spread the disease in your eggs.
- MR CROSBY: Right, thank you.
- 10 CHAIRPERSON: Yes. Thank you, Mr Roman. Thank you for coming.
- MR ROMAN: Thank you.
- CHAIRPERSON: Is there anyone here who wants to be heard now?
- 15 MR TAYLOR: I can come now, if you want?
- CHAIRPERSON: You are?
- 20 MR TAYLOR: Graeme Taylor from TIL. I'm on at 2.00 pm.
- CHAIRPERSON: Okay, Graeme Taylor. All right, Mr Taylor. We've got your written comments in front of us. What would you like to tell us about this?
- 25 MR TAYLOR: Thanks, gentlemen. I'll just give you a wee bit of background on myself. I'm probably just a real common chap; a layperson, not like all the experts you'll get here today no doubt. I'm the aquaculture manager for the TIL Freight that's probably better known as the T&L around this area, our brand. Our company has been associated with New Zealand King Salmon since its conception. Our little aquaculture branch in Rai Valley, the still sites area where they backed the Toyota Land Rover down into the back of the sea when they first started out, and helped Mr Gillard here when the first salmon farming started there. We get a lot of business out of New Zealand King Salmon and so we're here to support them.
- 30
- 35
- 40 I've been to Tasmania and had a look at the operations over there where they grow salmon in fairly reasonable close proximity to other farms, and trout as well.

I believe it's good for the area. What will it mean for us as a partner? We currently bring all the feed that the fish eat, it comes into Port Nelson. It comes in container form. We de-van it, store it by type and then we transport the salmon feed from Port Nelson to the various barges because some will be loaded out of the Havelock wharf and some will be loaded out of the Picton wharf. Aside from this that, as Christian said, when he gets his smelt up to 120 grams, we come in there with our tankers, which are just like a milk tanker, which have the oxygen in them, aerated - and more recently Christian has asked for them to be CO<sub>2</sub> monitored too - and then we cart them from the hatchery up to either one of those wharf locations where we back them onto the barge and we take them out to the sea farms and discharge them into the farms. We're having bit of a -- with the Lewis Pass it is making the job a lot longer than normal.

CHAIRPERSON: Tell me about it, yes.

MR TAYLOR: With the relocation we probably expect to gain a bit more work out of it. We expect that New Zealand King Salmon will probably finish more fish annually through their farms. That's just a lay person's interpretation. The end result would be for us that we'll probably get more feed to handle and potentially more smelt to transport. On any given day our company would have four to six people involved on feed storage and transportation to the farms. When the smelt season's on and the cartage is on we'll have another five people involved in that.

As a transport company we've got quite a wide range of clients. We rank New Zealand King Salmon as having a major potential to increase the spend in the top of the south as well as export earning dollars. If you look at their ongoing plan, they're looking at primary processing in Picton. I'll just cite these as jobs and revenue for the area. They want to establish a fish fertiliser plant. They want to establish a pet food factory. They've already got their pet foods in supermarkets throughout the South Island through Foodstuffs. They're looking at a pharmaceutical division because they're looking at the oil out of the salmon. One of the big things that we see is that they're very close to attracting a feed mill to come into Blenheim to be established, because all the feed currently comes out of either Tasmania, Australia or Chile. I think that would be of major significance to the area, especially to Canterbury and --

CHAIRPERSON: Just a minute. The feed currently comes from Australia?

MR TAYLOR: Yes, it comes from Tasmania and Chile, and a wee bit comes from Brisbane, I think. The predominant part of it comes from Tasmania and from Chile.

CHAIRPERSON: Those are the two sources?

MR TAYLOR: Yes.

CHAIRPERSON: That's what you pick up from Nelson, is it?

5

MR TAYLOR: That's what we pick up from Port Nelson in containers. We take them into our distribution stores. They come in one tonne bags, about like your fertiliser, your one tonne fertiliser. Then we store them. They're all in different lines because New Zealand King Salmon call for different lines. They feed different types of feed at different stages as the fish is growing.

10

CHAIRPERSON: You are saying now there's a possibility of that feed being produced in New Zealand.

15

MR TAYLOR: Yes. I think it's good for the economy. It's good for the growth of the -- and just in concluding, I come from bit of an agricultural and pasture background. I don't believe that there's anything that could match the revenue per hectare of a salmon farm.

20

The other good thing about is that New Zealand King Salmon has gone public so that anyone that has got a spare \$1,000 -- I think they are about \$1.20 or something at present so \$1,200 has got the opportunity to buy 1,000 shares and be part of this. It's not like a locked up corporation so I think it's a great thing they've done. That's about all I can say, sorry.

25

CHAIRPERSON: Thank you very much.

30

MR DORMER: I'm amazed the feed comes from Chile.

CHAIRPERSON: Yes, that's a long way. I suppose it's a sort of specialised -- I don't know a lot about it but I have some knowledge of what happens in the hydro-canals and the salmon farming down there. It's fairly specialised businesses feeding salmon, isn't it?

35

MR TAYLOR: It is.

CHAIRPERSON: It's not everybody who can produce the feed.

40

MR TAYLOR: No, it isn't. It would be fair to say, I would think this would be -- Mr Gillard might be able to help me out here and give me the nod but I think that New Zealand King Salmon is getting very close to volume. I watch all the tractor feed mill into the area that, it's all on volume, they need to be so many thousand tonne.

45

I just see it, just as a New Zealander, with these relocation of farms all the checks and balances have got to be in place, but as a company I just see it's a growth thing, aquaculture is. I always used to eat hogget every day, or lamb, but now I see the wife dishes me up salmon once or twice a week.

5

CHAIRPERSON: Aren't you lucky?

MR TAYLOR: Well, I don't know if I'm lucky but there you go. I think it's just as our diet has changed. There's more knowledge about it that the oil is good for you.

10

Like I say, I say this because we have got a wee bit of a commercial interest in it, so I want to table that too.

15

CHAIRPERSON: Of course you do, yes.

MR DORMER: You've got to be frank about these things.

MR TAYLOR: You do. You've got to be upfront too.

20

CHAIRPERSON: I'm just interested, I notice you didn't mention Elaine Bay at all. Do you truck into Elaine Bay at all as a port?

25

**[11.30 am]**

MR TAYLOR: We do. We bring a lot of mussels out of Elaine Bay. We bring a lot of mussels.

CHAIRPERSON: What about for the salmon?

30

MR TAYLOR: No, we don't bring any salmon out of Elaine Bay.

CHAIRPERSON: Right. So there's no feed going in that way?

35

MR TAYLOR: No, there's not.

CHAIRPERSON: Right. Smelt?

MR TAYLOR: No, we don't take any smelt to Elaine Bay either.

40

CHAIRPERSON: The smelt trucks go onto the barge at Havelock.

MR TAYLOR: At Havelock, yes.

45

CHAIRPERSON: In terms of the feed trucks, are they unloaded at Havelock or are they also taken by barge?

MR TAYLOR: No, they're unloaded at Havelock and they're unloaded there onto the barge. We usually take about 24 tonne at a time. They call for a couple of units at a time going out to various farms.

5 CHAIRPERSON: Thank you for that. The farms in Queen Charlotte in Tory Channel, they will be fed from Picton?

MR TAYLOR: That's right, they are, yes.

10 CHAIRPERSON: All right. Thank you very much for coming.

MR TAYLOR: Thank you, gentlemen. Thank you.

15 CHAIRPERSON: Mr Taylor sought aid from you. Who are you, by the way?

MR GILLARD: I'm Mark Gillard. I work for King Salmon. I'm actually presenting next week but I'm happy to talk to you now.

20 CHAIRPERSON: Next week?

MR GILLARD: Yes, with the King Salmon presentations.

CHAIRPERSON: As part of their presentation?

25 MR GILLARD: At the private one but if you want to hear from me I can talk.

CHAIRPERSON: Well, if we're going to hear from you next week we'll probably stick with that, I think.

30 MR GILLARD: Sure.

CHAIRPERSON: Yes, there is no more we can do at the moment so we'll adjourn the hearing until we've got somebody who wants to talk to us. Thank you all for being here anyway.

35 **ADJOURNED** [11.33 am]

**RESUMED** [12.20 pm]

40 CHAIRPERSON: Now, you're Mr Hooper?

MR HOOPER: Yes, good morning.

CHAIRPERSON: Yes, Gary Hooper.

45 MR HOOPER: I'll come up and say hello, introduce myself, Gary Hooper.

CHAIRPERSON: Yes, how do you do?

- MR HOOPER: I brought up a printout of my slides so that ...
- 5 CHAIRPERSON: Right, thanks. Now, this presentation, Mr Hooper, I understand you're the chief executive of Aquaculture New Zealand?
- MR HOOPER: Correct.
- 10 CHAIRPERSON: Yes, and this presentation, however, is not part of Aquaculture New Zealand's presentation, or is it?
- MR HOOPER: No, this is sharing my own perspectives and experiences that I've had in aquaculture.
- 15 CHAIRPERSON: Right. We've got your written comment in front of us, so this is your presentation in support of your written comment, is it?
- MR HOOPER: Yes.
- 20 CHAIRPERSON: Okay, thank you. Would you proceed then?
- MR HOOPER: Thank you. So, Gary Hooper and, as per my submission, I'm supporting the proposal. I thought I'd take the opportunity to, I guess, share a broader perspective on the industry, on the salmon that we farm here, the opportunity for New Zealand and, of course, why I'm supportive of the proposal.
- 25
- 30 This next slide you probably recognise Jacques Cousteau on the corner, best television show of the 1970s, but way back in 1973 he was quoted as saying:
- "We must turn to the sea with a new understanding and new technology. We need to farm it as we farm the land."
- 35
- 40 Of course, aquaculture is a very recent form of farming production where terrestrial farming has been around for thousands of years. Incredibly insightful back in 1973 when you think that mainstream fish farming in developed countries didn't really get under way until the late 1970s, early 1980s. But the bit that is particularly important or pertinent to this example is seeking new understanding and new technologies, because I think part of the solution going forward for aquaculture requires that. It is an evolving space. Again, terrestrial farming has been around for thousands of years. Aquaculture in New Zealand is a relatively recent phenomena. It's only 40 years on.
- 45

5 In terms of salmon production, New Zealand is part of a very select club and it's driven by the temperature profile. So you'll hear a lot around the technical discussions about what are those Goldilocks conditions for salmon farming, and temperature is pretty important, as is flow, dissolved oxygen and depth. But around the world, there are only a handful of countries that can farm salmon, are fortunate enough, and we're particularly unique because largely we're the only farmers or the world's largest farmer of chinook salmon. In terms of production, we represent roughly half of 1 per cent of the world's salmon production, but in terms of chinook, which is just on this next slide here, we are the world's --

CHAIRPERSON: When you say "we"?

15 MR HOOPER: New Zealand.

CHAIRPERSON: New Zealand?

MR HOOPER: New Zealand.

20

CHAIRPERSON: Yes, because there are other salmon farming -- yes, okay.

MR HOOPER: Yes, but salmon in the southern hemisphere, there is only Tasmania, Chile and New Zealand, and they farm Atlantic salmon. We farm this premium chinook. There's a back history to that. I'll happily share it with you if you haven't heard it already, how we came to get chinook salmon versus Atlantic: introduced as a sport fishery 100-odd years ago but really only commercialised into farming in the late 1970s and 1980s.

30

From a culinary perspective, chinook is recognised as the champagne of salmon, the wagyu of salmon, and it does have a different culinary profile. It's more luxurious in the mouth. There's a higher fat content in it and it's a unique texture, silken texture. So that's recognised and I've got a couple of slides with quotes from chefs. In fact, we, Aquaculture New Zealand, were involved up in the US in a comparison testing between Atlantic salmon and chinook salmon from New Zealand. We had several chefs, but here's what a couple of them said. Mike Yakura is one of the leading sashimi chefs in San Francisco:

40

"The oil content in the New Zealand king salmon changes the texture of the fish and almost makes it incomparable since it's so different. The Atlantic salmon is also good, but the New Zealand king salmon is more complex in flavour. Just like the fat in wagyu, it elevates the protein to a different level and it puts it in a different category and redefines what salmon can be."

45

5 Now, that kind of commentary also plays out in the market where New Zealand salmon gets a substantive premium over Atlantic salmon. If you're a restaurant looking to buy wholesale salmon in the US, it could cost you as much as NZ\$75 a kilo. So, we as New Zealand consumers, we can get it all day every day at a lot less than that, but that's the premium that they place on New Zealand salmon.

10 The next slide, which is straight from the Coriolis report, a Government-commissioned report on opportunities for New Zealand in the primary sector, they identified salmon as one of the top three opportunities. This slide just demonstrates the kind of return salmon farming generates relative to other forms of aquaculture and, indeed, terrestrial farming. This survey was back in 2012, so the numbers may have changed. I know kiwifruit is going great guns at the moment, as are mussels for that matter, but the proportions are going to be relatively similar.

20 Another comparison I would suggest is in Marlborough, New Zealand, we produce probably at least 50 per cent of the wine activity, possibly a wee bit more than that, but it also takes up 24,000 hectares. So if we estimate that it's half the value, \$750 million off 24,000 hectares, contrast that with salmon which is over \$100 million from a mere 120 consented hectares, of which only 20 relate to the surface area. So, again, just emphasising that same point.

25 CHAIRPERSON: Sorry, could you give us those figures again, please? Or do I get them off here, do I?

30 MR HOOPER: No, the ones where I was comparing it with the local wine industry, that's roughly 24,000 hectares of planted grapes.

CHAIRPERSON: Of grapes, yes.

35 MR HOOPER: Generating \$750 million, versus salmon, 120 consented hectares generating just under \$120 million, and that actually equates to roughly 20 surface hectares, but the extended area is for the anchoring of the systems.

40 CHAIRPERSON: I see, yes. Is that again in New Zealand or Marlborough?

MR HOOPER: They were just straight --

CHAIRPERSON: That's Marlborough?

45 MR HOOPER: Yes, that's just Marlborough.

CHAIRPERSON: Yes.

MR HOOPER: But Marlborough generally relates to about two-thirds of the New Zealand salmon industry.

CHAIRPERSON: 24,000, yes.

5

[12.30 pm]

MR HOOPER: The next slide talks about aquaculture and its importance socially and economically for New Zealand. We've done various studies in different regions and when you think about aquaculture, of course, it does occur out in the provinces and in towns and districts like Coromandel, Havelock, Twizel, Stewart Island. It's the very fabric that holds those communities together, and we've had through Aquaculture New Zealand and then actually through the Ministry for Primary Industries, they did a social impact of aquaculture in Southland and it reveals it as it's not just the commercial activity, the economic activity, but it's the fact that the employees have families that populate schools, that they over-represent in social services in those towns and districts. For areas like Opotiki and Northland, aquaculture has the opportunity to transform those societies both socially and economically.

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In regards to this proposal, if New Zealand King Salmon were able to relocate to all of the six high-flow sites, the economics suggests there would be an incremental contribution of \$49 million annually to regional GDP and generate up to 511 new jobs. That would make a big difference and present a terrific opportunity for those who want to stay in the district and have a career in aquaculture in the district.

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This next slide, which is the one with the hands up, is a summary of a public perception study undertaken by MPI through Colmar Brunton. This is just a summary of the views of the population, and it was from people representing Northland, Auckland, Thames Coromandel, Marlborough, Tasman and Canterbury, but the numbers even at the regional level are all statistically significant: 91 per cent of New Zealanders agree that aquaculture provides a sustainable way to produce food; 3 per cent disagree. The gap in between are those who didn't have a view. 73 per cent of New Zealanders have positive views of the industry; again, 5 per cent had a negative view and the 20 per cent in between didn't know or didn't care. But across all of the main categories there was overwhelming support for aquaculture.

5 The next two slides, and I'd focus on Marlborough relative to the rest  
of the country: aquaculture provides jobs in your local community.  
You can see that the understanding in Marlborough was better than  
anywhere else in the country. That applies also to the following slide:  
10 aquaculture contributes significantly to your local economy. Again,  
Marlborough outscored all other regions, followed by Tasman and  
Thames Coromandel. I guess there's no surprise as compared with  
Auckland where aquaculture is only a very, very small part of that  
economy, but in the top of the south and places like Coromandel it is  
the lifeblood of those communities.

15 I've just got a picture of the cover of the Best Management Practice  
Guidelines for Salmon Farms in the Marlborough Sounds. The reason  
I just touch on this, and this is at the core of this proposal, is: how can  
we get those low-flow sites to meet the best management practice  
guidelines? The way that this document was brought together involved  
20 a broad range of interests, from community groups, from technical  
perspectives, and also international experts were involved. It's a terrific  
aspirational guideline that supports the industry, and I think many of us  
also have the view that this is an evolving space. It's not something  
that you just cement in time but the management of aquaculture and  
our understanding is improving all the time. So, if this is the current  
aspiration for all farms, bearing in mind the low-flow sites aren't  
25 required to meet these guidelines under their consent conditions, it's  
very encouraging that the company would like to be able to meet those  
guidelines for all of their activities as the genesis behind the proposal  
to move to higher-flow sites.

30 So, Professor Kenneth Black was at the heart of it. He's probably the  
preeminent international expert involved with the development of the  
guidelines. He reported that the higher-flow sites are better for growing  
healthy salmon and reducing environmental effects in the Marlborough  
Sounds. Again, that is at the heart of the proposal. Those older sites,  
35 the understanding of long-term farming was less understood and it's  
proven that those low-flow sites have limitations.

40 This is an industry position. It's the values I'd like to, in fact, encourage  
all marine farmers to have and by and large they subscribe to it. This  
A+ sustainable aquaculture programme was launched to industry about  
18 months ago. We currently have approximately 90 per cent of  
production subscribed to that, including all of New Zealand King  
Salmon. In concert with that is the set of values that the industry project  
in acknowledging that the areas they occupy are public spaces, that they  
45 need to operate sustainably for their own viability but also for the  
continued endorsement by the communities in which they operate. In  
many cases, we are seeing generational marine farmers involved in the  
business and it's also the same areas where they fish, they dive and, of  
course, they grow their valuable products.

5 So, that's the New Zealand view. Internationally, we're also recognised for our terrific sustainability credentials. Monterey Bay Aquarium is the preeminent seafood authority in the US and, I would say, in the North American market. They have a programme called Seafood Watch and it's like a consumer guide based on a traffic light system: red, avoid; amber, good alternative; and green is best choice. It's both for wild capture and marine farming or aquaculture. To date, New Zealand is the only country in the world that has a green rating for marine-penned salmon farming. Predominantly, it's actually red for Atlantic salmon in the northern hemisphere and also in South America.

10 There are a few fundamental reasons for that. One is our relatively small scale. As I mentioned earlier, we're half of 1 per cent and if you again make a comparison, say, with the Faroe Islands, we generate roughly 13,000 metric tonnes of salmon in New Zealand per annum. The Faroe Islands, which is the size of Banks Peninsula, generate 50,000 tonnes.

20 CHAIRPERSON: Where is that?

MR HOOPER: The Faroe Islands, north-east of Scotland.

25 CHAIRPERSON: What are they called?

MR HOOPER: Faroe, F-A-R-O-E.

CHAIRPERSON: North-west of Scotland you say?

30 MR HOOPER: Yes, north-east, in the North Sea.

CHAIRPERSON: Yes, and they produce ...?

35 MR HOOPER: Over 50,000 tonnes of Atlantic salmon.

CHAIRPERSON: And they're the size of Banks Peninsula?

40 MR HOOPER: The size of Banks Peninsula, so just a different understanding about what the scale is. Another comparison would be Norway, which from roughly the northern tip to the southern tip is roughly the length of New Zealand, a different profile of their coastline understandably, but they're producing over 1.5 million tonnes of salmon. So, again, a different scale of magnitude.

5 So, Monterey Bay, they said New Zealand, you guys are small scale, farms are well dispersed, and there's some other practices: we don't use antibiotics, we don't have a history of antibiotics in our industry, and we don't have wild salmon as such, where in some of these other areas there's cross-pollination between the wild and the farmed and not always in a good way.

CHAIRPERSON: But we do have wild salmon?

10 MR HOOPER: Not where we farm.

CHAIRPERSON: Not where you farm, yes.

15 MR HOOPER: Yes, we'll leave it there. So, great to have that international recognition for our salmon. We've got the culinary recognition. We've got the sustainability recognition. In the US market, which just happens to be New Zealand's number one export market, if you've got Monterey Bay Aquarium endorsement it's like a massive tailwind. I've had discussions with some of the leading buyers - and these aren't middle  
20 of the road buyers, it's very much high end - and they won't let you in unless you have that Monterey Bay endorsement.

25 This next slide is where we find ourselves today. In many ways I've touched on the first two pieces about the six lower-flow sites, and where we are today, examining a proposal to move to higher-flow sites. I was part of the working group for this proposal and the extensive amount of information that was made available to us to look at is there  
30 a material difference between lower flow and higher flow. It is overwhelming that the high-flow sites would be the smart thing to do to reduce the environmental impacts and to have a vibrant salmon industry in Marlborough. But I note in a lot of the other submissions made, and it was discussed at length in the working group, was the idea of offshore farms and new technologies, offshore or, indeed, land based.

35 Again, I've had the experience of visiting other salmon-producing countries where they are looking at these options very hard but often for quite different reasons. Do consider that it will be part of aquaculture's international future, including New Zealand in time. So  
40 you'll see lovely pictures like this one here. It's a computer-simulated picture, of course. These things don't exist yet. This is being looked at closely in Norway where they have extensive offshore engineering expertise on the back of the oil and gas industry. Part of their driver is the need to manage sea lice and depth and temperature, so that's  
45 probably the principal motivation for them, but they're also coming under social licence pressures in key areas and they also have an aspiration to further grow their industry. So it's a marriage of their expertise and making it work.

5 There was a company I was reading about just this morning, a Norwegian-based company looking at a new offshore net system. It hasn't been proven yet but the cost of doing so was US\$120 million, so that's the sort of commitment you need to trial an offshore system.

10 As for land based, I've visited a number of land-based facilities in the northern hemisphere and very few of them make money. The principal reason for that is the requirement to move the water around and keep it at a temperature. It's extremely energy intensive. Unless you have access to very cheap energy or, indeed, one plant I recall seeing in Iceland had highly subsidised energy - it was basically an employment scheme for that remote part of Iceland - they're not viable. We had a world authority present at the Aquaculture New Zealand conference a couple of years ago and it was determined that land based -- this was an operation in Denmark. He was adamant that that was very much part of the future. A year later that went belly up for tens of millions of dollars.

20 In Norway, they are building some land based but, again, it's to address their sea lice issue. Basically, they're holding on to the juvenile fish for longer and they put them out to sea later, but it's not the farming system, it's just a step in the farming system.

25 [12.45 pm]

30 There is another joint venture up in the west coast of North America. It's First Nation involvement there, but there's still question marks over its viability. So when people suggest land based is the way to go, from an environmental perspective, yes, you have the advantages of containing it, but from an energy requirement it is just prohibitive at present.

35 In terms of the process, I strongly support this 360A process. It is the first time round the block for it, but I do contrast it to how it would play out or the history of how things have played out. The working group, yes, there were a range of interests represented and with that come all the different flavours of views, but what a great way of understanding everyone's perspectives. In most instances, everyone's value sets were the same. We all want good environments. We all want prosperous economies. But the value of the working group is you get the benefit of all the expert information, so it's one investment with the best technical and expert information that was available to the group. Everyone got to see it and share it with their constituencies and come back to the group with their views. Contrast that with the much more combative contest that typically plays out through the planning and judicial processes.

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5 Plenty of opportunity for peer review. Many of those expert papers had a peer review and, again, that was stimulated by some of the more disagreeable angles on those reports. But, again, what a fantastic way to say, "If we don't agree with one expert's view, let's test it with someone else", so, again, the efficiency of doing that both in time and in cost. Other criticisms are that the public won't get to have their say. We've all had the opportunity to make a submission. We've all got the opportunity to speak to the hearing Panel and before any decision is made there will be a section 32 analysis done by Government. So, by 10 any measure it would have to compare favourably as a process to what has occurred in the past.

15 Just this last slide, again supporting the proposal. Why am I supporting it? Because it is good for the environment, undoubtedly good for the environment. It is good for the community here in terms of jobs and opportunities and in improved amenity values, good for the economy regionally and nationally, and in terms of New Zealand being famous for its food and fibre products and reputation of how we do things, the proposal is good for New Zealand.

20 That's it, gentlemen.

CHAIRPERSON: Yes, thank you, Mr Hooper. Do you have any questions?

25 MR DORMER: No, thank you, no.

CHAIRPERSON: No. Ron?

30 MR CROSBY: No, thank you. That was very clear. The only question I've got is relating to the image of the salmon farm. Just so that we've got an idea of where that was taken, is that Ruakaka Bay, is it?

MR HOOPER: Yes. No, that farm there is Te Pangu.

35 MR CROSBY: Te Pangu, right.

MR HOOPER: So on the right-hand side, heading out Tory Channel.

40 MR CROSBY: Okay, thank you.

MALE SPEAKER: Clay Point.

MR HOOPER: Clay Point. It's on the other side, across the way from Te Pangu.

45 CHAIRPERSON: It's Clay Point, is it?

MR HOOPER: Clay Point.

MR CROSBY: Right, thank you.

MR HOOPER: Defer to the king salmon experts in the room.

5 CHAIRPERSON: Thank you. You've very clearly articulated your view of the benefits of all this. Would you accept that there are some potential adverse effects as well such as we've already heard of in relation to navigation and potential adverse landscape effects and that sort of thing that needs to be considered?

10 MR HOOPER: Without doubt working with the group and the range of interests and the challenges that the proposal -- and the other sites that were considered as well, there are a range of matters that need to be worked through. I guess I always take the view that all human activity has impact. It's to what degree we can best mitigate and manage those impacts for greater good. But I do accept that there are some challenges ongoing and it's not limited to this proposal. I think it's more broadly for New Zealand.

15 CHAIRPERSON: I'm just a little intrigued by why you've made a personal submission but you're chief executive of Aquaculture New Zealand, which is clearly going to advocate itself for this proposal. Why do you think it's important for you to have made a personal submission?

20 MR HOOPER: I think from the Aquaculture New Zealand perspective - and the entity represents all commercial aquaculture, mussel, oyster interests - it has a different nature to what I thought I brought to it personally from my own range of experiences and observations around the world, both in market and from a technical nature. The Aquaculture New Zealand presentation, which I understand is straight after lunch, you will see is a different flavour and structure. Yes, that largely answers it.

25 CHAIRPERSON: Are you in disagreement with your ...?

30 MR HOOPER: No, no, not at all.

CHAIRPERSON: As the chief executive?

35 MR HOOPER: No, absolutely not.

40 CHAIRPERSON: Well, I had to ask you.

MR HOOPER: Yes. I totally support the Aquaculture New Zealand proposal but you'll see it is quite a different flavour to the observations that I've made.

45 MR DORMER: A decadent flavour even.

- CHAIRPERSON: That's the word that's been used to describe the benefits of salmon flesh, isn't it?
- 5 MR DORMER: Yes.
- CHAIRPERSON: A decadent flavour, yes.
- MR HOOPER: Decadent, I'd go with that. Silken taste of luxury, of goodness.
- 10 CHAIRPERSON: Something like that, yes.
- MR DORMER: Is that the implication? Ah. I had a very different implication from the use of the word "decadent".
- 15 MR HOOPER: Yes, I'd probably go with silken taste of luxury.
- CHAIRPERSON: Do you think that would be better?
- MR HOOPER: Yes. That's how our premium consumers perceive it and international
- 20 markets.
- CHAIRPERSON: Well, it being nearly lunchtime that's ...
- MR HOOPER: There you go, Pavlov's dog.
- 25 CHAIRPERSON: Yes. Well, perhaps you could tell me this, Mr Hooper. Did Aquaculture New Zealand have any part to play in the development of section 360 of the RMA?
- 30 MR HOOPER: As an interested --
- CHAIRPERSON: If you don't know the answer, say so.
- MR HOOPER: I don't know to what degree they were technically involved in the
- 35 drafting, but Aquaculture New Zealand were involved in a technical group that made recommendations to Government at the time.
- CHAIRPERSON: It'll be one of those texts.
- 40 MR HOOPER: Exactly that. It was called the ...
- CHAIRPERSON: Yes.
- MR DORMER: I probably chaired the body that made the recommendation.
- 45 MR HOOPER: Yes.
- CHAIRPERSON: Do you recall when that might have been?

- MR HOOPER: Tail of 2011.
- CHAIRPERSON: Was it? Yes.
- 5 MR HOOPER: Yes, so it came through early 2012.
- FEMALE SPEAKER: It was in 2010. The law was enacted in 2011.
- 10 MR HOOPER: Okay, late 2010, early 2011.
- CHAIRPERSON: Right. Now, that was a group to advise the Government, amongst other things, I suppose, on having this particular provision?
- 15 MR HOOPER: Yes.
- CHAIRPERSON: Because it's very specific, isn't it, to salmon farming? So, that must have preceded the legislative change, yes. 2011 amendment, yes.
- 20 MR DORMER: It might not have been nine. It might have been.
- CHAIRPERSON: Yes. Were you personally part of that group?
- MR HOOPER: No. I was working with Aquaculture New Zealand at the time but in a  
25 different role and I had no involvement with the technical advisory group.
- CHAIRPERSON: All right, thank you very much.
- 30 MR HOOPER: Thank you for the opportunity.
- CHAIRPERSON: All right, thank you, Mr Hooper. All right, it being 1.00pm, we will adjourn now until -- now, just before we adjourn we have some people here who were supposed to be here earlier in the day. Who do we have?  
35 Have we got the Waikawa Boating Club?
- MR WEBB: Yes.
- CHAIRPERSON: Right, and who else have we got? Is there anybody else who was on  
40 the list for this morning who hasn't been heard? We will hear from the Boating Club now. We will hear from you now then.
- MR WEBB: I will be brief.
- 45 CHAIRPERSON: You just take your time, there is no need to rush it. If you just give us a moment we will find your written comments. Yes, we have it here. Here it is, it is a one-pager and you are?

- MR WEBB: Chris Webb.
- CHAIRPERSON: Chris Webb?
- 5 MR WEBB: Webb, W-E-B-B.
- CHAIRPERSON: What is your position with the club, Mr Webb?
- MR WEBB: I'm the current Commodore.
- 10 CHAIRPERSON: Right, and you are presumably familiar with the comment that has been signed by Sue Van Velzen?
- MR WEBB: Van Velzen, yes, I am.
- 15 CHAIRPERSON: Who is the manager?
- MR WEBB: Yes, she is.
- 20 CHAIRPERSON: Okay, what do you want to tell us in relation to this matter?
- MR WEBB: As I said, I will be brief. Look, as we've said in our submission, our written submission, we are very happy to support King Salmon's request to shift these salmon farms on the basis of the information that we have seen. Anything that we see that has a positive effect on the environment that the farms operate in, ie lower levels of impact on the seabed and water purity.
- 25 CHAIRPERSON: You are reading from something and that is fine, could we have copies of that or have you just written it out.
- 30 MR WEBB: I have written it out by hand so if you wish I will produce a more legible copy, if you like. My handwriting is not easy to read.
- 35 CHAIRPERSON: No, we don't need to do that. It is being recorded, we won't ask you to do that but would you take it a bit slower so we can make our own note as we go.
- MR WEBB: Certainly, sorry.
- 40 CHAIRPERSON: Anyway there will be a recording of what you are saying.
- MR WEBB: Okay.
- 45 CHAIRPERSON: But for our own purposes, making our note now --
- MR WEBB: Sorry, I was probably rushing, I didn't want to hold your lunch up for too long.

CHAIRPERSON: No, no, look, don't worry about that. We will get to lunch, don't worry. You have come here to talk to us and you take your time about it. All right.

5

[1.00pm]

MR WEBB: Okay. So I will continue then.

10 CHAIRPERSON: Yes, so you support it on the basis of the information you have got.

MR WEBB: The information that we have seen, yes, supports the shift in the farms has a positive effect on the environment and, of course, we would be silly if we didn't support anything which has a positive effect on the environment in which we all live and operate.

15

We also happily support a company which is providing substantial levels of local employment and contributing positively to the country's economy with export of a very high quality product.

20

They are very good positives and the club endorses and supports those motivations and reasons for this shift. And the move to faster flowing deeper waters having a reduced impact on the seabed. Now, I've had discussions with a number of my members over these submissions and a number have taken the time to do their own reading. There are a few reservations which some of my members have asked to come and speak to and hence the reason I am here.

25

CHAIRPERSON: According to this you have 650 members, is that right?

30

MR WEBB: Yes, currently a bit more, but we average in the high 600 members as our normal membership. Probably about two-thirds of whom live locally and a number come from the Canterbury region, some from Wellington and a few from other scattered areas.

35

CHAIRPERSON: Do you cover all forms of boating?

MR WEBB: Yes, we do. I will amend that. Most of our boating is around owners of sort of moored type boats rather than daily launch boats. We do have some members from boats which are regularly launched but most of them are of moored type launches and yachts.

40

CHAIRPERSON: So these are the ones you see in the marina?

45 MR WEBB: In the marina or on moorings.

CHAIRPERSON: Or on moorings, yes. Okay.

MR WEBB: Yes. The reservations that I have expressed, there have been reservations about reducing the impact on it, whether the science has been around long enough to support it in our particular environment and we hope that the monitoring will support and sustain that.

5

CHAIRPERSON: So when you are talking about impact on the environment, can you be a bit more specific about the type of impact?

MR WEBB: As we understand it, they are moving to higher flow areas to reduce the impact on the seabed and there will be ongoing monitoring to maintain that impact is sustainable. That is the key point that my members have concerns about. They want to make sure that that monitoring does ensure that it is sustainable.

10

CHAIRPERSON: That it actually does achieve an improvement?

15

MR WEBB: Correct. They have worries that in some of the low flow areas there has been some impact and they don't want to see that shifted to different areas. They don't want to see a negative impact shifted to a different area.

20

CHAIRPERSON: Yes, righto, got that.

MR WEBB: Some of my members are concerned that the level of agriculture in the region has just about reached the level where it is a maximum in the area. In the Sounds we have a number other industries, mostly based around tourism, and supporting tourism and recreational use of the Sounds areas. That also is an industry which has huge current growth and sustains a pretty large supportive industry in the area, both in terms of employment and productivity. We want to maintain the environment which supports those industries.

25

30

The other concerns that some members have is regarding the mid-channel location in the Pelorus Sounds.

35

CHAIRPERSON: That's the Waitaha reach?

MR WEBB: Correct, yes. Some of our members are concerned of the navigational risks around that site, but to help minimise that we wonder whether having an AIS transmitter on all sites would certainly help boaties who are equipped with that sort of technology. That said, I think we all understand that there are a number of boaties, hopefully not many of my members but there are a number of boaties who don't have either the skills or the technology to minimise the risks of that site.

40

45

Now, I sound like I am speaking in the negative. We are in support of the move because it should support the environment. That is all of the indications from the stuff that we have seen as supportive but there are these areas that we wish to be considered.

5

CHAIRPERSON: Yes, and you're doing that in good faith for the members who have asked you to do it.

MR WEBB: Correct.

10

CHAIRPERSON: Yes, that's fair enough.

MR WEBB: The only other thing that has been mentioned to me, there are some of my members who have especially involved with doing submissions via the local district plan and have spent a lot of time and energy doing those submissions and are concerned about the change in process.

15

MR DORMER: There is nothing we can do about that.

20

MR WEBB: Correct.

MR DORMER: We have been appointed to carry out this process and that is what we have to do.

25

MR WEBB: Correct, and I am not disputing that at all. I am just saying that we have had a number of my members who have made the point that they have spent a lot of time and energy in the past doing submission, and in the club most of these things are done on a voluntary basis. So when you submit in one area and then the systems changes, we are certainly used to using the District Plan and submitting to it and have worked within that and taken the time and energy to do so.

30

So basically, in summary, we are supportive of the move to maintain our environment but we do have a few reservations. That is really all I wish to say.

35

CHAIRPERSON: Thank you, that is helpful. Have you got any questions?

MR DORMER: A little query concerning the reservation about the importance of tourism and wanting to maintain the environment which is the foundation for the tourist industry. Is that because of the perceived ugliness of the salmon farms?

40

MR WEBB: Correct.

45

MR DORMER: Okay.

MR WEBB: Basically the visual impact.

CHAIRPERSON: Visual impact, yes.

5 MR WEBB: We have, as you are probably aware, a similarly growing market for example in cruise ships. I think we had 40-odd cruise ships and I think they are hoping for a higher number than that again next year. That is one of the drivers that they are coming in through a pretty pristine area.

10 MR DORMER: They bring huge money to town.

MR WEBB: They do, and that is really the point that some of members wish made, that it is a significant driver and it drives a pretty big industry, which is gathering some fairly significant investment to continue to drive it.

15 MR DORMER: I come from Auckland and I overlook the point where the cruise ships turn as they come into town and obviously where they turn as they go out again. It's common place to have two cruise ships a night leaving. I think of the thousands of people on board and how many thousands of dollars they must have left behind.

20 MR WEBB: Yes, it's a pretty big industry here now too. Thank you very much for your time.

25 MR COSBY: Just a moment. I am particularly interested in whether you've had any comment from your members or any concern on a personal basis from you in relation to navigation issues that might arise in respect of the Tio Point site in Tory Channel. Was there any expression of concern?

30 MR WEBB: No. No, it's a fairly commonly navigated area and we are already used to basically the farms in that area and I think that most of the recreational boaties are now quite used to having the farms in that area and I don't see that as being so much of an issue, especially as they really are to one side of the channel. The ferries and things go through there, everybody is very aware that there are navigational hazards in that area. Certainly my members are.

MR COSBY: In terms of navigation into Oyster Bay itself, did you consider that and does that cause you a concern?

40 MR WEBB: Personally, on a personal level, no. No. Well, not from the information I've seen. I have spoken to a number of members on the issue and had a long discussion with the executive members on the issue before I wrote my submission. They asked if I would speak to it and some have come up afterwards with the concerns that I have mentioned really.

45 CHAIRPERSON: But that wasn't one of them?

MR WEBB: No, it certainly wasn't one that was brought to my attention by any of the members and from what I have seen I don't have a concern around it.

5 CHAIRPERSON: If I could just clarify one point with you about the planning process that you have talked about. The participation that your members have talked about, is that in relation to the new plan that's being promoted now, which is called the Marlborough Environment Plan? Is it that process they are talking about or is it just generally over a period of  
10 time?

MR WEBB: It's generally they have made submissions to things like the District Plan and the council plans where it is an existing process that members are and have spent quite some time over the past, taking the time and effort to write and speak to those plans and those things and basically having a local input into local issues. I think they feel that --  
15

CHAIRPERSON: It is a general principle they are talking about?

20 MR WEBB: Yes, that's it. Pretty much.

CHAIRPERSON: Yes, local input to local issues.

MR WEBB: Correct.  
25

CHAIRPERSON: And they don't regard this as one of those processes?

MR WEBB: Correct.

30 CHAIRPERSON: Okay. Is that because it is promoted by a Ministry?

MR WEBB: I assume so. There certainly has been a number of members who have spoken to me who have reservations about it.

35 CHAIRPERSON: All right, thank you very much for coming.

MR WEBB: Thank you.

40 CHAIRPERSON: Now, is there anybody else we need to see who we should have heard this morning? Okay, in that case we will adjourn until 2.00pm. Thank you.

**ADJOURNED** [1.12 pm]

45 **RESUMED** [1.59 pm]

CHAIRPERSON: Right, Aquaculture New Zealand. And you are?

MS CLARKSON: My name is Rebecca Clarkson.

CHAIRPERSON: You're --

5 MS CLARKSON: Rebecca Clarkson.

CHAIRPERSON: Rebecca Clarkson?

10 MS CLARKSON: Yes.

CHAIRPERSON: Right. What's your position, Rebecca?

15 MS CLARKSON: I'm called the Environment Manager, but yes, I'm involved in our environment programme and policy and planning.

CHAIRPERSON: Right, thank you. Now, how are you wanting to proceed?

20 MS CLARKSON: I was just going to read my oral submission - you have a copy of that - and add --

CHAIRPERSON: You mean the one that's headed, "Summary of oral submissions"?

25 MS CLARKSON: That's it, yes. I've made a few amendments to it. I was also going to answer or sort of expand on a couple of points and I've got some background material that I sent through with my email on Friday as well that I was going to refer to.

30 CHAIRPERSON: Have we got that? We've got a whole lot of reports that are attached to your --

MS CLARKSON: Yes, okay. Yes, so on Friday I sent through the oral submission, the summary of the original submission.

35 CHAIRPERSON: Yes, we've got that. That's a two and a half page document.

MS CLARKSON: That's it, yes. Also there was a summary of the public perceptions research that Gary was talking about.

40 (off mic conversation)

FEMALE SPEAKER: Yes, so it's all of them, right.

CHAIRPERSON: Yes.

5 MS CLARKSON: But the one thing that you won't have probably is that. That was the ... sorry, this is our A+ sustainable management framework that I referred to in the email, but this a copy of the salmon -- it's basically like an environmental code of practice for salmon that Aquaculture New Zealand has done, so --

CHAIRPERSON: That's not amongst this?

10 MS CLARKSON: No, it probably isn't, because it's a video, rather than document form, but I can just leave it.

FEMALE SPEAKER: From the documents that you've sent through, there was only one document that wasn't printed off.

15 (off mic conversation)

CHAIRPERSON: I don't think that's going to help us. Oh, we've seen the front page of that. The front page was in the material we got this morning.

20 MS CLARKSON: Right. Oh right, okay.

CHAIRPERSON: All right. You proceed then.

25 MS CLARKSON: Okay. So Aquaculture New Zealand is the voice of the New Zealand aquaculture industry. We support the principles of the proposed relocation and support New Zealand salmon as an industry that all Kiwis can be proud of. As an organisation and an industry, we value strong communities, a healthy environment and healthy, sustainable food. There's strong public support for aquaculture for these reasons. Public perceptions research, which we've referred to in the email, shows that the majority of Marlborough residents support sustainable aquaculture growth, feel positive about the industry and recognise it as a sustainable form of food production, a provider of local jobs and a significant contributor to the local economy.

35  
40 The industry as a whole has current annual sales of \$500 million per year and we have a goal of reaching \$1 billion by 2025. Our growth strategy includes a ten-point plan which seeks growth through innovation, collaboration, higher-value markets and efficiencies as well as some additional space. In all respects, this growth is to be delivered in a way that brings social benefits, cultural benefits and with the lightest possible touch on the environment.

45 As an industry, we directly employ over 3,000 people, primarily in regional communities, with at least 850 of these in Marlborough. Each of these people have families that they support and communities that they are part of. We want to see these families and communities continue to thrive and the proposed relocations will enable just that.

5 Aquaculture is a global reality and a key contributor to the future of food security, producing a significant proportion of high-quality animal protein consumed each year, all from less than its share of primary raw materials. As an example, aquaculture makes up 13 per cent of human-consumed protein, but uses less than 4 per cent of the primary raw materials. That's less than what is used to feed pets and horses worldwide.

10 Aquaculture is a particularly light form of food production, particularly when you consider how healthy the products are. This is evident in the increasing demand for farm-raised seafood worldwide, which is fuelled not just by a growing population, but also the ever-growing demand for food choices that can contribute positively to our health and wellbeing. 15 The benefits of consuming oily fish such as salmon are well-recognised for healthy brains, hearts and skin. I have referred to some research, the extracts that you have that talk about that. By far the best way to obtain these benefits is to eat real fish rather than buy capsules. We believe that unfounded scaremongering around apparent contaminants 20 does more harm than good for Kiwis who are looking for healthier food choices grown right here in their backyard. Our salmon is great. We should love it and be proud of it.

25 That's the real context of what Aquaculture New Zealand is putting forward in our submission. The salmon industry and aquaculture is not perfect, but in the bigger context of the wonderful products that we create and provide, it's certainly an industry that we should all be proud of.

30 In terms of sustainability, New Zealand is the first farmed salmon in the world to be recognised as a best choice by the esteemed and independent Monterey Bay Aquarium Seafood Watch Program. You should have a copy of their report that I sent through with that email as well. They look at a whole suite of sustainability criteria and are well- 35 recognised around the world as the eminent characteriser --

CHAIRPERSON: Yes, we heard about that this morning.

40 MS CLARKSON: Yes, indeed. So in order to ensure that our sustainability values are in line with those of our communities, we have recently launched the A+ sustainable management programme for each of the three main aquaculture species, and that's a copy of the document that I've just put on the table. So A+ has a suite of sustainability objectives, management practices and key performance indicators, as well as a 45 programme of reporting and independent assessment. It's been well-upheld across New Zealand by Government and NGOs and community and councils as a progressive programme.

5 It's important to remember that all forms of food production have  
impacts on the environment, as much as we seek to minimise these.  
The impacts that salmon farming has on the Marlborough Sounds  
environment, which we all value, need to be considered in the broader  
context of all the impacts and uses within that space. There's  
compelling evidence that in the context of other anthropogenic effects  
such as ocean acidification, climate change, sedimentation and sewage  
discharges, the scale of the effects from salmon farming is minor. I  
10 included a copy of the NIWA report on anthropogenic effects on the  
marine benthic environment also in the email on Friday.

15 Regardless, the comprehensive series of peer-reviewed expert reports  
clearly indicate that relocation of the selected farms would have clear  
environmental benefits. There are some views that New Zealand could  
transfer its salmon industry into land-based or closed containment  
systems and this would reduce the environmental footprint further.  
However, the technology for these systems still is in its infancy and not  
a viable option for the highly-valued fish that we grow here.  
Furthermore, lifecycle analysis of these systems indicates clearly that  
20 the increase in material and energy demands may result in a  
significantly increased contribution to several wider-scale  
environmental impacts. These include global warming, non-renewable  
resource depletion and ocean acidification, which were two of the ones  
that are in the NIWA report as being the highest impacts on the  
25 environment.

30 So if we accept we need to continue to produce good-quality, healthy  
food and we want that food to be produced here in New Zealand rather  
than imported from overseas, the best solution is to enable aquaculture  
to operate in areas that provide the most efficient way of growing at the  
lowest net environmental and social impact. The salmon relocation  
proposal will enable just this.

35 In terms of the RMA section 360 process, it was designed to encourage  
best practice planning for aquaculture by transferring some of the cost  
burden and the resource burden away from councils. At the time that  
it was put together, there had been a long period of time where councils  
hadn't been planning for aquaculture as it had been anticipated, and so  
40 when the proposal was put forward to the TAG to put this provision in  
place, that was the reason. It was to take the cost burden and the  
resource burden away from councils so that planning could happen at  
a more strategic level. When it went through to the Select Committee,  
it had originally gone through without the public or iwi consultation, it  
45 had gone through without the section 32 analysis, but those were later  
put in to give it more robustness. So Aquaculture New Zealand  
completely supports the section 360 process as a robust and inclusive  
process.

5 I've lost my track. So that was to take away the cost and resource  
burden from councils while making evidence-based decision-making,  
public participation and robust cost benefit analysis. We particularly  
support RMA processes in general which allow evidence-based and  
peer-reviewed expertise to guide planning to a level where there is  
confidence that consent decisions can be streamlined and efficient. So  
in a number of policy spheres, Aquaculture New Zealand is  
encouraging planning to do all the strategic and over-arch and get as  
much information as we can in the planning level and then make  
10 consenting a more streamlined process.

15 In contrast, we discourage planning via extensive case by case hearings  
and court processes, which create undemocratic judge-made policy by  
default. These become a perverse use of ratepayer and community  
resources as well as an opportunity cost for industry contribution to  
proactive environmental projects, research, monitoring and innovation.  
So there's an opportunity now to ensure that the ratio effects from  
salmon farming, in correspondence to the wide-ranging benefits, can  
be even more reduced through the proposed relocations. A better  
operating environment through relocation from low flow to high-flow  
waters allows more efficient and environmentally sustainable  
20 production, a healthier industry and a healthy community.

25 CHAIRPERSON: All right. Is there anything else you want to say?

MS CLARKSON: I was just going to ... we hadn't covered the expert workshops I know  
you might be considering --

30 CHAIRPERSON: We are.

MS CLARKSON: Yes. So we have a technical director, Dr Colin Johnston, who's a  
veterinary scientist and he's an expert. He was involved in putting the  
benthic guidelines together. He's also an expert in fish welfare and  
water quality and biosecurity in particular, so Aquaculture New  
Zealand would offer his expertise if that was seen to be useful.  
35

CHAIRPERSON: That will depend on what groupings of experts we might --

40 MS CLARKSON: Of course, yes.

MR DORMER: What was his name?

MS CLARKSON: Dr Colin Johnston.

45 CHAIRPERSON: Colin Johnston?

MS CLARKSON: Yes.

- CHAIRPERSON: He was involved in -- what is his expertise?
- MS CLARKSON: He's a fish vet.
- 5 CHAIRPERSON: A fish --
- MS CLARKSON: But he's our technical director, so he's involved in a lot of technical elements of the aquaculture industry, but particularly biosecurity, fish welfare, water quality. As I said, he was involved in putting the benthic guidelines together.
- 10 CHAIRPERSON: But he wouldn't be a water quality scientist?
- MS CLARKSON: No.
- 15 CHAIRPERSON: No. Okay. Anyway, he's available if we want?
- MS CLARKSON: That's right, yes.
- 20 CHAIRPERSON: Yes, thank you. Anything else?
- MS CLARKSON: No.
- CHAIRPERSON: All right, just before I ask my colleagues if they want to ask you any questions, this sustainable management framework, is there a date when this was produced?
- 25 MS CLARKSON: We launched it in 2015. We used MPI Sustainable Farming Fund money to put together the risk assessment that fed into the practices, the objectives. So there's a series of checklists that farmers have to fill in their own and do their own self-assessments and there's also --
- 30 CHAIRPERSON: Yes, I think we can work out for ourselves what is in it.
- 35 MS CLARKSON: Okay, good.
- CHAIRPERSON: I just wanted to know --
- MS CLARKSON: Yes, 2015 we launched it.
- 40 CHAIRPERSON: 2015?
- MS CLARKSON: 2015, the end of 2015. That's right, yes.
- 45 CHAIRPERSON: Yes.

MS CLARKSON: So we currently have about 85 per cent of the industry signed up by hectares and we're aiming to have 95 per cent by the end of the year. In fact, there's only one salmon farming company that's not part of the programme.

5

CHAIRPERSON: Okay. So this is an industry-based guideline?

MS CLARKSON: That's right, but we do have a series of independent --

10

CHAIRPERSON: If you just wait until I finish the question.

MS CLARKSON: Sorry, sorry.

CHAIRPERSON: Thank you.

15

MS CLARKSON: Yes.

CHAIRPERSON: Has this been put to any other hearings for marine farming activities? For example, did it go to the Board of Inquiry?

20

**[2.15 pm]**

MS CLARKSON: It wasn't developed at the time of the Board of Inquiry.

25

CHAIRPERSON: No. Has it been to the Environment Court?

MS CLARKSON: Well, individual marine farmers who are part of it will use it as evidence in their consenting processes --

30

CHAIRPERSON: But have they done so is my question.

MS CLARKSON: I am not aware of any.

35

CHAIRPERSON: You're not aware of any?

MS CLARKSON: No.

CHAIRPERSON: Okay. What about councils?

40

MS CLARKSON: I'm sure that it's been referred in council consenting processes. I don't know if anyone can confirm that.

CHAIRPERSON: You're not aware of that though?

45

MS CLARKSON: No, but I can find that out.

CHAIRPERSON: Yes. So --

- MS CLARKSON: Sorry, but in our discussions with various councils around the country, we've been encouraging councils to use it as a consent condition.
- 5 CHAIRPERSON: Yes.
- MS CLARKSON: Yes, and it was designed in that respect.
- CHAIRPERSON: Do you know of any that actually have?
- 10 MS CLARKSON: I know that the Waikato Regional Council has consent condition to be part of its predecessor, which was an environmental code of practice, it was called, and that they would intend to bring this over. It might even be --
- 15 CHAIRPERSON: But they'd gone by the time this came out.
- MS CLARKSON: Yes. It might be Auckland as well.
- 20 CHAIRPERSON: Right. Have you got any questions? Have you got anything else?
- MR DORMER: Just A marks for bravery here.
- MS CLARKSON: Thank you.
- 25 MR DORMER: Not many people in your position would come before the Panel arguing the undemocratic nature of judge-made decisions.
- MS CLARKSON: Well, it's become a bit of a bug-bear in the industry.
- 30 CHAIRPERSON: Sorry?
- MS CLARKSON: It's become a bit of a frustration in the industry that some of the decisions that are being made are setting precedents that might not necessarily have been designed for policy in general.
- 35 CHAIRPERSON: So on that basis, the whole of that RMA process is flawed, in your opinion, is it?
- 40 MS CLARKSON: The whole of the RMA?
- CHAIRPERSON: The whole of the hearing and appeal process that ends up in the Environment Court is flawed?
- 45 MS CLARKSON: I think we agree with a number of agencies, including EDS and probably with the Government as well, that the RMA could do with some tweaking in order to streamline it.

- CHAIRPERSON: That would be more than a tweak, wouldn't it?
- MS CLARKSON: Quite possibly, yes. But that's something for bigger brains than I.
- 5 CHAIRPERSON: You would accept, I'm sure, that there are people with a different point of view?
- MS CLARKSON: I do, absolutely, yes.
- 10 CHAIRPERSON: Yes.
- MS CLARKSON: But I think that a balance is -- we need to find a level of balance. As I said, the general philosophy is making decisions on a planning level and leaving the consent by consent decisions to be relatively straightforward.
- 15 CHAIRPERSON: Well, the planning process under the RMA ends up in the same position, doesn't it, today?
- 20 MS CLARKSON: It does, but it takes away the resource requirement and the uncertainty on case by case basis.
- CHAIRPERSON: I'm sorry, I interrupted you.
- 25 MR DORMER: No, not at all. I was just applauding the young lady's bravery.
- CHAIRPERSON: Yes. Well, you never succeed if you don't try, do you? Have you got any --
- 30 MR CROSBY: Only one machinery matter really relating to the experience or rather the qualifications of Dr Johnston. If fish disease issues were to arise, that's his field of expertise, is it?
- MS CLARKSON: Yes, absolutely, absolutely. Yes.
- 35 MR CROSBY: All right, okay. Thank you.
- CHAIRPERSON: Just pursuing the other topic just a little bit further, was Aquaculture New Zealand involved in development of section 360?
- 40 MS CLARKSON: Yes. As Gary was saying, we were on the TAG. Our previous CEO was part of the technical advisory group.
- MR DORMER: No, he wasn't. I chaired that technical advisory group.
- 45 MS CLARKSON: The aquaculture TAG?

- MR DORMER: I was on them all and chaired four of the five technical advisory groups, so unless my memory is mistaken, that happens when you get my age ...
- 5 CHAIRPERSON: Well, you tell us what part you think Aquaculture New Zealand took in the formation of that provision.
- MS CLARKSON: I'm pretty sure that our CEO, Mike Burrell, was on the aquaculture technical --
- 10 CHAIRPERSON: Mike?
- MS CLARKSON: Mike Burrell.
- CHAIRPERSON: Barrell?
- 15 MS CLARKSON: Burrell, yes. Dennis Bush-King was on it as well, Nici Gibbs from Seafood New Zealand, Kirsty Woods, I think, from TOKM.
- CHAIRPERSON: Mike Barrell --
- 20 MS CLARKSON: Burrell, B-U-R-R-E-L-L.
- CHAIRPERSON: B-U -- oh, Burrell, yes.
- 25 MS CLARKSON: Yes. So he was formerly from LECG and then he became the --
- CHAIRPERSON: Yes, and then Dennis Bush-King, I think I know him.
- MS CLARKSON: Yes, Tasman District Council.
- 30 CHAIRPERSON: Tasman District Council, yes. And who else?
- MS CLARKSON: Nici Gibbs.
- 35 CHAIRPERSON: Nici Gibbs?
- MS CLARKSON: Yes, who was SFIC. At the time, it was SFIC.
- CHAIRPERSON: I didn't catch that.
- 40 MS CLARKSON: SFIC, that was the Seafood Industry Council.
- CHAIRPERSON: Oh, yes. Any of these names familiar?
- 45 MR DORMER: Oh, we all know Dennis Bush-King, of course, from way back.
- CHAIRPERSON: Yes, we do. But these are the people you say were in the TAG?

- MS CLARKSON: They were on the technical advisory group, yes.
- CHAIRPERSON: Anybody else you can think of?
- 5 MS CLARKSON: Kirsty Woods from TOKM, Te Ohu Kai Moana.
- CHAIRPERSON: Yes. Anybody else?
- MS CLARKSON: I'm sure that there were others, but I can't recall.
- 10 CHAIRPERSON: Yes. Who set up this TAG, do you know?
- MS CLARKSON: That's a good question. Aquaculture New Zealand was working closely with the Minister for --
- 15 CHAIRPERSON: Fisheries, was it?
- MS CLARKSON: -- Fisheries at the time, who was Phil Heatley.
- 20 CHAIRPERSON: Oh, right.
- MS CLARKSON: Yes, so I think that it came from his directive.
- CHAIRPERSON: Yes.
- 25 MR DORMER: In that case, I may owe you an apology. I am only familiar with the advisory group in the context --
- MS CLARKSON: I'm sure you are. It sounds like you've been involved in a lot of them.
- 30 MR DORMER: -- of being an advisory body to the Minister for the Environment.
- MS CLARKSON: Right. Yes, and there was an RMA one going on at a similar time.
- 35 MR DORMER: If the Minister of Fisheries set one up and used the same terminology, apart from stealing our name, he is to be congratulated.
- CHAIRPERSON: I think they said there's one that's been set up just now for something.
- 40 MR DORMER: I read that the other day.
- CHAIRPERSON: Okay. I see the amendment to the Act went through in 2011.
- MS CLARKSON: That's right.
- 45 CHAIRPERSON: So this would have been before that?
- MS CLARKSON: Yes.

- CHAIRPERSON: What, the previous year or something?
- 5 MS CLARKSON: I think it was. Yes, it started in 2009 and went through 2010, yes, and I think it went to the Primary Product Select Committee.
- CHAIRPERSON: You told us something which I didn't quite catch, that there was a submission made to the Select Committee.
- 10 MS CLARKSON: That's right.
- CHAIRPERSON: By Aquaculture New Zealand?
- MS CLARKSON: Absolutely, yes.
- 15 CHAIRPERSON: Seeking to have --
- MS CLARKSON: No, as part of the TAG report, the section 360 process was put forward as an idea and then the Bill went through the House and there was opposition to it in that form, because it didn't have a public or iwi consultation and it didn't have a section 32 cost benefit analysis. Those were later added when it was enacted.
- 20 CHAIRPERSON: Who submitted to get those put in? You don't know?
- 25 MS CLARKSON: No, but I do know Seafood New Zealand came up with one of those ideas. Yes, it was more sort of environmental groups that wanted to have that extra level of participation.
- 30 CHAIRPERSON: Okay, yes. We can get that report, if we want it.
- MR DORMER: I'll take out the three locations then.
- CHAIRPERSON: Yes. I'll just finish this topic first. We can have a look at that Select Committee if we want to. Yes, okay.
- 35 MR DORMER: One of the issues that's exercising my mind is the degree to which it's appropriate to refer to this as a salmon farm relocation proposal. One could view it as a proposal to establish six new salmon farms and as a precondition of their establishment, the closure of a number of others. If one views it as a plan to open six new farms, the legal issue that arises - and you may care to seek advice on this or may care to come back to us in writing later - is there will undoubtedly be elements of environmental detraction from the establishment of any farm anywhere.
- 40
- 45 MS CLARKSON: Absolutely.

MR DORMER: To what extent is it appropriate when deciding whether those elements of environmental detraction should be accepted, to what extent is it appropriate that we have regard to the environmental benefits to be derived from the closure of other farms? I don't know the answer, but if the King Salmon case or some of the subsequent judicial authorities are to the effect that in sensitive areas of the coastal marine area no environmental detraction is acceptable, then that's quite a hard hurdle for proponents of new farms to overcome, even if those effects may be portrayed as but minor.

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So conceptually there is a potential difference between a proposal which allows for the establishment of six new farms and a proposal which allows for the establishment of six new farms and the consequential closure of others. I'm struggling as to the extent to which we can regard as a positive environmental effect the closure of farms in less than satisfactory environments. I don't really know that I've posed a question for you, but if you have any subsequent thoughts on the issue, please feel free to communicate them through our staff.

MS CLARKSON: Indeed, yes, will do. Yes, thank you. Thank you for the opportunity. Thank you.

20

CHAIRPERSON: Thank you very much. Now, is Karen Mant here? Yes. Thank you.

[2.30 pm]

25

MS MANT: It's pretty much exactly what I've just given you as well, yes.

CHAIRPERSON: It's all right, we just wanted to get the lodged written comment before we hear from you. Have you got it?

30

MR DORMER: Yes.

CHAIRPERSON: Good. All right, thank you. If you would proceed to read this, thank you.

35

MS MANT: Okay. My name is Karen Mant. I'm currently the environmental project manager for King Salmon and I'm here in support of the relocation project. I've been employed by King Salmon and all of its predecessors since 1990. My role at the time when I was first employed, I was a receptionist, a junior administration assistant. Our office was based in Nelson City and at the time our office consisted of a general manager, export sales manager, domestic sales manager, a management accountant, financial accountant and accounts clerk and myself. That was the size of our team as we were when I started back in 1990.

40

45

5 At this time, we operated as three separate entities. There was Southern  
Ocean Salmon, which was at the Pupū Springs, Marlborough Salmon  
Company, which had a farm in Hallam Cove and then Waihinau and  
Forsyth and Pacific Salmon Processors, which was the processing  
10 operations in Tahunanui. At the time we were separate entities and we  
had three separate lots of financial accounts to prepare at the end of  
each month and each company sold to each other. The Pupū Springs  
sold the salmon to Marlborough Salmon Company, who sold the  
salmon to the processing plant and then it was on-sold to the market.  
15 The farms, they were serviced each day in the Pelorus by a team that  
came in and out Elaine Bay.

20 Soon after I started, the three companies, they all then merged together  
somewhere around 1990, late 1990, and then traded as Southern Ocean  
Seafoods. Over the next few years, the small factory that we had in  
Tahuna, we bought the neighbouring Skeggs factory, which is our main  
processing plant that we have today. That also allowed for the small  
corporate service team that we had in offices in town to move to the  
25 factory in Bullen Street and we could all be housed together.

30 During the salmon off-season, which was winter - so we normally just  
harvested over the summer period back then - part of the factory we  
contracted to shuck scallops. We could do everything in that one  
factory back then. We did scallops, we also did gilling and gutting on  
25 another part of the factory and we had a curtain down the middle which  
separated where we packed the sliced smoked salmon. Yes, we could  
do everything in the one factory back then. The food safety  
requirements weren't as they are today and so when the food safety  
requirements stepped up, we then had to build the RTE processing  
30 factory, which is the ready to eat processing factory, where all our  
smoking was done in a separate building. The scallop shucking was no  
longer, as that had to go as well.

35 As the business grew, the small corporate team grew as well and there  
were many benefits from having everybody housed in the same  
location in Bullen Street. The sales team, production managers all co-  
ordinated their supply and demand and the year-round salmon supply  
grew. Producing salmon year-round was the first of its kind in New  
Zealand, when previously we just did the summer months. Over the  
40 next few years, the corporate team grew out of the offices in the factory  
and then we had to lease a building across the road in Bullen Street to  
house us all. Then it probably would be 30-odd people back then in  
the office team.

5 In 1996 Regal Salmon, which had farms at Ruakaka, Otanerau, Te Pangu, and their head office was in Picton, was purchased by Southern Ocean Seafoods. The company then became trading as the New Zealand King Salmon Company. We merged, retaining many of the Regal Salmon office staff, as well as the team in Picton, which included net-making and the engineering services. Then in 2012, we were overflowing in our offices once again and we expanded to the corporate offices in Beatty Street, where we have a lot of teams which are growing and we are still there today.

10 My roles within King Salmon, and my roles over the past 26 years, I started fresh out of Nelson Polytech into a junior admin role, have progressed into payroll, accounts payable, accounts receivable, credit control, then into IT projects team, IT helpdesk before I started my family in 2004. I came back to King Salmon in the finance department part-time before taking a role in the sustainable management team. My role in this department has grown considerably over the past five years with the EPA process, increased science and technology in the aquaculture field, international certifications and accreditations.

20 In my 26 years, I've been through three mergers and worked under three CEOs. The first was Dave Nelson - he was the general manager of Southern Ocean Seafoods - Paul Steere, CEO of King Salmon and still a current board member, and Grant Rosewarne, our current CEO. So there's not many companies of this size that have had such a low turnover at CEO level.

30 In the past three years, I've studied through the Open Polytechnic and completed a diploma in environmental management. The company fully supported and paid for my diploma, which I'm truly grateful for. When I studied my diploma, I completed a paper on global sustainability and there's a graph there showing the 2012 unsustainable fishing and it shows roughly probably a 60:40 split of aquaculture production versus wild capture, so it's just showing you how much aquaculture is growing worldwide.

40 My role also incorporates certification. In the past four years, King Salmon has been accredited with the internationally recognised BAP, which is Best Aquaculture Practice certification, with all sea farms and processing facilities being independently audited. In 2016, we added our three salmon hatcheries, one at Tentburn, Takaka and Waiiau, to the BAP certification and thus New Zealand King Salmon was the first company in Australasia to be awarded BAP certification to the standard where there's hatcheries, sea farms and processing all being certified.

5 We're proud to have an active and focused community sponsorship and  
support programme. We support various community organisations,  
charities, events with financial and product sponsorship.  
10 Geographically our sponsorship focuses on the Marlborough region,  
followed by the greater top of the south and our freshwater locations.  
I believe that salmon farms in the Marlborough Sounds are as much of  
the community as the batches. Often our staff come to the aid of  
recreational fishers and boaties for assistance. Recently our divers  
15 were asked to untangle the rope that was wrapped around the prop of a  
boat and we've also assisted in the rescue of a small plane that crashed  
into Ketu Bay and I believe we were involved in saving the pilot's life.  
All of our barges have defibrillators on board and are available for  
anybody to use. Many recreational fishers and boaties are very  
interested in the salmon farms, therefore I support this relocation  
project in many ways.

20 Science: having the science to position the salmon farms in the most  
suitable areas, rather than in areas that were easy to obtain and were  
converted mussel farms or seemed to be a good place at the time. This  
can only create a positive environmental outcome for a sustainable  
future.

25 The social amenities: many of us enjoy the Marlborough Sounds for  
recreational use and the amount of residential baches is growing as  
bays become more accessible by road and boat. Moving the salmon  
farms out of these bays will provide better social outcomes for many  
residents, especially Bulwer, near the Waihinu Bay Farm.

30 Economics: the growth over my time in this company has been huge  
and I'm very proud to be a founding member of the company.

35 Ownership: I just wanted to mention my opinion of the Tiong family  
and its part-ownership of King Salmon. The Tiong family has been in  
part-ownership of King Salmon and its predecessors ever since I can  
remember. They have stood by this company through thick and thin.  
In times when things weren't looking so bright back in the late 1990s  
of GDAS, the Tiong family came to our aid to ensure the survival and  
continued employment. The Tiong family love fishing and all they  
40 ever wanted to do is go down the farm and catch fish on a rod. So the  
criticism that they receive for taking profits offshore, I can assure you  
in the past it's been quite the opposite, so therefore I fully support the  
ownership in our company.

45 It's very exciting times for King Salmon and, yes, I'm just grateful for  
the opportunity to speak to you today.

CHAIRPERSON: All right, thank you very much. Have you got any questions?

- MR DORMER: No.
- CHAIRPERSON: No. Ron?
- 5 MR CROSBY: It's very clear, thank you, but the only question I have arises out of the third page, when you refer to "many recreational fishers, boaties are very interested in the salmon farms".
- 10 MS MANT: Yes.
- MR CROSBY: What sort of response are the staff instructed to give to people visiting on that casual sort of basis?
- 15 MS MANT: I don't think they actually come on to the farm itself, but they just have an interest when they go past it. Often they'll slow down and just look from a distance and just have an interest just as they're going past, rather than actually coming on board.
- 20 MR CROSBY: Okay.
- CHAIRPERSON: Thank you. I just need to be clear, the Tiong family, what nationality are they?
- 25 MS MANT: Oh, they're Malaysian.
- CHAIRPERSON: Malaysian?
- MS MANT: Yes, they're part of our own Malaysian ownership.
- 30 CHAIRPERSON: Okay. What is their interest in the King Salmon company, do you know?
- MS MANT: Well, they're part-owners.
- 35 CHAIRPERSON: They're a partner? I mean, are they shareholders or what?
- MS MANT: I think they're owners. Yes, 40 per cent owners in the company.
- 40 CHAIRPERSON: 40 per cent owners?
- MS MANT: Yes.
- CHAIRPERSON: Yes. All right, thank you very much. Rhea Hopkinson, is that right? Where's Rhea?
- 45 (off mic conversation)
- CHAIRPERSON: Thank you. All right, thank you very much.

MS HOPKINSON: Right. So hello, I'm Rhea, and I'm an assistant brand manager in the marketing department at New Zealand King Salmon. This is my personal opinion and I support all six relocations.

5

My favourable submission is due to the following. I care about the environment, I believe in our healthy, locally-grown product and I believe the local community and economy will benefit from significant growth. Coming from a green household, I have been passionate about conservation from a young age. I want to make informed decisions that have the least impact from something that was perhaps not considered in generations prior to mine.

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[2.45 pm]

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However, it is something King Salmon is very passionate about. I predominantly work on the Regal Marlborough King Salmon brand and part of my job is to market the Marlborough Sounds. It's one of our unique selling propositions, to be the only company to farm salmon in this area. We sell our salmon based on how beautiful the Sounds are. We also sell the salmon based on our environmental accreditations mentioned earlier today. As consumers are more demanding of sustainable brands, we need to ensure that we keep the area beautiful, to continue selling this message and ensure we meet our environmental obligations.

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Another aspect of my job is to show customers, bloggers, New Zealand chef celebrities, international chefs and media to the Sounds and take them out to our farms and generally showcase the region. These are most overseas or out of town visitors who have never been to the area. Blown away by the beauty of the Sounds, they will rave about it to their friends and colleagues and often post on social media or in other forms of media, such as radio, TV and magazines. This will undoubtedly have an effect on bringing tourism to the area.

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In February, in collaboration with Destination Marlborough, I hosted foodie bloggers who have a combined following of over 400,000 people. We invited them to the Marlborough Wine and Food Festival and took them to an array of local wineries, restaurants and accommodation. Three of the four bloggers had never been to the region or known too much about it, even though they're from New Zealand.

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CHAIRPERSON: Sorry?

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MS HOPKINSON: Even though they are from New Zealand, the bloggers.

CHAIRPERSON: Even though they were from ...?

MS HOPKINSON: Yes. So they didn't really know much about the Marlborough area.

CHAIRPERSON: Yes. Keep your voice up a bit.

5

MS HOPKINSON: Yes, sorry. We also took them out to our farms where some made comments that they would want to get into the water and swim. They each blogged about their experience in detail and named each part of their journey, sharing on social media the entire time.

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We also feature Marlborough in a recent Nadia Lim and My Food Bag and last year featured Regal and Marlborough in two television shows, one with local chef Bradley Hornby and another with esteemed Auckland chef Nick Honeyman, who cooked a meal on one of our farms. These are just some of the ways we are trying to showcase Marlborough.

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Outside of work, I am very much into the outdoors and spend a lot of my personal time camping, kayaking and fishing in the Sounds. Much of the reason I do this, along with many other locals and tourists, is to enjoy the beauty of the water and the area in general. I think that moving to high flow sites will ensure that we have a reduced amount of waste on the seabed floor and we are able to maintain The Sounds for the future of not only our Regal brand, inviting visitors to the area, but also for recreational use.

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As I mentioned, I work on the Regal brand, which is our premium brand to everyday consumers. We generally have great quality salmon, but we are restricted in how much we can make due to lower quality fish or not having enough supply to meet demand. People really love our product and it's such a great way to get daily intake of omega 3s.

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Aquaculture is the most sustainable way to grow salmon and feed our growing population with this great healthy product where we can track everything that goes in and out of the ocean and where we can reproduce what we harvest.

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Shouldn't we leave the oceans to repopulate and think of a longer term strategy to feed the growing population? We cannot keep up with demand and retail customers are already importing Atlantic frozen salmon. Wouldn't we rather support a New Zealand company that is highly regulated and is locally grown? I believe better quality water space will improve the quality of our salmon and we'll be able to supply New Zealanders and customers around the world with better quality, sustainably and locally grown, healthy protein.

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5 In marketing, I work on projects that support the local community through education, sports and charities. The amount of gratitude we get through this support is truly rewarding. I play sports in the area as well and I know how helpful it can be to have a sponsor like King Salmon. As well as working on community projects, I work with a lot of wineries, restaurants, tourism operators and organisations in the top of the south and particularly Marlborough. These are people who rely on our business as well as others to operate and keep their jobs. We should be encouraging this even more and I think better quality water space will provide us with additional revenue to continue building local businesses and give us more flexibility to give back to the community.

15 I'm a 25-year-old and have been working at King Salmon since the age of 23, relatively fresh out of university. I studied in Wellington and worked there for a few years as there weren't a lot of jobs for me in the top of the south. While I really enjoyed my time, it was expensive and has meant a large debt. I had no choice but to move away from my family and friends in the region and gave up playing sport. When I came back to see my family after travelling, I was quite shocked to see a role such as mine for a large company based in Nelson, my home, and immediately applied. Since then, I've been exposed to a lot of opportunity with the company. As King Salmon is a fully integrated company, there are opportunities in a broad range of careers such as aquaculture, logistics, HR, sales, processing and finance to name a few. In fact, my partner who is also 25, is employed by King Salmon and they are putting him through his chartered accountancy. I have another good friend who works there as a marketing intern from NMIT, a position that I would have loved as a student.

30 Nelson and Marlborough have an above average ageing population and a below average age of 20 to 30-year-olds residing in the regions. Young people bring in new energy and ideas into the organisations and community. NMIT are already promoting youth to remain in the region with their "Half of a Degree for Free" option. However, students need employment to come into after their studies. How will we grow these regions if all young skilled workers move elsewhere? I want my generation and younger generations to be able to work and thrive in rural communities and have the same opportunities I have had where house prices are more affordable and they have a choice to remain with their friends and family.

45 At a recent Women in Seafood breakfast hosted on International Women's Day, the key message was "We need more female leadership in the seafood industry". I would like to become a leader one day and I believe King Salmon can foster this aspiration. We should encourage companies in small towns who are willing to grow. This rare opportunity does not present itself nearly often enough.

- 5 I believe relocating our sites to better quality water space will enable significant growth for King Salmon to grow better quality salmon while having a lower impact on the environment. This growth will enable us to promote the region even more. This growth will enable us to give back to the local community and economy even more. This growth will enable additional jobs for a broad range of careers and allow youth to remain in the region and pursue their careers and hopefully allow me to become a leader in my chosen field in my home town.
- 10 CHAIRPERSON: I hope you do.
- MS HOPKINSON: Thank you.
- CHAIRPERSON: Now you've got some attachments?
- 15 MS HOPKINSON: They're just some examples of what we do to promote Marlborough.
- CHAIRPERSON: Yes. Is there anything there you want to particularly draw to our attention or are they just matters of interest for us?
- 20 MS HOPKINSON: Just some of the examples I mentioned with the bloggers who came and spoke about the region.
- CHAIRPERSON: Huh?
- 25 MS HOPKINSON: The bloggers that came in February.
- CHAIRPERSON: Yes, right.
- 30 MS HOPKINSON: So it's really just an example of the kind of things we do and the kind of things we're trying to do to showcase the region. We're trying to bring people into the region.
- CHAIRPERSON: Yes. The last one is Nadia Lim, isn't it?
- 35 MS HOPKINSON: Yes. For the Marlborough Wine and Food Festival, I think we've been sponsoring it before my time and we've brought people like Nadia Lim, Chelsea Winter, Brett McGregor, Kasey and Karena, Nici Wickes, a whole bunch of people to the region. Usually, they stay for the whole weekend and talk about it through their channels as well. So just another example of what we're trying to do to bring people here.
- 40 CHAIRPERSON: Great. Have you got any questions?
- 45 MR DORMER: No, thanks.
- CHAIRPERSON: Right. Ron?

MR CROSBY: Yes. What was the term you used, foodie bloggers?

MS HOPKINSON: Bloggers, yes.

5 MR CROSBY: Foodie bloggers. So what you've given us are examples of what they do, is it?

10 MS HOPKINSON: Yes. So two out of four of them have written cookbooks this year. They mention us in there, they mention the Marlborough region and they also show our salmon.

MR CROSBY: Right, so how do you know they have, what was it, 400,000 --

15 MS HOPKINSON: They all write blogs, which is like an online form of media, and they have analytics that show how many people read those blogs.

MR CROSBY: I see.

20 MS HOPKINSON: Then they also have social media outlets such as Facebook and Instagram. Between the four of them, we counted around 400,000 followers. Some of them might be double-ups; someone might follow all four of them. But, yes, basically throughout New Zealand, Australia, North America and Europe were their main following. So whatever they say on their social media sites, their following sees that.

25 MR CROSBY: Yes. I'm sure my daughter understands all that, but it's all news to me. Thank you for that, being as it is new, and I didn't have any appreciation of the coverage that that sort of thing has.

30 MS HOPKINSON: Yes, it's definitely --

MR CROSBY: It's really wide, isn't it?

35 CHAIRPERSON: Yes.

MR CROSBY: Quite influential probably.

CHAIRPERSON: Indeed.

40 MR CROSBY: Thank you.

CHAIRPERSON: Thank you very much.

45 MS HOPKINSON: Thanks.

CHAIRPERSON: Thank you for coming. Best of luck. Our last person for today is Charles Park.

MR PARK: Good afternoon. Sorry I don't have copies of my submission but I'm hoping you have something there.

CHAIRPERSON: Yes, if you just wait a minute. Do sit down.

5

MR PARK: Thank you.

CHAIRPERSON: If you just wait a minute, we might be able to find it amongst all this paper that we've got here. Yes, it's a sort of a page and a half written comment you made?

10

MR PARK: Yes. My name's Charlie Park obviously, originally from Scotland where I was farming salmon and halibut over there for about eight years.

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CHAIRPERSON: Really? Yes.

MR PARK: I've been out working for New Zealand King Salmon for ten years in a wide range of roles on the farm. My current role is the Tory Channel regional manager. I'm married and a couple of children, living in Blenheim.

20

CHAIRPERSON: You're the Tory Channel regional manager?

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MR PARK: Yes.

CHAIRPERSON: For King Salmon?

MR PARK: That's correct, yes.

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CHAIRPERSON: Yes. How long did you say you'd been here?

MR PARK: Ten years.

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CHAIRPERSON: Ten years.

MR PARK: And involved in fish farming/salmon farming for 18 years in total. The biggest difference I see working for New Zealand King Salmon is the integrated nature of the company and also the value that it gets for its product, which is very different to the business model that is in Scotland and with the Atlantic salmon farming there.

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5 The huge part of my role is around managing our relationships with our  
 neighbours in Te Pangu Bay and also in Ngamahau Bay where we've  
 got neighbours and people that work around us. A great deal of our  
 part is making sure the visual impact of the farms is minimised as much  
 as possible and also trying to be a good neighbour. So things we've  
 done for the local residents: when they need a mooring dive for the boat  
 to eject out or when they need some equipment brought out for the  
 house or tractor or something like that. We've got the ability to do that  
 and we do that regularly and make a big point of that to try and be a  
 10 good neighbour. We understand we have an impact and we minimise  
 it as much as possible and taken a lot of steps over the years to try and  
 build those good relationships with our neighbours.

15 The key part of the submission that I'd like to bring up is the  
 opportunities that King Salmon presents for the people. I work with 22  
 people every single day out on the farms and with expansion or with  
 the sites swap, that opportunity could be extended to a lot more people.  
 I've got people who started working with me at 16 years old, straight  
 out of school in Picton. I've got graduates from Waikato University.  
 20 I've got people coming from the NMIT course that studies aquaculture  
 over in Nelson. We've given all these guys a great opportunity both to  
 begin their learning and extend that learning as well. We're all for  
 vocational training, unit standard-based training, SRL - so skipper's  
 tickets - diving qualifications. It is a tremendous opportunity that we  
 25 extend to people and if the farms were relocated and opportunities can  
 be extended to a far wider range of people within Marlborough.

[3.00 pm]

30 In summary, the environment: there'll probably be a lot of literature  
 presented to you and that you'll have to digest. I think the key bit is we  
 have been farming in the Marlborough Sounds sustainably for over 25  
 years. We work very closely with Cawthron and other environmental  
 groups to make sure we are doing that sustainably. I believe that that  
 35 track record should be looked upon, going forward, as we can be trusted  
 to farm responsibly, be a good neighbour and be a good employer for  
 Marlborough.

40 Thank you.

CHAIRPERSON: Thank you, Mr Park. I see in the written comment that you made,  
 which we've got, you refer to the navigation issue in Waitata Reach and  
 you also talk about Tory Channel in that capacity. Is there anything  
 you'd like to add to what you've said there about that? You'll probably  
 45 realise by now that that is an issue for us.

MR PARK: Yes, the Tory Channel where huge ferries pass each other and pass the farms every single day. We regularly cross in front of the ferries in a very busy shipping channel and we've managed that with very few issues over the last 25 years. The Waitata Reach or that stretch of water is a massive expanse of water and with much less transportation and trips between the area. Therefore, the farm itself and where it's located, I feel, would present a very small navigational hazard. We are regulated with marine lights, navigational lights which are regularly audited on a quarterly basis by the Marlborough Harbour Master. For that reason, I think the navigational issue is not an issue in my opinion after working on salmon farms for 18 years.

I also think the stretch of water where that is located in deep, fast-flowing water presents a tremendous opportunity to - I think I've put in there - make it one of the most productive-ish pieces of land in New Zealand. We could farm a lot of fish sustainably and safely in that stretch of water and it would make a huge difference to the economy and the profitability of the region.

CHAIRPERSON: Right. Do you have any ...? No? Ron?

MR CROSBY: Yes, I've got a few questions if I can. The first one's probably not particularly relevant to this hearing. You made the observation as to the comparatives in value between the Atlantic salmon and the chinook. What sort of factor are you talking about?

MR PARK: I'm not sure of the round number but we do sell our fish for extremely high levels overseas. The story we use is wagyu beef with our King brand that we sell overseas to some top-end, white tablecloth restaurants overseas and make an enormous amount of value from that product.

What I saw in Scotland - which is fine but a very different model - is salmon was cheaper than chicken in the supermarkets.

CHAIRPERSON: Cheaper than ...?

MR PARK: Cheaper than chicken.

CHAIRPERSON: Chicken?

MR PARK: Chicken, yes. In the supermarkets, people go in shopping and they pick up their salmon and they can farm that because their business model's very different.

- 5 Also, what I saw in Scotland was the farmer takes all the risk, the farmer grows all the fish, the farmer then on sells it to another company who make all the money and have none of the risk. What I see with New Zealand King Salmon is because we're completely integrated, we capture all that value and that value is retained in New Zealand.
- MR CROSBY: The NMIT course that you refer to, is that an aquaculture degree course, is it?
- 10 MR PARK: Yes, they offer a diploma course and a degree course.
- MR CROSBY: How long have those been operating?
- MR PARK: The degree's been going about three years and I think the course itself  
15 has been about six years in the diploma course.
- MR CROSBY: Are they based in Nelson or based in Blenheim here?
- MR PARK: In Nelson, yes.
- 20 MR CROSBY: In Nelson, right.
- MR PARK: Some of the staff we've got, they live on the farm for seven days and then they're off for seven days. I've had four graduates work and study  
25 at the same time; we support that. There's a guy finishing up today who does his work placement out there. Out of the 22 people that I manage, 5 of them graduated from the Nelson course.
- MR CROSBY: Right. In your area of responsibility, is Otanerau Bay involved or not?  
30
- MR PARK: No.
- MR CROSBY: No. Who manages that and Ruakaka?
- 35 MR PARK: It's what we call our Queen Charlotte growing region.
- MR CROSBY: Right, but both those and the Tory Channel ones are serviced from Picton, I take it?
- 40 MR PARK: That's correct, yes.
- MR CROSBY: So same vessel taking staff out and back or ...?
- MR PARK: No, we use separate vessels operationally-wise but also biosecurity-  
45 wise as well, though try and keep our regions as separate as possible, and our biosecurity policy takes that to us just in case there's any risks.
- MR CROSBY: Seals recognise the difference between the two areas?

- MR PARK: Unfortunately not. One thing: as long as your neighbour's a bit worse than you, you can do a bit better in my game. But no, we're pretty standard across the fences.
- 5 MR CROSBY: Ngamahau: what stage of development is that at at the present time?
- MR PARK: We harvested our first fish out of there so we would be just over a year and a half into growing fish on that farm.
- 10 MR CROSBY: So it's fully developed in terms of the board of inquiry decision?
- MR PARK: No. I think in about six months we'll be able to apply for an extension to our discharge limit on the farm, but that'll all be pending the Cawthron reports.
- 15 CHAIRPERSON: Right. So it's being developed on an adaptive management basis?
- MR PARK: Effectively, we've got a baseline monitoring for a year. We farm at a certain level for two years and as long as the seafloor is not unduly impacted then we apply for an extension to that discharge consent.
- 20 MR CROSBY: What's the current flow at Ngamahau?
- 25 MR PARK: Peak tide, it can be about 1½ knots to 2 knots.
- CHAIRPERSON: I don't know what that is.
- MR CROSBY: In terms of these cubic metres a second figures that have been given to us, what sort of rate? If you don't know, don't worry.
- 30 MR PARK: I'd have to check. I think it can be up to about 30. It can be significant. It's much closer to the mouth.
- 35 MR CROSBY: Right.
- MR PARK: I'd have to check that.
- 40 MR CROSBY: You mentioned the minimisation or the mitigation and minimisation measures that you have been involved in. Can you describe what's been involved in reducing the visual impact at Te Pangu and Clay Point and compare those with the outcome that you think you've achieved at Ngamahau?

MR PARK: We've moved to black netting essentially. It sounds very simple. We used to have green netting which forms our jump fence to stop the seals getting into the farm and in certain lights it did impact quite a bit. So we've moved to black netting. In some lights, you just can't see the farm in some ways in broad daylight. We've moved to black painting of our structures or dark green, karaka green, painting of our structures. We've gone to that; we've moved to on the new sites. Even the barges at night: we keep the curtains closed at night so the light doesn't come out of the barges. We also make the backs of the curtains black as well so the residents aren't staring at white backs of curtains.

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In terms of generator noise, we've looked to make improvements to our generators to reduce the noise that these can cause. We've also worked over the years to reduce the amount of hours that we are using pressurised water, water blasters, which again can impact on them.

15

MR CROSBY: I've seen some information in relation to the lighting within the nets. Can you just explain that to me? Amongst the wealth of material I've read, I've just lost touch with the purpose of that and how or whether you do control it.

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MR PARK: The lights are used to control maturation. In the wild, the salmon would be in the seawater. They would reach a certain size. Decreasing day length would be their cue to mature and at that stage they lose body condition, skin condition and would eventually return to fresh water, spawn and die, which is absolutely no use to us. So by turning on the lights in the pens, the fish still think it's summer and continue to eat and continue to grow and that delays the maturation by about 13 weeks.

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One of the issues we do have is the quite poor "viz", we call it, in the water in the Tory Channel due to the flows. Therefore, to get an impact of the lights, we need to turn quite a few on to make sure we are definitely getting that biological cue to the fish to keep going. Overall, for the last few years we've moved from nine 1,000 watt lights. We've reduced that down to six per pen, we're going this year; potentially move to more as long as we're still getting the desired effect.

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We're also reducing down the window that we've turned them on for. Traditionally, we used to turn them on right on the equinox. We've now pulled that back a little bit as well so we're now turning them on in February, which is again just reducing down the length of time that the lights are on. We can still get the effect that we want from the lights but we're just minimising the impact on the public.

45

CHAIRPERSON: How long would they stay on for?

MR PARK: They'll go on until the middle of October.

- CHAIRPERSON: February to October?
- MR PARK: Yes.
- 5 MR CROSBY: That's every night?
- MR PARK: Yes.
- 10 MR CROSBY: Right, thank you very much.
- CHAIRPERSON: Mr Park, I'm not sure if you're the right person to ask this question or  
not so you can tell me if you're not. I understand - and we'll be hearing  
15 from Te Ātiawa iwi - that there is some commercial relationship  
between them and King Salmon in relation to the proposed Tio Point  
farm?
- MR PARK: I believe there will be.
- CHAIRPERSON: But you don't know?
- 20 MR PARK: The ins and outs of it, I don't know. I don't know anything about it, I'm  
afraid.
- CHAIRPERSON: Okay. Presumably, there will be somebody who might tell us about  
25 that?
- MR PARK: Yes, I would expect so.
- CHAIRPERSON: Yes. Okay, all right then.
- 30 MR CROSBY: Sorry, there was one other question I had. Are you familiar with the  
anchoring system proposed for Tio Point?
- MR PARK: If it's the same one, it'll be the same as the other farms. Yes.
- 35 MR CROSBY: Is it the same as used at Ngamahau?
- MR PARK: Yes.
- 40 MR CROSBY: Were you involved in the process of setting up Ngamahau?
- MR PARK: Yes, I'm aware of what went on. Yes.
- MR CROSBY: Is it a screw anchor-type system?
- 45 MR PARK: Yes. Screw anchors, yes.

MR CROSBY: In terms of the walks down to the screw anchors from the structures, what sort of angle are we looking at at the Tio Point site? Have you got enough familiarity to be able to answer that question or not?

5 [3.15 pm]

MR PARK: If it's the same --

MR CROSBY: If you haven't, leave it to others.

10 MR PARK: Yes, I would leave it to others. I don't know if there's anything site-specific about the Tio Point arrangement. All I can say is the standard angles are in 30-odd degrees.

15 MR CROSBY: All right. Let me ask you this question, which relates to Ngamahau and one that you're familiar with or Ngamahau or Clay Point or Te Pangu. How close in a safe sense to wharfs can your servicing vessels go?

MR PARK: We pull right up the side.

20 MR CROSBY: From the surface structure.

MR PARK: From the surface, the moorings go off at angles and drop away. We can pull into any location within the farm. At points where they are connected there, we might give it a berth, depending on the draught of the vessel, maybe about 5 metres off the farm it can comfortably get down. They do drop away steeply there and the top of the mooring arrangement, the top 12 metres, is chain mooring. So the possibility of breaking a mooring used by a boat, it would have to be a very big boat.

30 MR CROSBY: Right, thank you.

CHAIRPERSON: All right, thank you very much.

35 MR PARK: Yes, thank you very much.

CHAIRPERSON: Thank you for coming. All right that concludes. There's nobody here now whom we haven't heard from? No. Right. We're due to hear somebody at 9.00 am tomorrow, are we? Is that right?

40 FEMALE SPEAKER: Yes.

CHAIRPERSON: All right. In that case, we'll adjourn this hearing now until 9.00 am tomorrow, Wednesday, 12 April. Thank you.

45 **MATTER ADJOURNED AT 3.17 PM UNTIL  
WEDNESDAY, 12 APRIL 2017**