
TRANSCRIPT OF PROCEEDINGS

**MARLBOROUGH SALMON RELOCATION ADVISORY PANEL
PUBLIC HEARING**

**HELD AT
MARLBOROUGH CONVENTION CENTRE,
42A ALFRED ST, BLENHEIM,
ON 2 MAY 2017**

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

[9.05 am]

CHAIRPERSON: Good morning, everybody. Is the sound on? Yes. You can hear? All right. These hearings are resumed from yesterday and the first presenter today is Mr Rob Pooley.

Mr Pooley, we've got a submission from you originally, which I just haven't got in front of me now. Have you got any other -- we don't need it again. If you're going to speak to it, if you'd take that slowly so we can make a note. But if you have got some written notes, you could provide us to our facilitator and she could copy them off or get them copied off for us. What would you like to do?

MR R POOLEY: I took it that there was only a verbal presentation --

CHAIRPERSON: It is.

MR R POOLEY: -- so I don't have any notes, no, other than my original one.

CHAIRPERSON: All right. So you're going to speak to that, then? Could you just say, for the record, who you are and where you live and what your interest in this matter is, please?

MR R POOLEY: Okay. Well, per my submission, my name is Rob Pooley and I currently reside in Nelson. I'll go through the history in the submission itself, but I'm here today representing the thousands of voices that are rolling around in the back of my head, friends and colleagues and family. But as I said, the details of why I may be involved are in my original submission.

CHAIRPERSON: Just remind us of that will you, please?

MR R POOLEY: Okay. Well, I could be described -- I wish to reiterate first and foremost that I'm 100 per cent here as a private individual with the extended interest of being a marine farmer, a mussel farmer, of nearly --

CHAIRPERSON: You are a marine farmer?

MR R POOLEY: A mussel farmer, yes.

CHAIRPERSON: You're mussel farming?

MR R POOLEY: Nearly 40 years, yes.

CHAIRPERSON: And where are you doing that?

MR R POOLEY: In the Pelorus Sound, Tasman Bay and Golden Bay.

CHAIRPERSON: Yes. All right.

MR R POOLEY: So we're a second-generation marine-farming family. My son Simon is here in the crowd today.

5 CHAIRPERSON: Now, there's a huge crowd today. It was bigger yesterday. Anyway.

MR R POOLEY: Well, none of us should take offence from that.

10 CHAIRPERSON: No. Yes?

MR R POOLEY: So, yes, having moved up from Canterbury, we were domiciled in Elaine Bay in the Marlborough Sounds, which is contained in my original submission. My boys went to French Pass School and we were intimately integrated in the outer Sounds community. Perhaps not so much for the record but your information, one of my friends and colleagues out there throughout all that time was the grey-haired gentleman sitting down there on his own, Mr Gillard.

20 So I believe I have an in-depth knowledge of the Marlborough Sounds' community, society, infrastructure, environment. However you couch it, there's not much out there that we haven't seen, been to, touched, cleaned up, driven past or worked on. So do you wish me to continue?

25 CHAIRPERSON: Yes, you just keep talking.

MR R POOLEY: All right. Well, look, I'm only going to shoot off my running sheet for the submission that I made, if that's okay?

30 CHAIRPERSON: Okay.

MR R POOLEY: Yes. I moved to Elaine Bay in 1980 and built a house there and, in those days, we were encouraged; we were welcome to come to the Sounds and develop marine farming. It was seen as a new and exciting opportunity for New Zealand.

35 It dovetails primarily into where my concerns lie so much today because my issue here today is I'm not anti-aquaculture; I'm not anti-salmon farming. My issue primarily is with planning because I had the experience from the very beginning of working through the various planning regimes that were in place.

40 I'd default to Mr Crosby if I may because, Ron, I've referred to it as the "Marlborough Sounds planning scheme", but can you remember the actual title?

45 MR CROSBY: It is the Marlborough Sounds Maritime Planning Scheme.

CHAIRPERSON: Yes.

MR R POOLEY: So can I take it that at least you're familiar with it but are your colleagues familiar with it as a management tool?

MR DORMER: Yes.

MR CROSBY: Yes, indeed.

MR R POOLEY: If I refer to it on occasion, I believe it was a particularly robust and community mindful and respectful planning tool.

So I settled in Elaine Bay in the Marlborough Sounds, built the house there and, through various business arrangements with other families, developed and grew up in the mussel industry from being a party - one of three - owning one marine farm ultimately through to where we are today with my two sons and I operating eight or ten marine farms and growing around 2,000 tonnes of mussels.

Certainly, in an overall sense, I have a profound and very deep knowledge of the mussel industry and marine farming. I also run in parallel with the salmon industry, but I don't profess to be an expert in terms of practice and so forth, but very aware. Their first or one of their very first salmon farms was just around the corner from Elaine Bay.

CHAIRPERSON: Yes. So what's your concern with the planning, Mr Pooley?

MR R POOLEY: Well, if I was to default back to the plan - and I've made reference to it in my submission in a broad sense - the original plan and the original planning tool gave respect to areas of water immediately adjacent to people's residences and any other areas of significance or concern. It kept activities back from headlands. There was a setback of 150 metres.

I'm actually a mariner by trade. I started my life in the merchant service professionally and prior to that I was fishing from the time I was seven and then a career in the merchant service and then back to fishing and then marine farming. I have a strong belief and a passion for clear fairways and suchlike and giving mariners safe passage.

So, if you asked me what my concerns are with the plan, if you come forward into the resource management from whence the Resource Management Act came into effect, I think we can all agree that it's slowly eroded with time and removed every provision that the original Marlborough Sounds Maritime Planning Scheme provided for.

CHAIRPERSON: You're talking about a planning scheme under the old Town and Country Planning Act?

MR R POOLEY: Yes, and I only raise that --

CHAIRPERSON: But that's long gone now.

5 MR R POOLEY: I know it has. I raise it as a comparison, not as something that we are duty-bound to take any notice of.

[9.15 am]

10 CHAIRPERSON: No.

15 MR R POOLEY: However, to bring it into the context of perhaps where I'm more concerned, if you start to look at where sites are being placed, I openly admit that in the course of expanding my own marine farms I've availed myself of the opportunity under the Resource Management Act and extended them, so I'm not hiding behind the fact that I haven't partaken of it. But I think when we reach the fore, we come forward to today's situation, I think that the proposed positioning of these new salmon farms just totally contradicts the principles, the integrity and even the moral substance of the older planning rules. These farms are being placed in fairways, in what we referred to as the "old mail boat routes".

20 CHAIRPERSON: The old?

25 MR R POOLEY: Mail boat routes.

CHAIRPERSON: Mail boat routes, yes.

MR R POOLEY: And that'll be a term that'll be familiar to you.

30 CHAIRPERSON: Yes.

35 MR R POOLEY: And I'm left wondering. We all know about the cumulative effect concerns that we have, so where does all this lead to in terms of the fairways and the access ways for marine traffic in the Sounds? When I look at the positioning of these ones, I ask myself.

40 I've been out there hundreds of times - I'd almost venture to say thousands of times - and a lot of it in extreme weather conditions when you are relying on the protection of the land; you're in the lee of the land. If I thought of a passage coming around from Admiralty Bay into the Pelorus and across and on my way to Havelock, I've got the potential to -- I'm not going to drive into those salmon farms because I'm just not that stupid; I'd know that they were there.

45 CHAIRPERSON: No.

- MR R POOLEY: I'd back myself not to do it, but I would have concerns for others. I think the notion, particularly the one that's right smack in the entrance to the Pelorus Sound, is just -- I'm just gobsmacked that somebody would even suggest it.
- 5 CHAIRPERSON: You're talking here about the Waitata Reach?
- MR R POOLEY: Yes.
- 10 CHAIRPERSON: Yes. So you think that's an unfortunate position to put a salmon farm from a navigation point of view?
- MR R POOLEY: Yes. I mean, you've got the maps and everything.
- 15 CHAIRPERSON: Yes.
- MR R POOLEY: That particular one is right in the fairway. If you look at the other ones coming around from Admiralty Bay around Blow Hole Point and across to West Entry, they are also forcing vessels offshore even more. And, yes, you can get around them. In daylight you'll go past them. But there's ...
- 20 CHAIRPERSON: You are aware that we've had evidence from the Harbour Master?
- 25 MR R POOLEY: I'm not, but I'm not surprised.
- CHAIRPERSON: He thinks that the Waitata Reach can be coped with.
- MR R POOLEY: It can be what?
- 30 CHAIRPERSON: It can be made safe.
- MR R POOLEY: Well, he's entitled to his opinion as much as I am.
- 35 CHAIRPERSON: Yes, but he has the responsibility, doesn't he?
- MR R POOLEY: He can be one of -- he's entitled to be one of a team of people who would make that decision, I'm sure, but I'd --
- 40 CHAIRPERSON: But he makes the decision, doesn't he?
- MR R POOLEY: I'd be surprised if had power absolute.
- CHAIRPERSON: They're pretty powerful people, harbour masters.
- 45 MR R POOLEY: Yes, I've sailed with a few of them, sir. That came up in my generation.
- CHAIRPERSON: Yes. Anyway, I'd just mention that to you.

MR R POOLEY: Yes. No, look, if he's signing off on that, then --

CHAIRPERSON: Well, there have to be some things done.

5 MR R POOLEY: Yes. I mean, really, well, personally, I'm happy to go on record that I'm a mariner with some experience and I share the view of a lot of other people on this. But I'm not here -- I'm carrying their voices in my head, but they chose not to submit, so --

10 CHAIRPERSON: Yes, and we're hearing what you say. So it's mainly navigational issues that you're concerned with?

MR R POOLEY: Yes, navigation is definitely the number one and I think, if you look at each of the sites in isolation, you'll understand what I'm talking about. I know it looks on a small scale like they've been taken in -- you know, there's been some considerations, but in reality you're forcing small vessels further offshore, particularly as you come around from Richmond Bay and across Horseshoe Bay. Those of us who've travelled through there, particularly at night-time and in southerlies, that's the lee shore; you tend to want to come in there and stay against it and then pop around the corner.

CHAIRPERSON: Yes. What about the proposal in Tory Channel? Have you got any views on that?

25 MR R POOLEY: I haven't taken that one into consideration. It's not my patch.

CHAIRPERSON: Okay.

30 MR R POOLEY: But at a glance, it's well and truly off the fairway there, quite noticeably so.

CHAIRPERSON: Yes. So is it really the Waitata Reach one that you're most concerned about and is it the Blow Hole ones?

35 MR R POOLEY: Yes, and the ones coming around Richmond and --

CHAIRPERSON: Yes.

40 MR R POOLEY: I mean, if you look at them, all five of them will have effects. I know that you can't carry out an activity without having an effect.

45 Yes, if you look at number 1 on the chart there and imagine that we're coming back from the Sounds going around to Admiralty Bay, for example, you're zigzagging through them and then you'll go out around number 2 and number 1. By being forced out wide on number 1, you're being forced onto Oke Rock, which is just up the top there. As far as I'm aware, it's not lit. Is it lit, Simon, Oke Rock?

MR S POOLEY: Yes, I think it is.

MR R POOLEY: It is now. When you look at it, like if you go back out into the wider Marlborough Sounds, the whole top of the south and so forth, and you look at all the places where you might suggest to have a salmon farm, there's a hell of a lot more than putting them smack in the fairway; and when I say "fairway", access routes, mail boat routes, all work traffic. It's very busy out there. With time, everybody will get used to it and it will probably become a relatively safe passage, but there's still going to be -- in time, it's almost guaranteed an incident, especially with that one in the middle.

CHAIRPERSON: Don't take any notice of me. I'm just trying to find a piece of paper that I wanted to look at. All right. Is there anything else you want to tell us?

MR R POOLEY: Primarily through naivety, I think myself and most of my colleagues and other people are not aware of the existence of the provisions of 360. I think, having been through every other process known to man in order to attain a bit of water space somewhere, we're the people that have done it the legitimate way all the way down the line and have spent a lot of time and a hell of a lot of money to get where we are. I think, from my own perspective, to then find that there is a provision that anyone can come along and just go thwack and say, "We're going to go here", kind of flies in the face of respect, I think.

CHAIRPERSON: What makes you say that anybody can come along and just say, "I want to go there"?

MR R POOLEY: Well, how else do you do it? Can I come and do it? I've got a couple of mussel farms that are not performing that well. Can I come to the government and to MPI and say, "I'd like to shove them over here"?

CHAIRPERSON: Well, there'd be nothing to stop you putting that to MPI if you wanted to.

MR R POOLEY: I think I know that now. But I think, as a process, I'd question the value of it. I question the fairness of it.

CHAIRPERSON: Yes. Why do you do that?

MR R POOLEY: Because it then, well ...

CHAIRPERSON: What's unfair about it?

MR R POOLEY: In this, if I find that I am, even as a private individual, able to avail myself of this process, then I'll retract the fairness because that would make it fair.

But I find it intriguing if nothing else having witnessed only a few years ago the debacle that we all referred to as the "Kokomara applications", when a group of marine farmers aspired to placing marine farms in open water space, like in the middle of the bays and so forth. Credit where credit's due; the positioning of their farms was a lot more sensible and respectful than these ones, but under the RMA they went through the process and they were not well received and they were finally declined.

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10 CHAIRPERSON: That ended up in the Environment Court, did it?

MR R POOLEY: Yes.

MR CROSBY: I don't know.

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CHAIRPERSON: Yes. I think that's right.

MR CROSBY: Just remind me. The locations of those were --

20 MR R POOLEY: The middle of Beatrix Bay, Forsyth Bay and Admiralty Bay.

MR CROSBY: And Port Ligar, was it?

MR R POOLEY: Port Ligar. I'm digging deep, too.

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MR CROSBY: Yes.

MR R POOLEY: It's all a matter of record but the public, even industry per se, found themselves very, very divided on that one and --

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CHAIRPERSON: Yes, but that doesn't make it an unfair process, does it?

MR R POOLEY: No, but comparatively, though, I would just urge you to have a look at it and have a look at the reasons why and think, "Well, why didn't they want it last time? Maybe they don't want it this time".

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CHAIRPERSON: Yes.

MR R POOLEY: Now, I suppose the angle that one might take, too, is that the proposed positioning of these sites is in one of the highest-activity areas of the Pelorus Sound, commercial and recreational. One is just left wondering. Surely there must be some other places that would be less ... I'm not going to use the word "dangerous" because I don't believe they are dangerous.

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CHAIRPERSON: You don't believe they are dangerous?

MR R POOLEY: I don't believe they're dangerous, no.

CHAIRPERSON: No. So?

MR R POOLEY: It's the public. I mean, the whole issue is just general access and that's where I've got my mariner's hat on and then it's the public amenity element of it. Like if you took those same six sites hypothetically - and I'm not here to provide solutions because I'm not an expert - but there's a lot of far less populated, much lower-activity areas that they could perhaps be slotted into that would be far less objectionable than where they are.

On the notion that too far away doesn't work, is not economical and so forth, I understand the cost of running vessels and so forth. Another couple of hours is going to make things more expensive but it's not a deal-breaker and the rest of the world copes. Anecdotally, I'm hearing that the Norwegians are shifting their farms out of the fjords, possibly for the same reason that these ones are being considered, too.

CHAIRPERSON: All right. Is there anything else you'd like to say to us?

[9.30 am]

MR R POOLEY: No. If I was to conclude, it would just be to simply say that I didn't make the decision to come here easily today. I found myself on the receiving end of a lot of criticism, once again, for my industry and anybody who knows me will know that there's few people around who've got more passion for the industry than I have. But when the public, acquaintances and friends are coming at you all the time and it's, "Here we go again", I think there's something fundamentally wrong and I don't know how you fix it. But they're the people who have a voice, but they don't voice it. In the end, I just felt compelled to come along and share my thoughts.

CHAIRPERSON: Yes. Well, we're grateful to you for that. We really are --

MR CROSBY: Thank you.

CHAIRPERSON: -- especially coming from Nelson. Thank you very much for doing that. Just stay there and I'll see if my colleagues have any questions they'd like to ask you.

MR DORMER: Do you have any reflections on the visual impact of salmon farms?

MR R POOLEY: No. I think, as is the case with mussel farming - and of course I have to default to that - if you're going to carry out an activity, you're going to have an effect. I personally don't find the presence of salmon farms in any way objectionable. They don't bother me.

If you turn around and go out and spend enough time on the water, look back in at what the people on the water have to look at in the form of gaudy houses and bright paint jobs, and I'm not bagging forestry but you know what forestry looks like and so on and so forth. You can be a little too subjective when you get involved in those discussions.

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CHAIRPERSON: They're all signs of human activity.

MR R POOLEY: That's right. That's what we do.

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CHAIRPERSON: That's what we do, yes.

MR CROSBY: I listened to your points about the fairways and my understanding - and I think you might've used the term but I've certainly heard it over the years - is there's point-to-point navigation in the Sounds. Is that your basic approach to navigation in the Sounds or not?

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MR R POOLEY: Yes, primarily. Well, in essence, the shortest distance between two points is a straight line. I can recall - and I'm sure they're still out there - there were those original planning maps and I think even under the RMA they may have surfaced, and it wasn't just a line; it was a lane. If you've got two vessels coming around anywhere, you need clear passage, you need standoff from the land, from each other and so forth, each of them giving way to starboard. So every fairway, I don't remember how wide they were, but they were reasonably substantial ribbons.

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And those of us who lived down the Sounds -- there's not so many. The mail route's not as comprehensive as it used to be. But it's just a colloquial phrase now because even though the mail boat may not be going from, for example, to Hallam Cove to Elaine Bay anymore because that's all serviced by road, the amount of traffic that goes from Elaine Bay to Hallam Cove would be fifty times what it was in the mail boat days because there's so much more level of activity.

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MR CROSBY: Just in terms of that point-to-point line of navigation, just looking at the surface structures, I'm not sure if you've seen a map of the surface structures rather than the proposed footprint areas. Have you or not?

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MR R POOLEY: I haven't but I don't need to. I've seen enough of them.

MR CROSBY: All right. As you can imagine, in particular what I was interested in was your thoughts because you'd mentioned the Horseshoe Bay and Richmond Bay situations. In terms of navigating down Waitata Reach or out Waitata Reach, you'd have to avoid the headlands within which it appears those structures plans lie. Does that affect what you've described to us or not?

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- MR R POOLEY: Yes and no. At the end of the day, if they're there, you're going to avoid them. No doubt about that. But if you were coming -- imagine if you were coming out of Port Ligar and you were going around and out to the Chetwodes or the likes, there's no doubt in my mind that --
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- MR CROSBY: Sorry, I'm not asking about those two because I've heard what you've said about those two. It was your reference to the Horseshoe Bay and Richmond Bay ones. I was just wondering what the impact was of the headland and having to avoid that headland as one is traversing up and down Waitata Reach.
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- MR R POOLEY: Well, yes, absolutely, you do. But if you were coming from Ketu across Richmond, by the time you got to -- I can't read the name of that point there between 4 and 5.
- 15
- MR CROSBY: Te Kaingapipi. Yes?
- MR R POOLEY: By the time you got to number 4, your steaming route would be likely to be, if not through the middle of it, in default on the inshore side, especially in the southeast. I can promise you that and equally so coming around the other side. Number 5 is not quite so but, again, if you're trying to keep out of the weather, then you tend to lay into the bays a little bit.
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- MR CROSBY: Thank you, Mr Pooley.
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- CHAIRPERSON: Yes. Thank you very much again for coming, Mr Pooley, and giving us the benefit of your knowledge and experience. We're grateful to you for that --
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- MR R POOLEY: Thank you for taking the time --
- CHAIRPERSON: -- and for your son to be here as well. Does he want to add? Do you want to add to what your father's said?
- 35
- MR S POOLEY: No, I think it's been covered. Thank you for the opportunity, though.
- CHAIRPERSON: Okay? Good. Thank you very much.
- 40
- MR R POOLEY: All right, gentlemen. Thank you.
- CHAIRPERSON: Thank you. Now, the next person we're going to hear from is -- I think it's Mr Janssen, actually, isn't it, not "Jenssen"? Are you Janssen?
- 45
- MR JANSSEN: Helmut Janssen is my name, yes; Janssen, J-A-N, double S.
- CHAIRPERSON: Yes.

- MR JANSSEN: Okay, just a bit about my background as an introduction. I was born in northwest Germany where the Rhine River goes to Holland. I moved to New Zealand in 1986 and have, amongst others, worked as an environmental scientist for the Manawatu-Wanganui Regional Council for about ten years. My speciality was biodiversity and soil quality, so those were my responsibilities for the time. I was busy. My primary focus was policy advice and policy implementation.
- CHAIRPERSON: Do you have any formal qualifications?
- MR JANSSEN: I've got a masters in ecosystem science.
- CHAIRPERSON: From?
- MR JANSSEN: From Otago University and previous studies in Germany.
- CHAIRPERSON: So your degree is from Otago University in ecosystem science?
- MR JANSSEN: Ecosystem science, yes.
- CHAIRPERSON: Thank you. Now, you've got a statement here. The best way for you to proceed is for you to read that, really.
- MR JANSSEN: Yes, okay. That's fine. I have changed the order, as you see, to put the recommendation upfront rather than --
- CHAIRPERSON: That's all right.
- MR JANSSEN: -- really out at the back, but just to focus on the key points.
- CHAIRPERSON: Do you want to read your recommendation first because we've got it here?
- MR JANSSEN: Yes, certainly, and I can add to that --
- CHAIRPERSON: Yes, and then you can go on to talk about it.
- MR JANSSEN: Sure, yes. Okay:
- "It is recommended the Marlborough Sounds Farm Relocation Advisory Panel [so yourself] decline the application for the following reasons: 1. The decision and ruling established a threshold of a maximum of two salmon farms (Waitata and Richmond) in the Waitata Reach, conditional upon monitoring."
- CHAIRPERSON: Now, which decision is this?
- MR JANSSEN: That was the last decision of --

CHAIRPERSON: The Board of Inquiry.

MR JANSSEN: -- the Board of Inquiry that I've been involved in as well to help the board reach the decision and for the judges to come up with that ruling.
5 One of the fundamental things was that the farms were granted. Just two farms were granted conditional upon the outcome of the monitoring because none of the environmental evidence that was provided gave any indication on the thresholds of the environment, which state the environment is at --

10 CHAIRPERSON: Well, would you just read this, please?

MR JANSSEN: Yes, that's fine.

15 CHAIRPERSON: We'll follow it better if you do that.

MR JANSSEN: Okay, that's good. So, conditional upon monitoring:

20 "This renewed application process disregards the entire previous expert witness tribunal process and decisions and the judge's ruling that (a) an expert panel-conducted effective monitoring regime has to be put in place to assess baselines and any adverse effects on the Sounds' environment; and that (b) thresholds are set to trigger remedial action before the effects become damaging; and that (c) possible effects can be remedied before they become irreversible."

Now, that is a fundamental issue that was at the basis of the conditional approval of those two farms.

30 CHAIRPERSON: Yes, we're aware of that.

MR JANSSEN: Okay. That's good. Now:

35 "King Salmon's exceptionally high salmon death rate [the highest in the world, apparently] is due to the fact that the Sounds are unsuitable for salmon [we've pointed that out several times]: The waterbody environment is too warm, too calm and there is too little exchange [in the water for a farming operation of that scale to occur]."

40 And the second point is that "farming salmon is cruel to a top trophic layer migratory fish species". It is even worse than putting chooks in cages. It's quite an intelligent fish species that has a huge area that it lives in and, as I said, it's a migratory fish and putting them in pens like this is just cruel. That's another point that is seldom reflected upon.

45 But the fundamental thing is that the high salmon death rate is due to the fact that the waterbody environment is just too warm. Now, that has also, obviously, repercussions on the wider environment. Now:

"The death of salmon in farms predicts precisely what will happen to the Sounds environment if unnatural practices at this scale were to be continued."

5 Now, the deaths that we already see in the salmon farms --

CHAIRPERSON: Just read the statement, please, Mr Janssen.

10 MR JANSSEN: Okay. That's fine. The fifth, very important:

"Placing existing farms in high-flow areas would amplify the already skewed monitoring and reporting set-up, as less impact will result under high flow farms and consequently more adverse effects be externalised upon the receiving and unmonitored wider Sounds environment, resulting in (a) proliferation of harmful [or toxic] algal blooms, (b) collapse of native fish stocks and spawning grounds, (c) overabundance of anoxic sludge worms under cages [which you would've heard a lot about] and proliferation of plankton-feeding jellyfish elsewhere [which is a fundamental issue and the subsequent] (d) collapse of mussel farming and [the subsequent] (e) collapse of Sounds' life supporting capacity."

[9.45 am]

25 That is where I come. Now, these are the fundamental things to understand the repercussions of such endeavours, which are that the Sounds ecosystems are likely to collapse if this was going to be approved:

30 "The catastrophic shift in the Sounds' functional integrity cannot be reversed as easy as it was degraded [that is based on a lot of science] as the trajectory of recovery is very different from the pathway of decline. The Sounds' Ecosystems are globally significant [on a global scale], as they comprise the hub of one of the planet's 34 biodiversity hotspots. The proposal would foul the fast-flow sites of highest endemic biodiversity value [in this biodiversity hotspot of global significance]! New Zealand's endemic and endangered Hector's dolphin habitats are the high-velocity marine environments with highest biodiversity value that [King Salmon] would foul by attempting to shift salmon farming where [New Zealand's] Hector dolphins live. Endemic biodiversity is not just of global significance; evolved biodiversity is also vital to sustain ecosystem productivity long-term and yield for human use."

45 Now, there is a very important quote by Joseph Banks in 1770, which you may be aware of. Do I need to quote that or ...

CHAIRPERSON: No.

MR JANSSEN: Okay. It just refers to the natural productivity of the Sounds as it was at a time when there were 5,000 people living around it and living off it, which naturally is huge. It's nowhere near it now but this could be restored. Now, "One cannot persist without the other". The productivity cannot persist without the biodiversity that's supporting it. Now:

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"Should existing fish farms be operated simultaneously, the probability is high for irreversible adverse effects of high potential impact from an already functionally compromised Sounds ecosystem to a severely degraded state to occur. The Sounds would lose the capacity to sustain trophic structural complexity and with it, the life supporting capacity for people, the local economy and future generations."

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Yes, I'm happy to expand and explain any of the points that I've made here and they are actually in fact explained in the rest of the document.

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Now, anyone who's travelled in the Sounds, who's been ... I kayak a lot, so I see the Sounds very close-up - closer than perhaps people who are in motorboats - and I do see already the massive jellyfish proliferation and that is in one of the more natural parts of the Pelorus Sound at Tennyson Inlet. Each time, throughout the summer and into autumn, there was masses of jellyfish instead of the normal trophic layers that you would expect to see in a natural environment such as the Sounds.

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Now, that already is an indication of the Sounds ecosystem in distress, near a tipping point, and the proposal of King Salmon to ignore the previous ruling of a 10,000-tonne limit conditional upon monitoring - and if it wasn't working, then of course they had to be shifted and taken out - to just ignore that and go up to 24,000 tonnes of additional feed, to my mind, that would break the Sounds' back. It would end up in a proliferation of harmful layers of blooms and I can explain why that will be if --

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CHAIRPERSON: We've already heard about that. We've had other evidence of the same nature as yours, yes.

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MR JANSSEN: Okay, that's good. I could explain it quite easily.

CHAIRPERSON: You're not the first person to tell us that, by a long shot, actually.

45

MR JANSSEN: That's good. That's good, but I could explain it in simple terms if you like because some other evidence might be quite convoluted. I don't know; I haven't seen it all. But if you understand it, that's fine.

CHAIRPERSON: Yes.

MR JANSSEN: The jellyfish, just staying with them, is quite a visible sign of degradation. They of course live off the zooplankton, which is the same stuff that mussel farms live off, and so the mussel farms will be the next thing that will be uneconomical as a result of the algal blooms that will be occurring.

5

I think I should explain why harmful algal blooms are a problem and why they are likely to occur. We have got a natural background input of 310 tonnes of dissolved inorganic nitrogen into the Sounds from Cook Strait; 310 tonnes of dissolved inorganic nitrogen flowing into the Sounds naturally. That occurs over the winter period. That is the natural enrichment that fuels the food chain within the Sounds naturally. In spring, you get a bloom of diatomaceous algae, which then feed the zooplankton - the little crustaceans and so forth - which then feed all the fish species that spawn in there and the cod and everything, the snapper and so forth. Now, that is the foundation of the productivity of the Sounds.

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The problem that we have with an additional input from salmon farms is that the input of dissolved inorganic nitrogen is fourfold the amount of the natural input but, most importantly, most of that stuff comes in during summer when, under natural conditions, all of the natural input of nitrogen has been used up within the trophic layer and has, basically, produced fish. If you add additional nitrogen in summer, that is when you get dinoflagellate blooms, which are the toxic algal blooms, during the summer and warm periods when you get additional nitrogen input that not normally would be there. In summer there would be clear water; there's naturally very little nutrients in there because it's all been turned into fish.

CHAIRPERSON: Are you saying that naturally comes in in the wintertime?

MR JANSSEN: Yes, it accumulates over the wintertime --

CHAIRPERSON: Are you right about your 310 tonnes or is it --

MR JANSSEN: We're talking about dissolved inorganic nitrogen, yes.

CHAIRPERSON: Yes, not 3,000 tonnes?

40

MR JANSSEN: We're talking about the nitrogen, the nitrates, the nitrites, the molecules, not the ...

CHAIRPERSON: Not the undissolved?

45

MR JANSSEN: Not the DON and all that stuff, which is in another pool.

CHAIRPERSON: Okay, yes, so this is the end product?

MR JANSSEN: Yes.

CHAIRPERSON: All right. I understand now.

5 MR JANSSEN: Okay. So it's a fourfold increase of the dissolved inorganic nitrogen,
but the most important part is that most of that stuff comes in in the
summer, which never happens naturally. That's why it fuels harmful
and toxic algal blooms, which again then turn the Sounds into a
10 jellyfish pond, which then again will make salmon farming -- sorry,
mussel farming -- which basically would kill this. There's a little
graphic here that shows that.

CHAIRPERSON: It's in your evidence?

15 MR JANSSEN: Yes, it's in the evidence; just to make it easy to see the connections
there. The figure 4 shows -- sorry, figure --

CHAIRPERSON: Figure 3?

20 MR JANSSEN: Yes, figure 3 shows the connections of the dissolved organic nitrogen,
which is the large pool of stuff that will be floating about in the Sounds
and which, basically, is 90 per cent of the feedstuff that will be flushing
in and out throughout the entire waterbody of the Sounds. The stuff
that King Salmon's evidence focuses on is the 10 per cent that deposits
25 under the cages because it is an issue for salmon survival and that is
why they focus their research on reducing the salmon deaths. But that
only addresses 10 per cent of the effluent in the high-flow areas; 90 per
cent will just be flushed in through the entire waterbody of Pelorus
Sound and do what I've explained before: add the dissolved inorganic
30 nitrogen pool fourfold and create toxic algal blooms. Okay?

CHAIRPERSON: I'm looking at your statement now on page 8. You're actually relying
on some other work for what you're now telling us, aren't you? Maita?

35 MR JANSSEN: On page 8?

CHAIRPERSON: Yes.

40 MR JANSSEN: Yes, the references that I've mentioned in here, most or a lot of it is part
of evidence that I presented to the board previously.

CHAIRPERSON: Who is Maita or what is Maita? It's paragraph 6 on page 8.

45 MR JANSSEN: Yes, I can have a look.

CHAIRPERSON: What's that reference, please?

- MR JANSSEN: It is a reference - Maita, Yoshiaki and Yanada, 1993 - about the distribution of dissolved organic nitrogen in the Pacific Ocean, published in the Elsevier science publication. That is just, yes, to give as a background to the situation that we have here in the Sounds of 30 milligrams per cubic metre entering the Sounds with an average depth of 30 metres.
- CHAIRPERSON: But that's not Maita's work.
- MR JANSSEN: Sorry?
- CHAIRPERSON: The 30 milligrams is not Maita's work.
- MR JANSSEN: The 30 milligrams is Maita's work. It is based upon the natural content of upwelling water's dissolved inorganic nitrogen for --
- CHAIRPERSON: But that's the Pacific you're talking about?
- MR JANSSEN: Yes, our waters, our ...
- CHAIRPERSON: I see. So you've taken a figure and, because the Pacific has 30 milligrams per cubic metre at an average depth of 30 metres, you're saying that's what's coming into the Sounds? You're saying that?
- MR JANSSEN: That is ...
- CHAIRPERSON: That's what you're saying, is it?
- MR JANSSEN: Yes, but not average. It's not the average Pacific Ocean. It's the amount of nitrogen that naturally occurs in water of this temperature. The study showed the levels of nitrogen content in tropical waters, in subtropical waters, in cool and temperate waters, and this refers to our waters, to the waters that we have, and the typical nitrogen content within that.
- [10.00 am]
- CHAIRPERSON: All right.
- MR JANSSEN: I'm just aware of the time. So this is the fundamental effect about the dissolved inorganic nitrogen and the problem with it causing harmful algal blooms. It's not a question of if but it will.
- The other point of attention that I would like to highlight for you is the biodiversity hotspot of global significance that we have here in New Zealand and that, according to the Resource Management Act, section 7, it is not just an issue of national significance to maintain the biodiversity that we have. The fast-flow environments have got the highest biodiversity within the Sounds.

It is not just a matter of national significance. Definitely it is one of regional significance and not only of national but international and global significance. It is a biodiversity hotspot that doesn't exist anywhere else like this on the planet. The other hotspots --

5

CHAIRPERSON: I'm looking at page 12 of your statement.

MR JANSSEN: Yes?

10

CHAIRPERSON: Where is New Zealand?

MR JANSSEN: Have you got the colour version?

CHAIRPERSON: No.

15

MR JANSSEN: It's on the right.

CHAIRPERSON: I can see Australia.

20

MR JANSSEN: Yes, Australia. You see Western Australia?

CHAIRPERSON: Yes.

25

MR JANSSEN: It's a biodiversity hotspot. The rest of Australia isn't. New Zealand is one, including the marine environment.

CHAIRPERSON: I think I vaguely see it now.

30

MR CROSBY: It's under the clouds there.

CHAIRPERSON: Yes, I can see it now.

MR JANSSEN: Have you got a colour copy there or --

35

CHAIRPERSON: We haven't but I can see it now, yes.

MR JANSSEN: Okay. So you haven't got a coloured copy?

40

CHAIRPERSON: It doesn't matter. I know where it is now, yes. Now, what's your source for this?

45

MR JANSSEN: That's an international conglomeration or panel of scientists that have sat together to assess where the highest biodiversity on the planet remains and the level of threat that it is under. The combination of the two determines where the biodiversity hotspots are, which places a significant amount of responsibility to the people that live there to maintain what is left.

5 Now, you'd be aware that most of the species that we do have here are
endemic as opposed to just indigenous. Indigenous is native, but
endemic are species that only occur in New Zealand and nowhere else.
Eighty-four per cent of terrestrial species are endemic, 44 per cent of
10 marine species are endemic, 108 fish species are endemic, 86 per cent
of the bivalves are endemic, 75 per cent of sea squirts are endemic, 66
per cent of penguins, cormorants and shags are endemic; and Rob
Schuckard will be talking about the shags. I have mentioned them.
Ninety per cent of the freshwater fish are endemic. They only occur
15 here, nowhere else on the planet, and that's why it is of fundamental
importance for us and a responsibility that we have to maintain this
complexity.

20 Now I'm coming to the end. Hector's dolphin is one endemic species
that is a good example of the many others that I've mentioned in
percentage terms here. It is an endemic species. It only occurs in New
Zealand. It only lives on the continental shelf of New Zealand. I've
had substantial contact with Elizabeth Slooten, who's working at the
University of Otago, and she's an expert on Hector's dolphins in New
Zealand. She gave me all of her data and support in regards to the
evidence that I'm presenting here to you.

CHAIRPERSON: Her name is Elizabeth Slooten?

25 MR JANSSEN: Slooten, yes, S-L, double-O, T-E-N.

CHAIRPERSON: Yes, there's a reference in your paper to her.

30 MR JANSSEN: Yes, she's the Hector's dolphin expert in New Zealand. Now, I've
mapped the biodiversity hotspots within the Sounds. Unfortunately, if
you've got a black-and-white one, you can't really see them, but here's
what it looks like in colour. We're talking about various environments
35 here. They are on the continental shelf and the yellow ones are the high
biodiversity/high current areas. They are of prime interest to King
Salmon but also the areas that are of highest biodiversity value and also
the areas that are the prime habitats for Hector's dolphins. That's where
they find their food and in the green areas as well, whereas the orange
40 areas here are the more quieter, calmer waters with less current. These
are the areas where a lot of the snapper and all the fish do their
spawning. In terms of danger, this is also the area where you find
hazards, algal blooms proliferating, should the salmon farm application
go ahead. But in terms of the Hector's dolphins, these are the prime
habitats for them, the yellow and the green areas.

45 CHAIRPERSON: Is this your work?

MR JANSSEN: I have made the map based on --

CHAIRPERSON: You have made the map?

MR JANSSEN: Yes, based on pixelated -- based on information from NIWA.

CHAIRPERSON: From NIWA?

5

MR JANSSEN: From NIWA, yes, so I basically turned a raster data map that they have done into a polygon map to make it more easily visible. There are various environments that we do have here. It's not just one homogenous waterbody.

10

Now, on the Hector's dolphin, there has been a massive decline in population over the recent years. You'll be aware that most of the Hector's dolphins live around the South Island continental shelf. The population along the east coast has collapsed from the 1970s to today about 20 per cent of the population that existed in the 1970s. So, on the east coast, there used to be about 10,000 Hector's dolphins. Now there are less than 2,000 remaining.

15

In the North Island, the only Hector's dolphins that we have left are a subspecies called the Maui's dolphin. There's only less than 80 living up there now.

20

The Hector's dolphin population that we do have in the northern part of the South Island -- it's of fundamental importance to maintain the link between these two species. We had about 500 individuals in the 1970s. At the moment there are less than 100 remaining and there's a very small population just north of Blumine Island in Queen Charlotte Sound. There's sometimes --

25

30 CHAIRPERSON: What was the name of that island?

MR JANSSEN: Blumine Island in Queen Charlotte Sound and sometimes heading into Tory Channel. Also, there are frequent visitations of some of those remaining into the Pelorus Sound and the Waitata Reach is their prime habitat for them. With the late Danny Boulton, we went out with a boat and we saw one in Pelorus Sound a few years ago, just before this last --

35

CHAIRPERSON: In 2012?

MR JANSSEN: Yes, that's right, so there's evidence that Hector's dolphins do live in the Sounds. As I said, it is exactly these areas that King Salmon targets which are the places where they would live. It is their homes.

40

- 5 The remaining less than 100 Hector's dolphins in the northern part of the South Island are a link between the west coast and the east coast populations and the 80 dolphins that live up around the entire North Island. They are the only ones that can actually genetically exchange with those North Island Maui's dolphins. So it would be tragic and disastrous if these less than 100 that are remaining would be vanishing and the King Salmon proposal would certainly put the nail in the coffin of this population. I'm certain of that.
- 10 CHAIRPERSON: How would it do that?
- MR JANSSEN: How would it do that? I just said that: because Hector's dolphins live in the fast-flow environments of the green and the yellow areas. That is their preferred habitat. They venture out in the orange areas as well but that's --
- 15 CHAIRPERSON: Yes, but how would the new salmon farm sites adversely affect the Hector's dolphin?
- 20 MR JANSSEN: Because they foul the site. You know all about the sludge deposits, the anoxic sludge that is being generated under the cages. That is only 10 per cent of the stuff that comes out; 90 per cent will be dispersed throughout the entire waterbody and basically destroy the entire ecosystem. Now, Hector's dolphins don't live off jellyfish. They live off a whole range of fish that they can find in areas of high biodiversity such as the Waitata Reach. They wouldn't be able to live next to a salmon farm.
- 25 CHAIRPERSON: Because of the dispersal of material?
- 30 MR JANSSEN: Yes, because of the death zones that are created immediately under the cages and the death zones that will be created through the harmful algal blooms from the 90 per cent of the effluents that is being discharged --
- 35 CHAIRPERSON: So it's the algal blooms that would cause the loss of their food chain?
- MR JANSSEN: Yes, there's a chain reaction. Exactly, the trophic layer would collapse and with it the food source for the Hector's dolphins.
- 40 CHAIRPERSON: All right. Thank you very much, Mr Janssen.
- MR JANSSEN: My pleasure.
- CHAIRPERSON: Would you just wait there, please?
- 45 MR DORMER: Carrying on the discussion you were having with the Chairman a moment ago and looking at page 15 of your evidence, "Eight existing salmon farms are on this route".

MR JANSSEN: Yes.

MR DORMER: So are you saying there that the presence of these farms has rendered the waterways unsuitable for Hector's dolphins?

5

[10.15 am]

MR JANSSEN: I'm saying with this one -- it's just an observation of the Forsyth farm and the other ones in Crail Bay that used to be there. I'm aware that they weren't necessarily operating at the time when we saw the Hector's dolphin there, but they did operate at some stage and it did create situations in Crail Bay, for example, that didn't --

10

MR DORMER: But it's more than just an observation because you've underlined it.

15

MR JANSSEN: Yes.

MR DORMER: So what's the importance of the eight farms being on this route?

20

MR JANSSEN: Nothing, really, other than that it's -- yes, it shouldn't have been underlined, really. Sorry, I just took that over from the last evidence that I presented some time ago. It's nothing to do with this application. It shouldn't have the line under it. Sorry. But just an observation that they have had farms in various places there that they had -- - that they couldn't continue to operate because they were fouling their own bed and obviously creating problems in the vicinities around this. The Forsyth Farm, for example, had such an anoxic sludge deposition underneath it that when they retired it, after eight years, it was still in a state that they couldn't restock it because of the toxicity that was created, the anaerobic situation that was created underneath it.

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30

MR DORMER: How is that a threat to the Hector's dolphin? Surely if it's that toxic - they're very intelligent animals - they won't go there.

35

MR JANSSEN: Yes, no, that is not the point. The point is what I said before that the proposal creates a situation where 90 per cent of the stuff - the feed that is being put in there - will destroy the trophic layer of the entire body of the Pelorus Sound waterways, and it will not just destroy this link, this habitat --

40

MR DORMER: Hang on, 90 per cent of what?

MR JANSSEN: If you put a salmon farm in the high flow area, 90 per cent of the stuff that you put in will be flushed through with the high current that we have. If you put it in Crail Bay or Forsyth Bay, you've got 80 per cent; 80 per cent will be flushed through the system and only 20 per cent will deposit underneath the farm.

45

If you put it in high flow areas you get 90 per cent of the stuff that is being put in - 24,000 tonnes a year to the top - will be flushed through the entire water body, 90 per cent of it will be flushed and basically accumulate in the quieter, calmer areas of the Pelorus Sound and will then cause the conditions for toxic algal blooms to occur.

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MR DORMER: What they are putting in is food for the salmon?

MR JANSSEN: Yes.

10

MR DORMER: And you are saying that 90 per cent of that doesn't get eaten and instead is dispersed.

15

MR JANSSEN: No, 90 per cent of whatever. I'm not saying 90 per cent of the food will come out but they do excrete. They put food in the top and then it goes through --

MR DORMER: But you just did say, you said 90 per cent of what they put in on top.

20

MR JANSSEN: Yes, in terms of the active ingredients that would be harmful to the ecosystem, 90 per cent of 24,000 tonnes that you put in there's a proportion of it that will be assimilated by the growing salmon but most of it will be excreted as excrement and drop and then --

25

MR DORMER: Yes, and so it's 90 per cent. I misunderstood what you were saying.

MR JANSSEN: Okay.

30

MR DORMER: I thought you were saying that 90 per cent of the food gets dispersed.

35

MR JANSSEN: No, I'm not saying that at all. No, I'm talking about the stuff that you put in and the waste that comes out. That is the key point which will be affecting the rest of the ecosystem, which you won't find anywhere in any of King Salmon's evidence. All they're concerned about is the management effect underneath the farm, whether the salmon can survive or not. So you won't hear anything about those 90 per cent that are flushing about. They basically use the Waitata Reach as a flush loo, basically, with all the crap settling in around the salmon farms and in all the quiet bays of the Sounds of which there are hundreds, each one of them a potential spawning ground for toxic algal blooms as a result because of the input through summer.

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MR DORMER: I understand it better now. Thank you.

45

MR JANSSEN: That's good. Thanks.

- MR CROSBY: You've been using the term 24,000 times for the 90 per cent deposits, and you've used that repeatedly. Have you looked closely at the proposed conditions that MPI have proposed for this plan change for adaptive management?
- 5 MR JANSSEN: Have I looked closely at what?
- MR CROSBY: At the proposed conditions --
- 10 MR JANSSEN: I have looked closely --
- MR CROSBY: -- that are proposed as part of the plan change that is being put forward by MPI. Have you read those adaptive management provisions closely?
- 15 MR JANSSEN: I have read them previously in a previous situation.
- MR CROSBY: No, on this occasion.
- 20 MR JANSSEN: I haven't this time basically because of time constraints. I was made aware of this process quite late.
- MR CROSBY: See, the reason why I ask the question is just that condition 20 is that:
- 25 "The total of the initial annual discharge officially at all of the sites in Pelorus shall not exceed 6,000 tonnes per annum."
- Were you aware of that proposed condition?
- 30 MR JANSSEN: What are you talking about? What are you referring to?
- MR CROSBY: The proposed condition or one of the proposed conditions is that:
- 35 "The total of the initial annual discharge in fish feed from [and then there are listed the various five sites proposed in Pelorus Sound] shall not exceed 6,000 tonnes per annum."
- MR JANSSEN: Yes, that was the --
- 40 MR CROSBY: And all I'm asking you is: were you aware of that?
- MR JANSSEN: Yes, that the condition that was put in place by the previous ruling. I'm aware of that, certainly, yes.
- 45 MR CROSBY: And I see at the start of your evidence you describe yourself as:
- "H Janssen, Ecosystem Scientist, Adaptive Resource Management Ltd."

MR JANSSEN: Yes.

MR CROSBY: What does that title "Adaptive Resource Management Ltd" relate to?

5 MR JANSSEN: Okay, I'll tell you. It's actually a term, a concept that has been developed to allow resource managers to be proactive about development proposals. And so that is something that has been developed. How can I explain it in an easy way? The concept of adaptive management is bandied about just like sustainable management is these days, by King Salmon as well. Originally the concept was developed to allow people to be proactive about any development that is taking place to make sure that the decisions that are being made are being made on a wise -- including the precautionary principle that is being understood.

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If you would do adaptive management properly, then you would assess the effects, the potential and accumulative effects of the 90 per cent throughout the entire Sounds. You would have monitoring sites in each of the quiet, calm bays to see and to give an early warning if there is a hazardous algal bloom potential. You would have the entire Sounds monitored and assessed to give an early warning and to make sure that you can operate in a proactive manner. That is what adaptive management is about. While King Salmon used the same term, unfortunately it's just for their operational management which only looks at 10 per cent, so it's not adaptive management what they're talking about. It's farm management. Farm operational management and monitoring is what they're doing.

30 MR DORMER: Could you listen to the question and answer the question, please?

MR JANSSEN: Yes, sorry.

MR DORMER: I would find your evidence a lot more helpful if you'd do that.

35 MR JANSSEN: Okay. I apologise but it is --

MR CROSBY: I was really wanting to know from you what you mean by utilising the title that you do for your own evidence of Adaptive Resource Management Ltd. What is the concept that you utilise, presumably, if you're using that as your title?

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- MR JANSSEN: Well, based on the explanation that I've just given, it is a company that I established after leaving the council because I was aware that that is exactly what is required because I'd seen - working ten years in a council - how difficult it is and most organisations operate with a lack of knowledge and, hence, make decisions in a reactive manner, and what I'm interested in, what I'm keen on, is providing the information that allows for proactive management to occur, and for that to happen you need to implement proper adaptive management in the way that I explained it.
- 5
- MR CROSBY: And proper adaptive management, I take it from what you're saying, is setting a baseline, very close monitoring, and in this concept monitoring in the distant low flow areas?
- 10
- MR JANSSEN: Include the whole system, yes.
- 15
- MR CROSBY: And monitoring the whole flow system.
- MR JANSSEN: Yes. And it's my company for more than ten years, so I've got that name. I've had that company established for a long time before King Salmon used the term, so I know what I'm talking about.
- 20
- MR CROSBY: And again, if you look closely at the conditions that are proposed, the type of monitoring that you're recommending to us, have you looked closely at the conditions to see if that monitoring is provided for in those conditions?
- 25
- MR JANSSEN: It is not. Yes, it falls short of that. It's not systems based. It's operational based. It's farm monitoring. The main focus there is to keep the salmon alive within the cages. That's what --
- 30
- MR CROSBY: What about the provision for the creation of monitoring points at the low-flow sites at distant locations. Have you read those conditions?
- MR JANSSEN: At the time, yes, when they were created.
- 35
- MR CROSBY: No, in relation to this proposal. Have you read these conditions?
- MR JANSSEN: No, I haven't.
- 40
- MR CROSBY: Right. Thank you.
- CHAIRPERSON: Did you work for the Marlborough District Council at some point?
- 45
- MR JANSSEN: I did --
- CHAIRPERSON: Either you did or you didn't.
- MR JANSSEN: I didn't, no.

CHAIRPERSON: You didn't?

MR JANSSEN: No, I didn't.

5

CHAIRPERSON: Did you work for another council then?

MR JANSSEN: I worked for the Manawatu-Wanganui Regional Council.

10 CHAIRPERSON: That's right, you told us that.

MR JANSSEN: For Wellington. For Far North District Council.

CHAIRPERSON: Oh, I see.

15

MR JANSSEN: For Nelson, Tasman --

CHAIRPERSON: You've worked for several?

20 MR JANSSEN: On a project.

CHAIRPERSON: Local authorities?

MR JANSSEN: Yes.

25

CHAIRPERSON: And has that been in your capacity as an ecosystem scientist?

MR JANSSEN: Yes.

30 CHAIRPERSON: You are aware of course, from your previous involvement in these matters, that there are now two salmon farms established in the Pelorus Sound.

MR JANSSEN: Yes.

35

CHAIRPERSON: Are you happy about that?

MR JANSSEN: No, I regard it as a compromise decision that has been created. I do believe if the monitoring is set up according to the judge's rules is being implemented, with us being able to --

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[10.30 am]

CHAIRPERSON: Look at it.

45

MR JANSSEN: -- see what actually happens with the farm operation and then react very, very quickly if things do get out of kilter. To me we shut them down and take them out. Then that is something that I could live with. Otherwise, I'm quite certain - knowing the state the Sounds are in at the moment with the abundance of jellyfish that was an indication of severe degradation already - that we aren't in a position to play around with that, that we should rather be focusing on restoring the Sounds as they are. And I am quite certain that we can - knowing how the system functions - restore the natural productivity to a level that would allow us to get more protein out of the Sounds than from a salmon farm, from just the natural fisheries that we could recreate, the salmon, the snapper that are spawning there and so forth, along the lines of the productivity that Banks described in 1770.

With our understanding of how the system works we can restore that productivity and then create a win/win situation for everyone, particularly for the community that lives here, for the tourists that come here. It will be a place where people would like to flock from all over the world to see how a community manages a live system rather than a dead zone.

CHAIRPERSON: Yes, all right, thank you, Mr Janssen.

MR JANSSEN: My pleasure.

CHAIRPERSON: Thank you for coming.

MR JANSSEN: My pleasure.

CHAIRPERSON: Now, the Marlborough Environment Centre, Bev Doole?

MS DOOLE: Hello.

CHAIRPERSON: Right.

(off mic conversation)

CHAIRPERSON: I think we've got it here. You want to replace that?

MS DOOLE: I think I may have printed out a few in colour, so they might be useful in terms of the maps and so on.

CHAIRPERSON: We'll keep one of them then.

MS DOOLE: I've written on this that this is the final version, so there shouldn't be any confusion.

CHAIRPERSON: All right. Have you got a presentation you want to put on?

MS DOOLE: Yes, I've got some pictures that will take us out of this room and down to the beautiful Marlborough Sounds, and also some of the appendix information I'm putting up there.

5 CHAIRPERSON: Some of the what ...?

MS DOOLE: Some of the appendix information that's on the back.

10 CHAIRPERSON: Try to make sure that you're actually -- so people can hear what you're saying and also because it's being recorded. Thank you. We might have to turn the lights down.

MS DOOLE: Okay.

15 CHAIRPERSON: All right.

MS DOOLE: Well, good morning, gentlemen. Thank you for being here. I'm Bev Doole and I'm speaking on behalf of the Marlborough Environment Centre. The Marlborough Environment Centre is an incorporated society. It was established in 1989 to promote awareness and protect the environment through education and engagement with resource management decision-making. So, the Marlborough Environment Centre took part in developing the Marlborough Sounds Resource Management Plan that was notified in 1995, and that plan introduced aquaculture zones CMZ1 and CMZ2. MEC has submitted on marine farming resource consent applications and strives to protect the ecology, recreational enjoyment and the landscape values of the Marlborough Sounds.

30 So in our comments to the Panel, which we submitted in March, we covered eight issues, and the first one was the question of the undemocratic process and an attempt to replace decisions of the Supreme Court and the Board of Inquiry. Section 360A takes decision-making away from the Marlborough District Council and the local community.

40 The second issue is the inequitable use of government funds, government funding of at least \$1 million for MPI to develop this proposal for NZ King Salmon. There is no funding for members of the public to develop their responses.

45 (3) The lack of consideration of alternatives. There are no expert reports or cost-benefit analysis of offshore or land-based salmon farming.

Issue 4 is the need for a precautionary approach. MSC would say, "Let's see if NZ King Salmon can manage its five existing high-flow sites within the benthic guidelines and then look at the acceptability to the community of any new farms".

Point 5, the increased stocking and nitrogen discharge of the relocation proposal. It would be a four-fold increase in feed and that means an equivalent increase in nitrogen pollution.

5

Issue 6 is the threat to the king shag. The new farms are in the feeding area of this nationally endangered species.

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Issue 7 is landscape and cumulative effects, the degradation of outstanding natural landscapes and the high natural character values of the Waitata Reach.

15

And finally our concerns about the consultation process. There has been a lack of time and opportunity to source independent reports or interrogate those provided by NZ King Salmon and MPI. We believe this is a failure by MPI and NZ King Salmon to establish social licence.

20

So there is more about all of those issues in our initial comments to you in March but today I'll focus on four of these issues, and we'll start with some background. I'll just point you to the photo of the Waitata Reach so that we keep in mind why we are all here. And it's good to hear the Panel has flown over the proposed relocation sites, and through that we hope you've gained a growing appreciation for the special geography and the beauty of the Marlborough Sounds. However, a view by helicopter is not the way most people experience the Sounds. It's by boat or kayak, walking, fishing or just sitting on the deck of the bach and enjoying the view and the nature. It's about wilderness, peace and quiet and beauty, and it's why people travel across the world to visit places like the Waitata Reach.

25

30

These special areas are prohibited for salmon farming under the District Council's Marlborough Sounds' plan, and that's in order to safeguard the marine ecosystems, the landscape values and the recreational enjoyment of the Sounds. In his media release to announce the relocation proposal in January, the Minister for Primary Industries, Nathan Guy, said:

35

"This proposal is about making better use of existing aquaculture space."

40

However he was mistaken. This proposal is not about existing aquaculture space. It is about prohibited aquaculture space. And it is prohibited because the Marlborough Sounds and the community negotiated the Sounds Plan so there are still areas that can be enjoyed by all as a natural experience, not an industrial one.

45

5 So these matters were thrashed out at the Board of Inquiry in 2012 and then right up to the Supreme Court, and it was a gruelling process for the community with thousands of volunteer hours going into submissions and presentations. But people made the effort, because they felt the need to defend the significant values in the Marlborough Sounds, and these are the values that don't show up on a financial balance sheet.

10 The submitters included bach owners, yachties, recreational fisherman, kaimoana gatherers, kayakers, divers and tourism operators. And they talked about the beauty of wide open stretches of water, views through the bush to the untouched bays below, king shags roosting, dolphins jumping, and they talked about their spots for gathering seafood, although they tended to keep those fairly secret. And it's the
15 underwater ecosystems too that need clean water, the same way that humans need clean air.

20 So, these are the values that attract people, from throughout New Zealand and around the world, to visit and enjoy the Marlborough Sounds. And I'll just show you on the screen some of the things that they come to see. These photos were taken by Jim Bailey from the Pelorus Mail Boat Cruises. He has also done a submission but unfortunately can't be here to present in person, and --

25 CHAIRPERSON: Sorry, what was he again?

MS DOOLE: Jim Bailey. He's the skipper of the Pelorus Mail Boat, which is one of the main tourism operators in the Waitata Reach.

30 CHAIRPERSON: All right. And do you know when he took them?

MS DOOLE: It probably would be in the last three to four years. That's been the time that he's had the operation.

35 CHAIRPERSON: All right. Is he a member of your group?

MS DOOLE: No.

40 CHAIRPERSON: He's not?

MS DOOLE: No, I just asked him for photos because I knew he had some good ones.

CHAIRPERSON: Right.

45 MS DOOLE: So, let's start with this. So these are the things taken on one of his trips. If the quality is a little bit poor it's because he tends to turn them into videos. Here's the Hector's dolphin that the previous speaker was talking about.

CHAIRPERSON: Yes.

MS DOOLE: Incredibly cute. Incredibly rare and, yes, they have been spotted in the Pelorus Sound.

5

CHAIRPERSON: Yes.

MS DOOLE: We also have orca. This is at Port Ligar. I think that one is just heading out into Cook Strait, probably in search of some stingray. These are gannets diving. They're feeding on fish. Sometimes you get dolphin bait balls and everyone works together. The dolphins round up all the little fish and then you get the gannets and the shags coming for a feed. I'm going to leave you with the gannets while I pick up on the next step.

10

15

So we can see from these photos that the Waitata Reach is a unique and special place and it needs careful management and a long-term view.

CHAIRMAN: Now, in your text here you refer to Danny Bolton photos.

20

MS DOOLE: Yes, so I think his -- I'll see where they've gone actually. Here we go. Thank you very much for picking me up on that. I was going to treat you to those a little bit later but --

25

CHAIRMAN: We saw a video of his yesterday.

MS DOOLE: Oh, right.

CHAIRMAN: Yes.

30

MS DOOLE: Was that the Suffocating the Sounds video on YouTube?

CHAIRMAN: Yes.

35

MS DOOLE: Yes. It's interesting, Danny is no longer with us unfortunately but at the time of the board inquiry he dived next to or under the proposed farm sites and he found these very special ecological areas. He hadn't seen giant sponges like this anywhere in the Marlborough Sounds before, and this was the site at Kotiro. It was actually one that the Board of inquiry turned down.

40

CHAIRMAN: Right.

45

MS DOOLE: I have another one here, so this is talking about the benthic, the sea floor as a nursery for cod and small fish, all part of the ecosystems you've been hearing about. And so this is a sponge and cobble seabed, and this was near a proposed farm at Tapipi, which also was turned down. And here we have jewel anemones at Richmond, which was one of the ones that were consented.

To me, when I saw those photos, I thought we were at Great Barrier Reef or the Caribbean. I had no idea that we had this in the Marlborough Sounds. So, yes, you can see that this is a unique and special place.

5

The predicted economic benefits of this relocation proposal must be balanced against the long-term costs to underwater ecosystems, the loss of biodiversity, degraded landscapes and reduced recreational enjoyment.

10

[10.45 am]

There could also be economic damage to the tourism industry and the mussel industry, if nutrients released by farmed salmon contribute to increased toxic algal blooms. And I've just given the reference there. That was a statement from the MPI relocation proposal about the risk of algal blooms.

15

The Board of Inquiry decision identified the threshold number of salmon farms for Waitata Reach as two, Waitata and Richmond/Kopāua, and turned down three others because of the cumulative effects on landscape, on natural character, king shag feeding and tangata whenua values. Yet this proposal is in front of us is proposing five more farms in this area, additional to the two granted by the Board of Inquiry. It's hard to see this as anything but a greedy grab for water space.

20

25

In an opinion piece in the Marlborough Express, New Zealand's King Salmon's Chief Executive, Grant Rosewarne said, "If the MPI proposal goes ahead the environment will be improved". The Sounds environment is not going to be improved by increasing fish stocking levels, by increasing feed levels by a factor of four and the corresponding increase in the amount of nutrient discharge from the farms.

30

35

After years of denial New Zealand King Salmon has finally admitted their low-flow farms are polluted and not sustainable, which raises questions about the veracity of the company's advertising and promotion in the past. However, having established that their operation is not sustainable, they say the relocation of the salmon farms is about improving the environment. But, let's be clear, it's actually about producing more fish to sell. NZ King Salmon want to shift their farms to increase their production, and that's because they want to make more money than they could within the environmental limits of their current locations.

40

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5 Producing more fish to sell is a perfectly valid approach for a commercial operation, and it also fits with the government's business growth agenda of a \$1 billion aquaculture industry by 2025. But this relocation proposal must be balanced against the affect on the environment and the affect on other users of the Marlborough Sounds, and that is at the core of our submission.

10 Unless you're a diver it's hard to imagine what is happening under the sea out in the remote Pelorus Sound. So, as a land-based comparison, think of it like this: it's not okay for a dairy farmer, who has been pulled up for discharging too much effluent into a slow stream, to then be rewarded with a bigger herd of cows and allowed to discharge significantly more effluent into a faster stream.

15 Dilution as a way to deal with fish waste in the Sounds is the same principle that dairy farmers relied on over the past 30 years as they intensified their land use, until we found rivers that are polluted and no longer swimmable, and previously iconic lakes like Rotorua, Taupo and Ellesmere, which are now well known for their high levels of eutrophication. The lessons are clear from the dairy industry: dilution cannot be relied on to protect our waterways and the push for economic growth must not be at the expense of the environment.

25 So we'll now look at the four issues in more detail. Issue number 1 is alternative farming methods. The New Zealand Supreme Court in 2014, their decision ruled there was an obligation to consider alternatives under the New Zealand Coastal Policy Statement and section 32 of the RMA. And they said this is:

30 "Particularly where the applicant for a plan change is seeking exclusive use of a public resource for private gain."

Now, I've got the reference there for that decision.

35 The relocation proposal has no cost benefit analysis about alternatives and no information about what is happening in other countries. The Marlborough Salmon Working Group's advice to the Minister states that some members of that group believe this option had not received sufficient attention, and we share their concern.

40

I've just put up on the screen some of the alternatives that are being explored around the world and you'll see in your appendix that you've got, yes, a broader range of those. So appendix 1 and 2 are attached as examples of what is being developed overseas and the timelines involved. The Tasmanian example of Huon Aquaculture is particularly interesting as they're operating in the Tasman Sea with waves up to 13 metres high. I'm sorry that doesn't go with that photo yet. They have automated onboard systems that mean the crew can save manual tasks for calmer days. Huon information is the third or fourth page from the back of the appendix. I found that interesting because it is an Australian Company.

Now over in Europe there's more development of offshore farming systems, as well as designing ships that are self-contained farms operating out at sea, and that's a prototype that's up there on the screen. This would remove issues about anchoring farms in high energy environments. The Marlborough Environment Centre thinks that offshore land-based farming is a better approach to coping with rising sea temperatures, rather than putting more farms into the Waitata Reach, which is an area where water temperatures are already marginal.

And we have a map here that was prepared for the Board of Inquiry, so this is appendix 3 in your wodge of papers there. You might find it easier to look at the screen, though, because it's in colour and I think it's clearer than where the marginal areas are. Yes, that's the correct map.

So appendix 3 is a map prepared by Mark Gillard of New Zealand King Salmon for the Board of Inquiry and it shows that the Waitata Reach is marginal for growing healthy king salmon.

Are you okay with where the Waitata Reach is? It's where those four black dots are, sort of just top left of centre.

CHAIRPERSON: Yes.

MS DOOLE: They were the proposed farms.

Mr Gillard told the board that salmon need water temperatures of 12 to 17 degrees Celsius to grow well. Anything above that and they start dying. The company says the high rate of salmon deaths at Waihinau Bay in the Waitata Reach in 2015 was caused by an increase in water temperatures to 18 degrees Celsius and there's a reference to that in the footnotes. So 18 degrees Celsius; it seems to be the cut-off point.

5 As the effects of climate change are felt around the world it's inevitable
10 that water temperatures in the Marlborough Sounds will continue to
15 rise above the ideal conditions for salmon. The Marlborough
20 Environment Centre agrees with those members of the Marlborough
25 Salmon Working Group who said, "Offshore options have not been
30 given enough attention in this proposal". Rather than spending millions
35 of dollars trying to get this relocation proposal across the line in an area
40 where water temperatures are marginal and landscape impacts are high
45 the Environment Centre submits that greater effort needs to go into
alternative methods that take salmon farming out of the enclosed waters
of the Marlborough Sounds.

15 In his submission to the Panel MPI Aquaculture unit manager, Dan
20 Lees, estimated that offshore farming would be achievable in 10 to 15
25 years. King Salmon CEO, Grant Rosewarne, has put it at 10 years.

20 In the overall scheme of things with New Zealand King Salmon
25 expecting to double its production from the five high-flow farms it
30 already has 10 to 15 years is not a long time to wait for alternative
35 technology. This is technology that would safeguard the industry and
40 the Sounds into the future.

25 So I'll just move on to the second point, which is the undemocratic
30 process. The use of section 360A of the RMA gives the Minister of
35 Agriculture absolute power to intervene in the Marlborough Sounds
40 Resource Management Plan. It takes the decision making away from
45 the local community. And from a democracy point of view the
relocation proposal has muddied the waters as we work to update the
community owned Marlborough Sounds plan which dates back to
1995. That plan came about after 30 years of discussion and
consultation with all users of the Sounds. It created the Coastal
Management Zone 1 and 2 that we are discussing today.

35 As we approach the next version of the plan we have fundamental
40 questions to consider. Do we want more salmon farming in the Sounds
45 or do we have enough farms and want to protect what's left for coastal
ecosystems, recreation and tourism. These were the conversations that
we were due to have with the notification of the Marlborough
Environment Plan in June last year. However, the council, under
pressure from the marine farming industry and MPI, removed the
aquaculture chapter from the Marlborough Environment Plan. We do
not think it is a coincidence that this relocation proposal has emerged
in that planning vacuum. The Marlborough Environment Plan is the
proper place for decisions about expansion of salmon farming in the
Sounds rather than ruling by ministerial edict.

5 The Marlborough Environment Centre is also concerned about the
Department of Conservation. Where is its voice in this whole of
government approach on the relocation proposal? I would just like to
say that with the Board of Inquiry the Department of Conservation was
very present throughout that process and opposed, I think it was, three
10 of the farms and in this process, three years on, it's disappointing to see
there are no reports from DOC about effects on marine mammals, such
as dolphin bait-ball behaviour or effects on endangered Hector's
dolphins which, like the King Shag, are a nationally endangered
species.

15 There is no report from the Department of Conservation on the
implications under the New Zealand Coastal Policy statement. Where
is the consideration of policy 11, protection of indigenous biodiversity?
Where is the consideration of policy 13, preservation of natural
character and protection from inappropriate use and development?
And where is the consideration of policy 15, protection of natural
20 features and landscapes including seascapes from inappropriate use
and development?

25 There's no mention of DOC's Treaty of Waitangi responsibilities under
section 4 of the Conservation Act. This sets out their responsibility to
be an effective treaty partner and undertake meaningful consultation
with iwi. We can only conclude that the role of the Department of
Conservation has been subsumed by the Ministry for Primary
Industries in its drive for economic growth.

30 Finally, the Marlborough Environment Centre is concerned about the
use of taxpayer money in this process. The MPI paper to cabinet shows
that government is providing \$1 million to develop this proposal for
New Zealand King Salmon and that does not include the salaries of
MPI staff and \$250,000 has been set aside to defend this process
through judicial review. In contrast to this there is zero government
35 funding for community groups to develop responses and challenge the
process through judicial review. The section 360A process does not
qualify for government funded environmental legal assistance.

40 Community groups do not have the resources of MPI and King Salmon.
We rely on organisations such as the Environmental Defence Society
to do the heavy lifting and they in turn rely on donations and
philanthropy to present their case. This is not a level playing field.

5 So moving on from democratic process, issue 3 is consultation and
social licence. You heard yesterday from Mr and Mrs Hellstrom about
the need for New Zealand King Salmon to earn its social licence to
operate in the Sounds. So social licence is about a company
understanding the concerns of the community and changing its
environmental and business behaviour to ease those concerns. Genuine
social licence is not bought with marketing campaigns or sponsorship
deals. It's about trust and confidence and that's in the company's
operations, built up over time. It's especially important for industries
10 that use public space like the coastal marine area for their private gain.

[11.00 am]

15 It would be fair to say that New Zealand King Salmon's social licence
took a hammering through the Board of Inquiry process and MPI are
probably not the best mentors for improvement judging by this quote
from the aquaculture manager, Dan Lees. So this was in a feature in
Aquaculture New Zealand magazine and Dan Lees was speaking after
the Board of Inquiry process.

20 "MPI has a double-barrelled approach of working to eliminate or
minimise the key impediments to aquaculture growth while at the same
time creating an environment where the industry can maximise the
opportunities for growth and development."

25 From where the Marlborough Environment Centre are sitting those are
chilling words. Communities who stand up and say no to aquaculture
may be seen as impediments to be eliminated or minimised. There is
only one mention of environment and it has nothing to do with the
ecosystems and carrying capacity of the Marlborough Sounds and
everything to do with central government intervening to change
30 council's resource management plan to enable more aquaculture.

35 Earning social licence is about building relationships with your
community and the battering ram of section 360A following close on
the heels of the Board of Inquiry process is not a good way to rebuild
relationships in the Marlborough Sounds. It's not a good look for New
Zealand King Salmon and it's not a good look for the government.

40 So that brings us to the final issue but I'm going to give you a nicer
picture to look at than that. Taking a precautionary approach. Policy 3
of the New Zealand Coastal Policy statement calls for a precautionary
approach and this was reinforced by the Board of Inquiry decision,
paragraph 179. The precautionary approach provides for ongoing
45 monitoring of the effects of an activity in order to promote careful and
informed environmental decision-making on the best information
available.

5 The three high-flow sites granted by the Board of Inquiry are only just coming on-stream. The Marlborough Environment Centre advocates a precautionary approach. Let's see how these ones are doing before even considering any new farms. We submit that New Zealand King Salmon needs to show it can operate these farms along with the other two high-flow sites to comply with the benthic guidelines at maximum feed levels for at least three years and this timeframe is consistent with the Board of Inquiry condition of consent 44A.

10 The three new farms are expected to double production for New Zealand King Salmon if they're managed properly. That would be an increase from 6,000 tonnes of salmon a year to about 12,000 tonnes so the company could still be profitable, jobs could still be created and the environmental impacts could be managed. The community needs to see that New Zealand King Salmon can operate its five high-flow farms within the benthic guidelines at maximum feed levels. We need to see that fish mortalities are kept to an acceptable level. We need to see that New Zealand King Salmon can provide monitoring that shows what effect farm waste is having on the water column and embayments. These are the further afield effects. It needs to report in a transparent way with easy access to monitoring results on the Marlborough District Council and the New Zealand King Salmon website.

25 As far as the low-flow sites are concerns Marlborough Environment Centre recommends outcome 3 in the relocation proposal and that is, reduce the feed and stocking rates to meet the benthic guidelines.

30 So in conclusion, throughout this process to prepare comments for the Panel one question keeps coming to mind, what's changed since the Board of Inquiry and the Supreme Court deliberations? These were robust judicial processes put in place by this government to determine new farming space for New Zealand King Salmon. It took months and months, not just a matter of weeks, to hear the evidence and canvass the issues and make the rulings to allow three farms. The issues that are in front of you today were also considered by them only in much greater detail yet you have the task of coming up with a recommendation to the Minister that could potentially have a wider impact on the environment and the community.

40 We ask that you balance the projected economic benefits of this relocation proposal with the effect on the environment and the effect on other users of the Marlborough Sounds. We ask that the minister looks beyond short-term gain and instead invests with the industry in researching alternatives to make off-shore and land-based salmon farming a reality. We ask New Zealand King Salmon to be satisfied with their existing five high-flow sites that will double their production. Prove you can farm these sites at maximum feed levels within the benthic guidelines and reduce the feed and stocking rates at the low-flow sites so they comply too.

The desired outcome for the Marlborough Environment Centre is option C; that the minister does not recommend the proposed regulations.

5

However, if I could just wrap up with a final section on relief sought. If any part of this relocation proposal is approved by the minister the Marlborough Environment Centre seeks the following; consents for a maximum of ten years or earlier as off-shore technology comes on stream. And in recognition of its free occupation and discharge into public water space for the past 30 years New Zealand King Salmon to pay Marlborough District Council costs of modelling, monitoring and compliance associated with its marine farms and contribute to research into wider effects in the Sounds.

10

15

Again, if this proposal is approved in any part we would like to see New Zealand King Salmon lodge an environmental bond of \$2 million with the Marlborough District Council. If annual monitoring shows benthic guidelines are not being met by any farm an annual payment of \$200,000 from the environmental bond to go to environmental groups working to restore and protect the Sounds and the recipients of this would be determined by the Marlborough District Council.

20

25

In the same vein, in response to claims about job creation we would like to see New Zealand King Salmon lodge a jobs bond of \$1 million with the Marlborough District Council to hold New Zealand King Salmon to their claims of jobs created. The number of people employed by New Zealand King Salmon to be audited each year and if the jobs are not created as claimed in this proposal an annual payment of \$100,000 from the jobs bond goes towards environmental groups working to restore and protect the Sounds again with the recipients to be decided by the Marlborough District Council.

30

CHAIRPERSON: Yes. Thank you very much, Mrs Doole, is it, or ...?

35

MS DOOLE: Bev will be fine.

CHAIRPERSON: Bev, right. Would you just wait there please? Do you have any questions?

40

MR DORMER: No thank you. A very complete submission, thank you.

MR CROSBY: I agree, a very complete submission but can I just ask you; at page 7 if you could turn to that, where you're talking about greater efforts going into alternative methods. Take salmon farming out of the enclosed waters of the Marlborough Sounds. Two of the proposed sites on this proposal are at the entrance to the Pelorus Sounds at Blow Hole Point, on either side of that. You had that one on a map I think but --

45

- MS DOOLE: I'm not sure.
- MR CROSBY: -- which might help you in just looking.
- 5 MS DOOLE: Yes, I know where you mean, just past Te Kopi.
- MR CROSBY: In fact if you look they're actually on the purple part.
- MS DOOLE: Yes, the exposed area, yes.
- 10 MR CROSBY: Has the Environment Centre got a view on whether or not those waters, that are the purple waters, are within the Marlborough Sounds complex or do you regard those as being in the outer waters, off-shore waters?
- 15 MS DOOLE: The two proposed farms, Blow Hole Point North and South, because they are so close to an outstanding natural landscape I would regard that as being part of the Marlborough Sounds. In terms of; it is not as enclosed as the other farms in the Waitata Reach, I would agree with you on that. However, we've got tides coming in quickly every six
- 20 hours so they are pretty close to then flooding into the Waitata Reach and further into the Pelorus Sound.
- By off-shore we would say considerably off-shore. I am no expert. I think MPI probably have the resources to be able to answer that
- 25 question.
- MR CROSBY: All right. No, I was interested in your centre's views. The only other question that I had really, and it may be totally unfair on you, just in one of your appendices for the alternatives you've got the one relating to Norway, you've got a price tag for the project is around NOK, which I assume is kroner or something of that nature.
- 30
- MS DOOLE: Yes.
- 35 MR CROSBY: Norwegian 3.3 billion. Do you know the conversion rate by any chance?
- MS DOOLE: Oh, it's squillions.
- 40 MR CROSBY: No. That's right. I was meaning whether you knew the kroner to the dollar conversion rate off your --
- MS DOOLE: Look, I haven't checked my Nokia shares lately, Mr Crosby --
- 45 MR CROSBY: It doesn't matter. We can check that.

- MS DOOLE: -- but it's a lot of money which is why I think New Zealand King Salmon and MPI are reluctant to go down that track because it will be an investment and it would be using money that can -- they can farm more cheaply in the Marlborough Sounds.
- 5 MR CROSBY: Okay.
- MS DOOLE: What I was hoping to show with that bundle of papers, other countries around the world have been through what we are going through and they have seen the need to be looking off-shore. In the next ten years, hopefully, we can benefit from their research but also we can be using MPI's resources and expertise to be looking at it in a New Zealand context.
- 10 MR CROSBY: All right. No, thank you very much.
- CHAIRPERSON: Would you just look at page 7 please of your statement? At the bottom of the page you say that the Minister for Agriculture has absolute power to intervene in terms of section 368. That's actually not quite right, is it? There are some preconditions in the section to what you call intervention.
- 20 MS DOOLE: So I took up the term "intervention" from the cabinet paper, under their risks. It was the community view of seeing central government intervening in the regional planning.
- 25 CHAIRPERSON: Well, I'm talking about what's in the Act, not what's in the cabinet paper.
- 30 MS DOOLE: I think, Professor Skelton, you'll be much more expert on what's in the Act than we are.
- CHAIRPERSON: Well, that's why I'm asking you this question. The minister just can't, off the cuff, take the action under 360A to see, can he?
- 35 MS DOOLE: He can put that process in train.
- CHAIRPERSON: He can start it, yes, but there are certain requirements contained in those sections, aren't there?
- 40 MS DOOLE: Yes.
- CHAIRPERSON: So you don't see that as a democratic process?
- 45 MS DOOLE: I think the evidence that I heard yesterday, particularly from Judy Hellstrom, who was involved in the Marlborough Sounds Working Group, and I understand a former police superintendent who spoke to you, there are serious concerns about the consultation process.

CHAIRPERSON: Yes. What makes you think that planning is a democratic process?

MS DOOLE: Perhaps it's the previous experience that we've had in this region with the formulation of plans.

5

CHAIRPERSON: Yes.

MS DOOLE: And the opportunity for local people to make their submissions and for those decisions to be made by their locally elected representatives who know the community and the issues.

10

CHAIRPERSON: Yes, and where do they usually end up?

MS DOOLE: The Environment Court.

15

CHAIRPERSON: And is that a democratic process?

MS DOOLE: It's the best we've got.

20

CHAIRPERSON: Is it a democratic process?

[11.15 am]

MS DOOLE: As someone once said, "Democracy is not perfect but it's the best we've got".

25

CHAIRPERSON: But is the Environment Court a democratic process?

MS DOOLE: Actually I don't think it is because you need a lot of money to get there and certainly --

30

CHAIRPERSON: It never was, was it?

MS DOOLE: Pardon?

35

CHAIRPERSON: It never was. The Environment Court is not a democratic process, is it? In fact you won't find democratic process referred to in the RMA at all, will you? You won't find those words there at all. Do you?

MS DOOLE: My understanding of the RMA was to try and -- no, I haven't read the RMA from the beginning to end and I will take your word that the word "democracy" is not in there.

40

CHAIRPERSON: No.

45

- 5 MS DOOLE: What I would like to say is the process that we've had in the past in terms of needing to go to the Environment Court or the High Court or the Supreme Court for community groups like the Marlborough Environment Centre, we can get environmental legal assistance. That option is not open to us here.
- CHAIRPERSON: Oh, I see. So that's your concern --
- 10 MS DOOLE: Is one of the --
- CHAIRPERSON: -- is you've got no financial assistance to participate.
- MS DOOLE: That is one of a number of concerns.
- 15 CHAIRPERSON: Right.
- MR DORMER: Did you know that Professor Skelton is a former chairman of the Environment Legal Assistance Fund?
- 20 MS DOOLE: I did see him putting his orange highlighter through that point so perhaps you could take that up to a higher power. I'd appreciate that.
- CHAIRPERSON: Yes, we could possibly do that. It mightn't help you here.
- 25 MR DORMER: And I still sit on the advisory panel.
- MS DOOLE: Well, look, I've gone right to the top here.
- 30 CHAIRPERSON: Yes. Mr Crosby wants to ask you something else in a moment but I just want to canvass with you one other matter and it's this business of what the Supreme Court has actually decided. Now, as I understand the majority judgment in the Supreme Court it took the finding of fact that the Board of Inquiry had already made, because it had to, that these proposals, or some of them, failed to give effect to the outstanding landscape provisions in the New Zealand Coastal Policy Statement. That was a finding of fact, not that the Supreme Court made it but that the Board of Inquiry made. The Supreme Court then said, "If that is the case from a factual point of view then giving consent to that particular farm that affected that outstanding value was not giving effect to the New Zealand Coastal Policy Statement as a matter of law." Is that what you understand to be ...
- 35
- 40
- MS DOOLE: Yes.
- 45 CHAIRPERSON: So that's the sum and substance really of the Supreme Court judgment, isn't it, which we would have to follow here as well?

- 5 MS DOOLE: The Supreme Court was only looking at one farm; that was Papatua in Port Gore. The Board of Inquiry had already decided that three of the proposed farms in the Waitata Reach should not be allowed. So that wasn't something that the Supreme Court was looking at. They were just looking at one.
- 10 CHAIRPERSON: But they were looking at that one against a finding of merit, if you like, or fact by the board that said that it was an adverse effect but it didn't matter because of the way the board interpreted the use of part 2 of the Resource Management Act and it was in that area that the Supreme Court said no, you can't do that because you're not giving effect to a superior planning instrument.
- 15 MS DOOLE: Yes, that's my understanding.
- 20 CHAIRPERSON: Well, that's a very good understanding if you've got it. So the Supreme Court's ruling is really very strictly a legal ruling, not a merit ruling. That's the point I'm trying to canvass with you because I think there's a wide misunderstanding, or there appears to be a misunderstanding amongst a number people that have come here, and are still to come I imagine, that the Supreme Court in some way decided a merit issue.
- MS DOOLE: I understand what you're saying and I agree with you.
- 25 CHAIRPERSON: Do you see what I'm saying?
- MS DOOLE: Yes, but it was a very important decision because it was a test for the New Zealand Coastal Policy Statement --
- 30 CHAIRPERSON: I agree entirely.
- MS DOOLE: -- which I imagine will be part of your considerations.
- 35 CHAIRPERSON: I agree entirely it is a very important decision from a legal point of view but it's not a decision about the merits of a salmon farm in a particular place.
- MS DOOLE: That's my understanding.
- 40 CHAIRPERSON: Yes, all right. Thank you for that and I am pleased I was able to canvass that with you. Now, Mr Crosby has another question.

- MR CROSBY: Well, look, mine is very brief and it really is that question that you posed in your conclusion that what's changed throughout this process to prepare comments for the Panel, one question keeps coming to mind. What's changed since the Board of Inquiry and Supreme Court deliberations? What's been put to us is that what's changed is a matter of fact, is that the benthic guidelines were developed after the Board of Inquiry and I just want to be clear that in my understanding that that's the factual sequence of events.
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- MS DOOLE: That's correct.
- 10
- MR CROSBY: It is. All right, thank you.
- MS DOOLE: That was a really interesting and a good process. It was a genuine collaborative process with members of the community and salmon experts from overseas and MPI and New Zealand King Salmon. The development of those benthic guidelines, it was about getting the environment right around those salmon farms. But during those discussions there was no talk - it was taken as read - that King Salmon would abide by these guidelines, which had been agreed, and the low-flow farms were a concern but, as we say, our preferred outcome is you can still meet those benthic guidelines at the low-flow farms but you may have to fallow some. You may have to reduce stocking or you may have to reduce feed. It is still an option within this proposal.
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- CHAIRPERSON: And that's been canvassed already at this hearing.
- MS DOOLE: Yes.
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- MR DORMER: Just getting back on to whether planning is a democratic process or not. For many years I used to teach local authority councillors a programme called "making good decisions" and because they were locally elected politicians it came as something of a shock to them to realise that planning is not a democratic process. I used to use the example that if it were a democratic process there would never be a need for a hearing panel -- we'd just put a public notice in the paper saying, "The council is considering an RMA project and the ballot box will be in the corner of the council office between 2.00 pm and 3.00 pm on Monday afternoon". Now, it is not a democratic process, it's really not, and it's not intended to be. That's why we have National Environmental Standards and Simon Upton would speak when an Act was being passed about environmental bottom lines.
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- On a very shallow understanding of the popular views I would hazard to guess that the environmental consciousness of many folk on the West Coast would be quite different to the environment consciousness of many folk in Coromandel. There are certain decisions that are best made not democratically because the democratic result might be quite contrary to the objectives of the Act.

5 MS DOOLE: Perhaps where I'm coming from is that every three years we do have a democratic process and it's called a local council election and those are the people who we elect to make decisions about how our region is managed. Our concern with this proposal is that central government is intervening in that.

CHAIRPERSON: And there are elections there every three years too, aren't there?

10 MS DOOLE: That's right.

MR DORMER: Yes. There's one coming up soon.

15 CHAIRPERSON: Yes. So the same line of reasoning could apply. Yes, thank you very much for coming and thank you very much for all your helpful contribution to this hearing.

MS DOOLE: Thank you.

20 CHAIRPERSON: We'll take a morning break now for about 15 minutes and then when we resume we will be hearing from Peter Martin and Nicki Elliott if they are here. Good. And the rest of you who are here, presumably on this list, I can assure you that you will all be heard today. So we'll adjourn now for about 15 minutes. Thank you.

25 **ADJOURNED** [11:25 am]

RESUMED [11:49 am]

30 CHAIRPERSON: We've got here two pieces of paper.

MS ELLIOT: There is just the slide notes.

35 CHAIRPERSON: The slides, yes.

MS ELLIOT: The last one I will just point to. It is just a summary of our main questions to you at the end.

40 CHAIRPERSON: Yes. I see you're a doctor, a medical doctor. All right, so who is going to speak first?

MR MARTIN: I'll start and then hand over to Nikki.

45 CHAIRPERSON: Thank you.

MR MARTIN: Good morning, your Honour, Mr Crosby, Mr Dormer, ladies and gentlemen. Apologies, a lot of what we will say is similar to what Bev has just said but I can assure you we haven't met her at all. My name is Peter Martin. I've been coming to the Marlborough Sounds

for 50 years. Nikki and I love the Sounds and while we're here we enjoy the stunning scenery and wildlife, especially in the more remote areas, go exploring in our small boat. It's only 4.4 m long but we have managed to circumnavigate D'Urville Island. We mountain bike and this photo here is a group of us when we were mountain biking. We've done it for the last 13 or more years and we look forward to it every year. We do a lot of walking and tramping in the Sounds as well as snorkelling, sometimes spearfishing and fishing, more accurately described as bobbing in the sun, listening to the birds and staring at the bush. We truly love to get out and about and experience the beauty of the inner and outer Sounds.

Sadly in my lifetime I have witnessed the degradation of the inner Pelorus Sound. The Mahakipawa Mahau area has gone from hard packed sandy bottom to thick mud and silt. Elephant fish, gurnard, blue cod, mussels and scallops are no longer present. Snapper and flounder are dwindling. We have been heartened to see some recent initiatives aimed at ecosystem restoration in the Marlborough Sounds and surrounding hinterlands. Many of these projects will help improve the degraded sea floor and water column. Some of the recent projects run by individuals and the Marlborough District Council include pest control programmes, wilding pine eradication, land fallowing, bush regeneration efforts. What is painfully clear is that more restoration and ecosystem improvement work is needed not further degradation.

We have dedicated most of our spare time to reviewing this salmon farm relocation proposal as well as taking time off our full-time jobs. We've done this not only to speak up for the Sounds we love but also to honour the memory of Mr Danny Bolton who worked so tirelessly to protect the Sounds before his death. Danny rallied many of us via Sustain our Sounds and we're here to do what he can no longer do, as Bev has already mentioned.

Although we have many concerns, the main areas of our focus today will be the poor public awareness and using a section of the RMA to stop the public having any further say on this important issue. This is an attempt on prohibited areas of the Sounds presented as environmental improvement. We will touch on our concerns about poor scientific process followed by MPI and New Zealand King Salmon. We will look at how water column effects have largely been ignored with unconfirmed monitoring protocols. Finally, we will highlight our concerns about preserving remote areas particularly in the outer Pelorus which are so important to marine wildlife as well as to humans.

CHAIRPERSON: Just before you continue, where do you two live?

MR MARTIN: We live in Christchurch. We have a family bach in the Mahakipawa Sound. I'm a born and bred Blenheim boy.

- CHAIRPERSON: You live in Christchurch and you have a family ...
- MR MARTIN: Family bach in the Mahakipawa, which we just commute up to.
- 5 MS ELLIOT: Just near Havelock.
- MR MARTIN: Near Havelock. We both live in Christchurch for work opportunities. Mahakipawa is just on the right-hand side out of Havelock there.
- 10 MS ELLIOT: It is very inner Pelorus.
- MR MARTIN: We have had a family bach there for 50 years.
- 15 CHAIRPERSON: Yes, okay. You have what?
- MR MARTIN: We've had a family bach there for 50 years.
- MS ELLIOT: As Pete was saying, he had to move away from Blenheim. He was born in Blenheim but had to move away for job opportunities, but we basically save our money and try and come up here as much as possible.
- 20 CHAIRPERSON: Yes.
- 25 MR MARTIN: We are all well aware of the need to grow our economy, just not at any cost. The Marlborough Sounds are iconic, outstandingly beautiful public areas, public areas for all New Zealanders present and future. This was reiterated during the recent Board of Inquiry process, which we will talk about more in a moment. This is undisputedly an area of national significance. With the recent Board of Inquiry and Supreme Court decisions about salmon farming in the Marlborough Sounds, we were quite astounded by this proposal especially when the proposal seeks to largely exclude the public from any further input. Three months of cursory notification, no further chance to have input.
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- Let's talk about public notification. We have heard and seen many notifications about a New Zealand Transport Agency proposal to change speed limits on the main South Island state highway; notification about this relocation proposal we feel has been farcical in comparison. We have asked friends, family and workmates over the last several weeks, hundreds of people, and none of them had any idea about this proposal before 27 March. Our concern is that poor public awareness may be due to the notification process as well as being due to downplaying of the magnitude of the potential effects. Of course, there are potential positives but the majority of the risks - pollution, biodiversity loss, risk of toxic algal blooms - fall on us, the public of New Zealand. We feel we must speak up for thousands of people who love the Sounds as much as we do but who are not aware of the threats, who are not aware of the potential adverse effects that might fall on

them for generations to come.

5 Let us be clear, this is about moving farms largely into prohibited
coastal marine zones in the Pelorus Sound. There is a process for
moving into these prohibited areas, these areas of national significance.
10 This is the Board of Inquiry process followed in 2012 which allowed
two farms with strict monitoring requirements which have not yet been
completed properly. The focus on our overall hectares is disingenuous.
This is really about a huge increase in feed. It is intensification of
15 farming, cloaked in false environmental rhetoric. The focus has been
taken off the spreading of the waste in the water and the effects this
will have, therefore completely overlooking a huge part of the problem.
Proposal documents and presentations mention reducing
environmental effects. The New Zealand King Salmon CEO said on
20 TV recently, "We're going to produce more with a lower environmental
impact". He then said he didn't understand why people weren't pleased.
So, let us spell it out. It is disingenuous to say you reduce
environmental impacts by simply ignoring half of your environmental
impact. That is why we are not pleased.

[12.00 pm]

25 Let's look at the annual feed tonnage in Waitata. Waitata and Kopāua,
4,500 tonnes per year, and they are not fully monitored with benthic
standards set but water quality standards still work in progress. The
other four farms around Waitata, Crail Bay, Forsyth and Waihinau,
30 have no feed currently yet the proposal seeks to add a further 6,000
tonnes in the first year. This is not a reduced environmental impact.
Therefore, we would like to ask the hearing Panel to advise the Minister
for Primary Industries that relocations into Waitata Reach prohibited
zones have been inappropriately presented to the public. This is
intensification, more waste spread further. Any talk about monitoring
35 and quality relates to the benthic or seafloor effects only, not the effects
on the water column or the water quality. So it begs the question:
would there have been more widespread concern if the proposal was
more honestly portrayed?

40 Speaking about how things are portrayed, we understand marketing is
important to New Zealand King Salmon and that they can be selective
about information they portray and what they choose to promote. One
example of this is claiming to be an environmentally conscious, green
producer. Their evidence is a best choice agency green accreditation
45 in the Monterey Bay Aquarium's Seafood Sustainability Guide in 2015.
This is a United States-based, farmed seafood ranking site. Why the
use you might ask? Perhaps because our own New Zealand Best Fish
Guide 2017 shows them in the orange concerns "eat less of" category,
and you'll see it up here, there is an arrow pointing at it. This chart can
be found in the bestfishguide.org.nz.

CHAIRPERSON: Who produces that?

MS ELLIOT: It's Forest & Bird.

5 CHAIRPERSON: So it's a Forest & Bird, New Zealand Forest & Bird?

MR MARTIN: Yes, as opposed to an American one.

10 MS ELLIOT: Yes. That is the website for it but it is produced by Forest & Bird, so we've just got the website up there, bestfishguide.org.nz.

CHAIRPERSON: Forest & Bird prepare this and publish it?

MR MARTIN: Yes.

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CHAIRPERSON: Right. Thank you.

MR MARTIN: It is a traffic light coloured bar from green to red, best choice to worst choice. In case this is a little hard to see, it is a red arrow, so it is not green at all. Consumer New Zealand provide similar information in their 2013 review of farmed salmon.

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MS ELLIOT: Sorry, are you able to read it? It does confuse some people because it has salmon farmed fresh water in Canterbury up near the top, and then it talks about salmon farmed marine Canterbury on the right, just into the yellow, but salmon farmed marine all areas except Canterbury is in the orange section where we've put the arrow on the left and we're just pointing to the fact the orange section is graded as, "Okay but some concerns. Choice: eat less of". So what Pete was basically wanting to say is it is not really green at all when you look at a New Zealand perspective.

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CHAIRPERSON: All right.

35 MR MARTIN: Unfortunately you can find so-called evidence to back any theory if you look hard enough or present figures in a particular way. The best scientific processes avoid bias as much as possible and are upfront about where bias may have occurred. Without stringent transparent processes, it simply comes down to who has the deepest pockets and can stack up more experts. MPI talks about being independent but clearly state their desire to grow the agricultural industry, so they are biased towards growth. Nikki reminds me that in medicine you need to be very aware of how a study is funded. A study funded by a drug company, conveniently showing great benefits of their drugs and minimising or simply not publicising many of the adverse effects, is not to be respected or relied upon. This is true of any studies and reports extolled by a body with a very obvious agenda.

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Unfortunately, being a small country, it appears that there are not many Marlborough Convention Centre, Blenheim 2.5.17

reporting or monitoring companies who are not in some way reliant on New Zealand King Salmon for a portion of their work, yet strangely we haven't found a single conflict of interest disclosure in any of the relocation proposal reports. In the interests of transparency, with MPI
5 spending our taxpayer dollars on these types of reports, we ask the hearing Panel to consider whether the Ministry of Primary Industries should require companies providing scientific or other reports to declare potential conflicts of interest and percentage of income from New Zealand King Salmon, with this information being auditable.
10 Thank you. That is my part. Nikki is going to focus a bit more on the water column.

MS ELLIOT: Good morning, gentlemen, and ladies and gentlemen. My name is
15 Nikki Elliot and in my work as a clinical analyst I review patient pathways of care and perform clinical safety audits. One of the principles of the work I do is that if we change a process we have an ethical obligation to ensure that there are no negative outcomes of that change, which seems a fairly sensible principle to apply to quite a lot of areas of life and I'm going to come back to that.
20

MR DORMER: There are always negative outcomes though, aren't there?

MS ELLIOT: It's a scale of negative outcomes, the most serious negative outcomes,
25 I guess, is the best way to put it. So I'm going to review the Board of Inquiry findings with regard to New Zealand King Salmon's private plan change in 2012 and how they stressed the importance of both water quality effects and benthic or seafloor effects. Despite this, almost all of the documentation - well, in fact all of the documentation - says that water column monitoring standards are still work in
30 progress. It is completely inappropriate to make changes without establishing these. Let's be very clear, salmon farming causes cumulative water quality effects. It is scientifically and ethically inappropriate to make changes to nutrient inputs in Waitata Reach, Pelorus Sound when the effects of the recently added farms haven't yet
35 been fully assessed and, most importantly, when quality standards with strict enforceable limits linked to ecosystem responses have been missing in action largely for four years, ecosystem responses at near site and far site locations with effects on creatures like the king shag and many others. This is volume 1 --
40

MR DORMER: Can I ask you to read a sentence again?

MS ELLIOT: Certainly.

45 MR DORMER: When I was a young lawyer I was always taught that if you were talking to the judge and he's writing it down, please talk slowly enough so he has time to get it down properly. So if you see us writing, a good idea to slow down.

MS ELLIOT: Sorry. I do speak fast.

MR DORMER: Salmon farming causes cumulative something or other effects?

5 MS ELLIOT: Water quality effects.

MR DORMER: Thank you.

MS ELLIOT: Would you like me to read the next sentence?

10

MR DORMER: Yes.

MS ELLIOT: It is scientifically and ethically inappropriate to make changes to nutrient inputs in Waitata Reach, Pelorus Sound when the effects of recently added farms haven't yet been fully assessed and, most importantly --

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MR DORMER: You see, you've gone too fast. It's inappropriate to make changes to ...

MS ELLIOT: Nutrient inputs in Waitata Reach, which is in Pelorus Sound, when the effects of recently added farms haven't yet been fully assessed. I have also given Louise a copy of our speech notes on the computer as well.

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CHAIRPERSON: Yes, thank you, and it's being recorded.

25

MS ELLIOT: So I just also said, most importantly, when quality standards with strict enforceable limits linked to ecosystem responses have been missing in action for nearly four years, ecosystem responses at near site and far site locations with effects on creatures like the king shag and many others.

30

This is just a little excerpt from the Board of Inquiry's New Zealand King Salmon request for plan changes and applications for resource consents, which is dated 22 February 2013. Bear with me while I read a few relevant excerpt and apologies for the busyness of the slide. I was always told not to make your slides busy but there is quite a lot of information to get through. I think Bev may have read some of these things but I'll just touch on them because it flows through.

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CHAIRPERSON: Yes. We're aware of that.

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MS ELLIOT: Okay. Basically, obviously a precautionary approach and similar to what the man earlier said, there is focus on adaptive management, having conditions effective for monitoring adverse effects, that thresholds are set to trigger remedial action before they become overly damaging and that effects that might arise can be remedied before they become irreversible. So I'm just going to touch on a few pieces out of the document. One of the gentlemen talked about cumulative enrichment through resuspension, horizontal, transparent and

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subsequent sedimentation. Similarly to this situation, although most sites were in close proximity to Cook Strait where dilution and wide dispersal could occur, he did note:

5 "However, some entrained particles may enter the inner Sounds and/or embayments where they would increase natural sedimentation processes."

10 There was obviously -- the Minister of Conservation during that process noted that a precautionary approach is especially warranted with respect to the wider water column effects. You're highlighting not writing. That's good. So obviously when they summed up they said there was:

15 " ...considerable uncertainty as to the nature of the receiving environment, including the trends in other nutrient sources, and consequently the ability of the Sounds to adequately assimilate a significant increase in nutrients."

20 So, setting objectives for water quality and the consequential ecosystem response is necessary to manage the potential adverse effects and their task was to ensure that these objectives, as part of the condition of consent, were reasonably certain and enforceable. They also said:

25 "It is within Pelorus Sound that the potential for cumulative effects is of the greatest concern, because of the farms, the trends in riverine inputs and the king shag colony"

30 which has been mentioned. So, they summed up saying:

"The purpose of the monitoring is to ensure that the environmental quality standards for both the seabed and the water column are met."

35 And because of that obviously they sought only the two locations in Waitata Reach in recognition of unresolved uncertainty and risk that exists in regards to the water column effects. Remember this was back in February 2013 when this document was published. Water column effects were clearly a grave concern at that point. Why was this not given more priority? So we repeat, benthic monitoring and standards have been the focus of all of these relocation proposal documents and presentation. What on earth happened to the water column?

45 **[12.15 pm]**

Mr Gillard, in his hearing transcript of 19 April, on page 17 ... I took a direct quote where he said:

"The best management practice guidelines for water quality are being

developed with scientists and we expect these to be implemented within one to two years."

5 That's not good enough. We would love to know whether the Board of
Inquiry members envisaged this still wouldn't be prioritised and sorted
four to six years later. Let's have a brief reminder of that annual feed
tonnage Pete mentioned earlier. Waitata and Kopāua currently 4,000
10 tonnes per annum with the effects not yet fully assessed. Benthic
effects maybe, but water quality effects still work in progress. How
can anyone suggest adding a further 6,000 tonnes of feed into this
situation and have the gall to suggest that they're going to have a lower
environmental impact?

15 We honestly couldn't understand how the water column monitoring
appeared to just be forgotten, so we read all the documents and we
thought this is an important one. This is the "Best Management
Practice guidelines for salmon farms in the Marlborough Sounds.
Operations. Final: November 2015". We read this in interest and to
20 our dismay, on page 6 we found this. It's in the "Scope" section and
it's apparently a pictorial representation of the eight key criteria to
consider in managed salmon farming in the Marlborough Sounds in
this wagon wheel. Now, again, I realise that it is a little hard to read
but I can tell you water column does not feature. We've got benthic up
25 on the sort of top right there by "ecosystem" and there is a mention of
baseline assessment, but nowhere does that mention water column
monitoring despite that being a huge focus of the grave concerns of the
Board of Inquiry.

30 So some recent work has been done by NIWA, "Modelled water
column effects on potential salmon farm relocation sites in Pelorus
Sound" and this is basically modelling done relating to different feed
scenarios in the relocation proposal.

35 CHAIRPERSON: Yes. We're familiar with that.

MS ELLIOT: Yes. So, page 15 of the report basically backs up our concerns about
enrichment. So it talks about the fact that all of the alternative scenarios
will induce a small quantum of enrichment but, interestingly, it also
40 supports our concerns about the risks of not specifying certain and
enforceable consent conditions because they say:

45 "Recalling the consent condition that the fish farms should not cause a
statistically significant shift, beyond that which is likely to occur
naturally, from aoligotrophic/mesotrophic towards a eutrophic state,
and noting that a quantitative value corresponding to the phrase
'statistically significant shift beyond that which is likely to occur
naturally' has not been specified, let alone approved by a review panel,
we must admit a note of caution."

5 Now, I'm fairly certain they were probably cautioning MPI and New Zealand King Salmon at that point but we see it as a warning equally applicable to all of us. Now, we know models have degrees of risks and uncertainty but our concerns in the Pelorus area and particularly the inner Pelorus effects seem to be well supported. So this is from page 65 of that document:

10 "For all of the alternative scenarios, the far-field changes tend to manifest themselves in similar locations ie throughout the inner parts of Pelorus including Tawhitinui reach, Mahau and Kenepuru Sounds and their environs. The magnitude of the far-field changes appears to be more strongly influenced by the overall feed-loading, summed across all farms, than by the precise location of the farms giving rise to any given overall loading level."

15 Remember we're talking about Mahau is just round the corner from us in Mahakipawa, so the inner Pelorus area. So this is an example of the sedimentation and runoff that loads the head of this sound every time it rains - this was in the recent rains in April of this year - and this is well documented in another NIWA report. This one is called "The history of benthic change in Pelorus Sound (Te Hōiere)" February 2015. Although this document is largely focused on mussel beds and mussel farming, it clearly documents the sediment and water quality concerns in Pelorus. One quick note I wanted to mention from page 36 of that document was:

20 "The question could be asked: is the state of the environment monitoring undertaken by Marlborough District Council adequate to detect long-term changes to soft-sediment habitats? Monitoring our coastal waters and their watersheds is of paramount importance because 'history is long; human memory is short'. Without appropriate monitoring, gradual degradation can escape our notice as can the gradual cumulative impacts which can lead to relatively swift transitions or regime shifts in ecological communities."

30 Does that sound familiar, gradual degradation, cumulative impacts, regime shifts? Tipping points might be another good term to keep in mind. Hence, we ask the hearing Panel to find that relocating further salmon farms into Pelorus Sound without confirming water column monitoring processes first cannot be regarded as taking a precautionary approach. These specific questions are in the final page of the document that wasn't stapled together. There is a separate page that has got each of these questions for you that I've put on the desk. That's it, yes. Sorry, just so you didn't have to write those ones down. I was trying to help you.

45 MR DORMER: We're grateful.

MS ELLIOT: Also we'd like to ask this hearing Panel to advise the Minister for Marlborough Convention Centre, Blenheim 2.5.17

5 Primary Industries that any relocations into Pelorus Sound are
inappropriate without a thorough review of the effects of the Waitata
and Kopāua farms and to advise the Minister for Primary Industries
that any changes to salmon farming in the Marlborough Sounds must
not occur until environmental quality standards for water column
ecosystem effects have been confirmed. Without these, certain and
enforceable conditions cannot be set and so-called adaptive
management is impossible. Remember what I said earlier about ethical
obligation to ensure there are no negative outcomes, and I take your
10 point, there will be some negative outcomes but unless you sort this out
it can't be sorted out. So the individuals involved in setting these
standards and conditions need to make sure there is unambiguous
accountability for salmon farm effects.

15 Without this, it's our personal belief that New Zealand King Salmon,
aided by MPI, will disagree with the findings, claim there is not enough
evidence that the effects have come from the salmon farms, and find
numerous ways to ensure that they don't have to make any changes,
which is basically decrease food and therefore pollution. How can the
20 public of New Zealand trust New Zealand King Salmon to work within
an ecologically sound process of adaptive management when they have
failed to do so thus far? We feel New Zealand King Salmon and MPI
have no right to be pushing for changes when they haven't completed
crucial requirements of their previous changes. We suggest that the
25 time and money spent on these spurious relocation proposals should
have been put towards completing these crucial water quality
monitoring standards first. Adaptive management is just a phrase. It's
just jargon until the process is properly set up. Until then, it's just a
way of allowing pollution to be spread further by faster flowing water.
30 Simplistically stating that the sea assimilates or flushes away pollution
is archaic, archaic and unethical in our view. I think Bev has just
mentioned a similar thing.

35 Many people have raised concerns about setting dangerous precedents
in the primary production sector. New Zealanders are waking up to the
true cost of allowing intensive agriculture such as dairying to be pushed
at almost any cost. Farmers are slowly being required to exclude stock
from waterways and work in riparian planting. I say "slowly" because
40 I was a little bit alarmed to find a Marlborough District Council
environment meeting document which note that dairy farmers in the
Marlborough region only have to complete riparian plantings around
waterways by 2030. Why should another intensive farming group
simply be allowed to pollute at will? How would we feel if a dairy
farmer said, "No worries, we'll just collect up all of the effluent in a big
45 tank and pop it out to sea in a nice high flow area and by magic it's
assimilated into the sea"?

We have grave concerns that the Minister is setting up dangerous
precedents for agricultural groups to challenge their need to remediate

5 or improve water quality and nutrient runoffs. Don't tell me that groups like Dairy NZ or other dairy lobby groups don't already have lawyers working on how to exploit what New Zealand King Salmon are getting away with. Will there be challenges to the riparian plantings? "Why do we have to control nutrient loads into coastal waters if New Zealand King Salmon don't have to?" Or, "It's unfair that water use and ability to pollute limitations apply to one group but not equally to another". We, the public, who suffer the legacy effects of pollution and generally end up paying for costly remediation measures such as projects to regenerate degraded wetlands, sounds, estuaries and coastlines, would rather neither were given a relatively free rein to pollute in the first place. So we ask the hearing Panel to consider the risks of setting precedents for other primary producers if certain and enforceable conditions around the water column ecosystem effects are not confirmed.

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20 Now, I'd just like to go and talk about the remote, natural, wild experience of being in the outer Pelorus Sound - again a little like Bev - the importance of these natural character aspects for humans and marine mammals. You may have picked up how passionate Pete and I are about this area. I've struggled to find the right words to describe quite how enthralling and special it is out there. For us, getting out here is a bit of an adventure but it's worth the effort. As Pete mentioned, this is our wee boat, so it's crucial we study the marine weather forecasts for days and try and look for the 10-knot variable conditions. We set out hideously early, sparrow fart I like to call it, chug our way slowly up the sound and my job is generally spotting nikau palms as well as logs that we don't want to hit in the water, looking out for penguins and, if we're lucky, spotting the dolphins or orca.

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30 Getting out to Waitata Reach is certainly not guaranteed. We've had to turn back due to inclement weather conditions numerous times but this amazing vista awaits, that vast, remote, open sea feeling, a sort of feeling of venturing out across the edge of the known world. I had a similar experience once kayaking down in Doubtful Sound and heading out by Secretary Island. You literally feel like you're sort of going out into the wild beyond. So this is a remote, relatively unspoilt, wild, natural, elemental experience that is increasingly hard to find in our industrialised world but it's so good for the soul.

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45 We would argue that these outer aspects of the Pelorus Sound have become even more important with the focus on recreational use in Queen Charlotte Sound. This more remote and less populated area with less humans is hugely important. Two more salmon farms in this area recently are bad enough but suggesting more encroachment on the open rugged heads area, historic gun emplacements and slap right in the middle of this awesome vista is incomprehensible. We've found it quite insulting to read the various landscape architects engaged by MPI describe the effects of the relocation proposal on this area as minor.

We feel the focus on residential effects is quite misleading, perhaps deliberately so. Have they wilfully ignored the importance of these remote, wild, natural character aspects, aspects that are not just important for humans?

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CHAIRPERSON: Could you go back? Where is that photograph taken from?

MS ELLIOT: Sure. This is actually interestingly off the New Zealand King Salmon site, which I thought was quite --

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[12.30 pm]

CHAIRPERSON: They're not your photographs?

15 MS ELLIOT: This one is. Sorry, this one here is. So that's the Chetwodes out in the distance, Blow Hole Point is on the left.

MR MARTIN: You can see the bow of the boat.

20 CHAIRPERSON: That's your boat?

MR MARTIN: That's my boat.

25 CHAIRPERSON: So that's your photograph but this one is a similar area just taken from a slightly different angle?

MR MARTIN: So, our boat would have probably been on the right-hand side, just looking at it there, of that photo.

30 CHAIRPERSON: Where did you get the second photograph from?

MS ELLIOT: This is actually off the New Zealand King Salmon website, which I thought was kind of nice.

35 CHAIRPERSON: Yes. But it's looking down Pelorus Sound to the sea?

MR MARTIN: Waitata.

CHAIRPERSON: This is Waitata Reach?

40

MS ELLIOT: The Waitata Reach, yes. Waitata Reach is just the very outer part of the Pelorus Sound.

MR MARTIN: Chetwodes are on the right.

45

CHAIRPERSON: Yes.

MS ELLIOT: It was just because it has possibly been taken by a helicopter or something it's a bit more open view, so it was quite good.

- CHAIRPERSON: The Blow Hole sites --
- MS ELLIOT: Yes, they're on the --
- 5 MR MARTIN: On the left.
- CHAIRPERSON: On the left, yes.
- 10 MS ELLIOT: I think on my photo that's Blow Hole Point, and actually I've got some photos to show you exactly these in a second so I'll highlight it. That angle on the head at Blow Hole is quite distinctive and I'll show you some of those in a second.
- 15 CHAIRPERSON: Yes, all right.
- MS ELLIOT: So, because I'm talking about marine mammals, I went and had a look at some of the Ministry's documentation. They have a document "Overview of ecological effects of aquaculture and on page 10 of that
- 20 it talks about the location of aquaculture farms being crucial and the piece I've highlighted says:
- 25 "Avoid sensitive, rare or endangered habitats, species or communities. [And they go on, on page 44, to say ...] Critical species in this regard include Hector's and Māui's dolphins, bottlenose dolphins, orca and so on."
- 30 So, bear with us while we go through some holiday snaps. First of all, we didn't know what it was but we followed it at a very large distance for some time and then compared it with some DOC information and realised it was a large orca out near Titi Island, which is just out and sort of round the corner to the right from the head of Pelorus. Luckily he managed to get his dorsal fin up a bit later so I got another shot. But the thing is so often we've been so enthralled when we've seen an orca
- 35 or some dolphins that we'd literally just stare in wonder and forget to get out the camera, so I had to scratch back through and find the ones that I managed to get photos of. Because that was the case, all I can I do is give you this map to show where we were a year or two later, around 2014. We were at Te Puraka Point, which is the little yellow and red dot I've put in there in Beatrix Bay. We were fishing and then all of a sudden heard this sort of blow noise and there was a pod of about four orca coming towards us. One of them dived right underneath our boat. It was an amazing experience and so we just sat in wonder and watched this group because a few minutes later a
- 40 massive male came in behind them, so we wondered if it was maybe the females going in first and he sort of came round. The thing that was really interesting to see is that they were obviously hunting stingray, so they were coming up to the edges and all of a sudden there was a great flurry. We'd just seen a David Attenborough, one of those

documentaries about how they hunt for stingray and rip them up. The thing that was quite sad is their progress was quite impeded by mussel farms already but it was still an amazing experience to see.

5 Luckily I did have a camera handy when we were in the mid Pelorus
Sound in January 2016. We were taking some friends out fishing, one
of them for the first time. So this is taken on the Wilson Bay side of
10 Tawero Point, which I've got, so it's actually not far from where we
were on the previous one. So Tawero Point is just before you go round
into Tawhitinui Reach and towards Maud Island. Basically one of the
things that really struck me at that time was the example of how the
dolphins - and we had it confirmed by DOC they were bottlenose
15 dolphins, so one of the critical species - have the older dolphin and the
younger dolphin and they basically -- it's a training exercise. They
show them how to hunt and things. The other thing that struck us is
how close to shore they can go if they're not impeded.

20 We've been lucky to see a similar sight many years ago right up in the
Mahakipawa Arm where Pete's family bach is. A huge group of
dolphins, many adults with the young dolphins beside them learning
the ropes for herd fish. It's sort of that bait ball thing that Bev was
25 talking about. They'd herd the fish and then there was a big swish as
they cut them off and eat them presumably. In Te Mahia a few years
later there was a big report about a similar thing. They herded the
snapper right up to the wharf at Te Mahia and these befuddled snapper
were left milling there for hours afterwards.

30 I'll just quickly flick through a couple more photos and apologise for
the quality. Clearly I shouldn't give up my day job and become a
wildlife photographer but you get the idea. We felt incredibly
privileged to witness these acrobatics, hopefully celebrating a
successful day. We've certainly treasured every experience of seeing
35 these beautiful, intelligent, social creatures in the wild. Only a few
days later - we think it was probably the same family of bottlenose -
we were initially puzzled by this large white wave coming towards us
in the distance and once we realised it was dolphins quickly dug the
camera out of the dry bag, and so imagining how fast these guys are
40 moving. They were right out by the Chetwodes when we first saw
them. So just to confirm we found another shot on the internet just
saying that's the Chetwodes and you can see it's quite an iconic sort of
landscape. It's just taken from a slightly different angle. So the large
group raced past us towards the Blow Hole Point side of the Pelorus
heads and so that's that sort of angle that I was telling you about and I
45 found another image, again the same thing, the swirling, cutting off the
fish. So that's the Blow Hole Point, that sort of angle that I told you
about, and to prove it I found a cruise site on the internet that just had
pretty much the same picture and showed exactly where it was. So
that's Blow Hole Point in the background.

CHAIRPERSON: There are some mussel farms in there, aren't there?

MS ELLIOT: There are one or two, yes.

5 So basically this amazing, massive group of dolphins, again with the
birds following on, because we've seen a lot of that, again as has been
mentioned by Bev. They basically raced right down the middle of
10 Waitata Reach. So I'll quickly flick through. Again, lots of shots with
the young beside the older ones, learning the ropes. That is Maud
Island in the background, that sort of pyramidal shape. This is just
trying to show - very badly, approximately - where we think we were,
the little boat, and then the sort of route that the dolphins took, with the
blue blobs trying to approximate the massive pod, heading down
towards Maud Island at the bottom there.

15 So we headed out and enjoyed a day out at the Chetwodes, where I sat
and literally just took lots of photos of my favourite nikau palms and
listened to the tui singing, and bobbed in the sun. Then low and behold,
20 coming back into the sound, so just round from Maud Island, we came
across the group again and more celebratory acrobatics, which was just
amazing. And yes, they actually came, as we went round the corner
into Pelorus itself, round the corner from Tawhitinui there, they
actually came right up to the boat and had a look at us, and things,
which is just amazing. So I just wanted to give that thrilling feeling of
25 such close encounters with these beautiful, intelligent, and social
creatures, and how experiences like this are so important.

30 So, basically, we would like to ask the hearing Panel to arrange expert
workshops to re-examine potential marine mammal issues, especially
the importance of low human interference in Pelorus Sound, Te Hōiere,
the importance of this area as a sheltered hunting ground and training
area for Bottlenose dolphins and Orca, incredibly important area, as I
said, particularly because the recreational focus is so much on the
35 Queen Charlotte side. We know that King Salmon will say, "It's okay.
We've got a marine mammal plan" but simply having a plan isn't
enough. It's just words. It's like saying, "Oh, no, there's a fire coming
towards me, but it's okay, I have a fire plan". We all know the old
saying, "Actions speak louder than words" and in this case we believe
40 New Zealand King Salmon's actions, supported by MPI, will restrict
crucial activity of these magnificent, nationally endangered creatures,
particularly in these more remote, less populated, areas, so important
for marine wildlife. And we haven't even touched on sharks. Again,
they'll say the risks are low but on behalf of the dolphins, and on behalf
45 of us when we are diving in the Outer Pelorus, we'd rather not any more
risks of sharks.

The one thing I'm going to have to look into - another job to put on the
list - I keep thinking, people talk about marine reserves; I'd love to
know if anyone's thought about marine mammal reserves around New

Zealand because I'd love to put up my hand for Outer Pelorus, maybe Kaikoura, Akaroa. Anyway, I digress.

5 So, we ask the hearing Panel to consider in more detail whether the proposed amendments to the Marlborough Sounds Management Plan would have sufficient regard to preserving and protecting our indigenous biological diversity, natural character, and landscapes, particularly in Pelorus, Te Hōiere.

10 In conclusion, we would like to ask the hearing Panel to consider all of these concerns on behalf of our beloved Marlborough Sounds. As I said, I have given you each a copy of the specific requests that we have made of you, and to everyone involved in the drive to increase salmon farming in Marlborough Sounds. Yes, jobs are important but consider
15 where we will all be if we continue to inflict irreparable damage to this environment we all love. Will you be able to look your children and grandchildren in the eye and say you left them more of a legacy than a huge clean-up bill?

20 Thanks for your time.

CHAIRPERSON: Thank you very much.

25 MS ELLIOT: This is one of my favourite quotes that I came up with in the 2012 Board of Inquiry.

CHAIRPERSON: Yes. Ron, have you got any questions?

30 MR CROSBY: Just a similar question to one I asked earlier in the morning. Have you had a chance of looking through the adapted Management and Water Quality Conditions proposed? You have? All right. In terms of monitoring, as I understand it what you're saying is you might have those provisions in there, and those conditions requiring monitoring, particularly the low-flow and inner reaches, but as I understand what
35 you're saying is that without the water quality guidelines being set, you can't have any certainty, in that there are no standards specified.

40 MS ELLIOT: Yes. Yes, exactly. One of the things I thought of when Bev was mentioning it, we spent months on this, looking at and reading all the documentation for the Board of Inquiry process, for the plan change to allow the farms into these areas in the first place, and one of the things that struck us then, and the reason we pushed for it, is they weren't doing appropriate monitoring of benthic or water quality effects. So those benthic standards that Bev talked about in that huge collaborative
45 process was because we all pushed for that as part of the Board of Inquiry process and that's fantastic; we're really pleased. But now, simply because they can't farm the way they would like to within those standards, to just say, "We have to relocate" is disingenuous when actually the Board of Inquiry made it very clear that benthic and water

5 quality standards are crucially important, particularly in the Pelorus
area. So saying that those best management practice standards are a
work in progress simply isn't good enough. So, yes, we can monitor
for those things but what happens if the chlorophyll levels go over a
certain level, and that sort of thing? Our point is, unless the thing that
the Board of Inquiry talked about - certain and enforceable - unless you
have you a means of enforcing the cause and effect, changing the
behaviour of the salmon farm in relation to those effects, they are
10 meaningless. So we really feel quite passionate that they have been
maybe wilfully ignored, or that's how it feels to us. So that was why
we felt it was really important to come and make that point here.

MR CROSBY: Thank you for that.

15 CHAIRPERSON: But if there are conditions that they have to comply with, they can't
ignore them.

MS ELLIOT: Yes, but I believe it hasn't been set in a watertight enough way.

20 CHAIRPERSON: You don't think the conditions are tight enough?

MS ELLIOT: No, the conditions themselves, so, if you read the water column, there
are the levels of --

25 [12.45 pm]

CHAIRPERSON: So this is about the water column?

30 MS ELLIOT: Yes. The nitrogen, the levels of chlorophyll and various other things,
nobody has completely set up ... There are monitoring sites around
and I know they say King Salmon will pay for these flash real-time
monitoring buoys, that is all great but if we don't know where the buoys
are, exactly what the effects are going to be ... All it says at the
35 moment is we will just bung in some feed and we will sort out all this
water quality stuff and if we can't get it right, we won't put more in the
next year. But as we said, we're still talking 6,000 tonnes of feed in the
first year and one to two years to set out these ... And look at the last
40 process. It took some years for that collaborative group to thrash out
those conditions.

CHAIRPERSON: Well, you wouldn't put monitoring in until you've got something to
monitor, would you?

45 MS ELLIOT: No, but you have to have the standards. So, again, look at all the
documentation. There are very watertight best management practice,
environment quality standards, or benthic effects, and they have been
hugely pushed through this documentation. Lots of information. All
of it says water column standards, we've got this stuff but it is work in

5 progress. Mr Gillard said that in his proposal. The water quality standards for monitoring and acting on the consequential environmental effects are still work in progress, and that's our concern because we don't perhaps have the best trust in the New Zealand King Salmon process.

CHAIRPERSON: No, that's obvious; you don't trust them at all.

10 MS ELLIOT: But it's because it affects all of us. People saying, "Oh, the NIMBYs ...": we're not doing this just for ourselves. We're doing this for all New Zealanders. Unless you have those, so they can be pinned down and held accountable to those changes, it is meaningless because they will have lawyers and scientific experts and things working away to say, "That's not us; that's come from the forestry" or, "That's come from the run off in the head of Pelorus" or what have you. It's got to be accountable and as the Board of Inquiry said, it's got to be certain and enforceable, and that's the part that's missing.

15 CHAIRPERSON: Correct me if I'm wrong, but as I read these conditions at the moment, the standards are set; there's monitoring both near the site and far afield. Right? So monitoring is required. You're complaining about the far-afield standards not being in place. But there are standards for near site. Condition 36 requires and specifies standards for chlorophyll, for total nitrogen, for dissolved oxygen, and then requires that in the event that they don't meet those, or they fail to meet those near site, there then needs to be a consideration of whether those failures to meet near site are having an effect far afield.

20 MS ELLIOT: Yes, but it's that process. How do we know? All we want to see is that that process has been absolutely set. In the Board of Inquiry process, they said all of this stuff had to be sorted out, peer reviewed, and made public on their site. It's still not. I managed to find a --

25 CHAIRPERSON: Well, I think you'll find it is next week; so we are told.

30 MS ELLIOT: But this is the sort of thing, you know. And again, why did Mr Gillard say these are still work in progress and will be completed within one to two years. There's obviously the standards, the best management practice ... I want to be able to pick up the same document as the benthic best quality management document, which was put up on the MPI site; I want to be able to read the exact version of that that relates to water column monitoring. It's not available and even Mr Gillard said it's work in progress. Until we have that document that has gone round the rounds, and the council, various other peer review people have signed it off, I don't believe it's ethical and appropriate to put more feed into an area.

35 CHAIRPERSON: So just so that I've got it clear; the thrust of your complaint about the lack of standards is a complaint about the lack of far field standards,

but what I want to know is are you comfortable with the standards that have been specified for near site?

5 MS ELLIOT: Only if I can see a similar sort of document to the best practice management standards document for benthic effects, a similar document that has gone round, has been ticked off by various people, and is presented to anyone that's concerned in a document.

10 CHAIRPERSON: But you have a scientific mind and as I read condition 36, in the absence of such a document as you're seeking, condition 36 is proposing to set standards for near site, so that you've got standards for chlorophyll, total nitrogen and dissolved oxygen. Are there other aspects in a scientific sense that you say should have standards other than those three?

15 MS ELLIOT: No. I'm happy with those but I want the farms that they've already got in the Waitata area not to be moved, not to be relocated, not to have any additions to the area, until those standards have been met, as well as the benthic standards for enough time ... I mean, one of the things, for example ... Sorry.

CHAIRPERSON: Met where?

25 MS ELLIOT: Both near and far site effects, because those documents said that effects are going to be in and around the farms, but also particularly in the inner Pelorus area. So until that's been checked and confirmed and we know that if those changes occur further in, which -- I know there is some monitoring happening but my understanding is that actual actionable -- if we say, "Yes, this has changed here in Mahau Sound ..." how do we know that King Salmon is not just going to say, "It wasn't us". It's that kind of -- it's the next part, like the benthic standard document that very clearly --

30 CHAIRPERSON: It mightn't be them either, might it?

35 MS ELLIOT: No, it might not.

CHAIRPERSON: No.

40 MS ELLIOT: But my point is, until we can look at that and have some clear science around that, you can't just keep adding more feed, and that's what they are suggesting.

45 CHAIRPERSON: But you haven't really answered Mr Crosby's question.

MS ELLIOT: Sorry; what was the question?

CHAIRPERSON: You are happy with condition 36 that sets water quality parameters, for the near sites.

- MS ELLIOT: Yes, the parameters are good. Yes. The process for acting on changes to those parameters is the part that I have a concern about.
- 5 CHAIRPERSON: The process for acting on those?
- MS ELLIOT: For acting on those changes outside of those parameters.
- CHAIRPERSON: That's the further afield.
- 10 MS ELLIOT: Particularly at the far sites, yes.
- CHAIRPERSON: Right.
- 15 MS ELLIOT: And again, ask Mr Gillard and various people why they are saying the water quality standards are work in progress and they will be available within one to two years.
- CHAIRPERSON: Now, you have suggested in this list of things that you have given us --
- 20 MS ELLIOT: Sorry; list of demands.
- CHAIRPERSON: No, no. No, they're perfectly proper lists. In one of them you say, "Consider the risks of setting precedents for other primary producers".
- 25 What evidence have you got that that would occur?
- MS ELLIOT: Well, as I said, so there's all these requirements to have riparian plantings and control nutrient runoffs that are eventually going to end up in the sea; my concern, as I said, it's just a concern that could there be large groups of lawyers, as we see for some of these groups, who are taking --
- 30 CHAIRPERSON: The lawyers are getting the belting now.
- 35 MS ELLIOT: Sorry. But, you know; you know what I mean. We can't afford to take a lawyer on our side, basically.
- CHAIRPERSON: I don't see -- where is there any evidence that the conditions that have been set for the two salmon farms by the Board of Inquiry have led to precedents in other areas?
- 40 MS ELLIOT: No. As Bev was also saying, it's the concern that if we follow this proposal and simply say, "Oh dear, we are polluting our spot; we can't possibly do the growth that we want to do, so we need to move to another spot" and they get away with it, could that be extrapolated by very clever --
- 45 CHAIRPERSON: Where is the evidence that that might occur?

- MS ELLIOT: I'm not saying there's any evidence.
- CHAIRPERSON: No.
- 5 MS ELLIOT: I'm saying it's a concern that we have and we see it as a potential risk and you guys have got far cleverer minds on this type of thing.
- CHAIRPERSON: So it's an assertion you are making.
- 10 MS ELLIOT: All I'm asking you is to consider that. If you don't feel it's a risk, then I'm satisfied, but I'm worried that it's a risk so I'm asking for your expert opinion, I guess, on it.
- 15 MR DORMER: I would have thought there's almost always going to be a risk that some smart or unsmart lawyer, dumb lawyer - there are plenty of them - will try and use something that was done previously as a precedent. Now there's absolutely nothing one can do to guard against what dumb lawyers might do or say in the future, and I'm not really going to decline, or suggest we should decline, suggest the Minister should decline, an application for what might on the face of it be an otherwise reasonable proposal, because of what some dumb lawyer might suggest in the future.
- 20
- 25 MS ELLIOT: That's fine. All I'm asking is you consider if it was a risk it would be something to keep in mind in what you might be allowing. But, as I say, if you're happy that it isn't a significant risk, then I bow to your expert opinion.
- 30 CHAIRPERSON: All right. Thank you both very much for your very comprehensive presentation. Lovely photographs.
- MS ELLIOT: Yes. Nice to see them again.
- 35 CHAIRPERSON: And thank you for coming.
- MS ELLIOT: Thank you for listening.
- CHAIRPERSON: The next presenter is The Sunshine Trust. Is that here?
- 40 MR NEWSHAM: I'm here.
- CHAIRPERSON: Ah, you are there.
- 45 MR NEWSHAM: Yes. I believe I am supposed to serve four copies.
- CHAIRPERSON: Yes.
- MR NEWSHAM: The last one is in a bigger font, if any of you is challenged by your
Marlborough Convention Centre, Blenheim 2.5.17

eyesight.

CHAIRPERSON: Just so everybody knows, we will deal with this presentation and then we will adjourn for half an hour. So as soon as we've finished your presentation, we will adjourn for half an hour and try to resume around about 2.00 pm.

Now, you are?

10 MR NEWSHAM: I am Tim Newsham and I'm presenting these comments on behalf of The Sunshine Trust, which represents my immediate family. Today I have chosen to address only several issues that I've raised in my written submission. Please bear in mind that my submission is quite different from some of the articulate, technically expertise and graphic submissions that we saw this morning. I speak from my heart and I speak from 69 years of sharing this planet with other beings. I can only hope that the submission does more good than harm to your implementing your decision on this application.

Fri

20 As stated in my written submission, I support the concept of marine farming, of aquaculture, if developed in an environmentally sustainable way. Being a person generally of an optimistic and positive, supportive nature, I would much rather be one of those supporting the relocation of these farms rather than in opposition. In fact, when first hearing about King Salmon and MPI's intention, my first impression was that this could be a positive move toward addressing the pollution and fish-health issues King Salmon was causing. On viewing some of the submissions to this process I see, and have had feedback from some of those submitters, that on the surface people see this as a positive solution. Over the years of being involved in consent hearings, I've been assured that submissions are not a numbers game but one can't but help notice the number and type of submitters who have supported this proposal. I suggest that many may feel quite differently if they are equipped with more information on both the process and the likely outcomes if this proposal goes ahead.

40 My comments purposely avoid getting into the scientific realm, not because I am not aware of the scientific data but because I believe no one has enough data on this marine environment to give any certainty to the argument. Science tends to present theory based on the information at hand at any given moment and with rapidly developing technologies, conclusions and theories change faster than ever before. Relatively speaking, it is not that long ago that science believed that the world was flat and the earth was the centre of the universe and thus now, with growing scientific ability, we see more rapid reversals of what were scientific beliefs.

[1.00 pm]

5 We are terrestrial beings and tend to have a much better grasp of the nature of our terrestrial world. We barely scratch the surface of the marine environment. Also, we are gaining a greater awareness of how little we actually do know and are beginning to appreciate the vast interconnectedness of organisms so when King Salmon commissions a scientific report within its defined parameters, or the district council is tasked with monitoring, with its limited financial budget, science becomes less and less reliable and relevant, especially below the ocean surface, the marine environment.

10 So what tools do we possess to evaluate the potential outcome of our actions? Though I may appear to be opening a can of worms here, I believe we rely too little on people's intuition, especially when that intuition is highly developed through observation and experience. Just as you commissioners have developed your intuition, honing a keen sense of law and judgments over the years, I, as a person who has worked within the physical environment and has advocated for better environmental outcomes, can sense risky outcomes for some proposals. Financiers, enthusiastic developers and creative media consultants have honed other skills but unfortunately for the environment, the consequences of their zeal can have disastrous effects. History is a litany of these disasters and I am certain we as a dominant species will continue to make mistakes but we in this room have an opportunity, at least in this one small proposal, to stop stumbling along and regretting in retrospect another bad decision. What we are seeing in New Zealand under the current government, hell bent on short-term financial gain, is death by a thousand cuts, to our environment, our resources, and the aesthetic values Kiwis say we value.

30 Just considering the immediate, be it ironsand mining, a new West Coast coalmining proposal or offshore petroleum exploration, we are still using an old model. It's still gold rush mentality. As Kiwis we pride ourselves on being innovative and resourceful. Using this old model of extended exploitation is not innovative or resourceful. We are ever faster approaching a tipping point where our resources cannot, and will not, support even our financial greed, let alone our natural values. King Salmon and its overseas benefactors, despite the weasel words, care only for profits. Rather than scaling back their stocking rates and finding better solutions for working within the space we have allowed them, they will continue to flog our public space until it falls apart around us. At the very least, it will degenerate to a point where it can no longer sustain our expectations of providing our physical, spiritual and other economic derivatives. This is exactly what the precautionary approach in the RMA was intended to address.

45 Moving on, this proposal ignores the 2013 Board of Inquiry process leading to the 2014 Supreme Court decision about expansion of salmon farming into prohibited areas. As a 12-year member of the Marlborough Council's Landscape Committee, I can assure you our

5 council, and the people of our province, continue to demonstrate a
strong commitment to preserving certain high-value landscapes. These
landscapes are not some arbitrary piece of terra firma dreamed up in
the office of some bureaucrat; they are particular geographic
10 formations that have a past and current value to those people who either
frequent their vicinity or live amongst them. There are not many that
have not been altered or compromised by development. It may sound
like a cliché, but they are unique to New Zealand and therefore they are
unique to the globe. They are a part, a very valued part, which tourists
15 travel here to experience. More importantly, they hold value to us, who
get to live among them. Nobody, no financial venture, has the right to
destroy or compromise these remaining features and although there
may be amongst you, certainly among the hearing committee, the belief
that the Supreme Court decision did not set a precedent, I believe the
20 intent of that decision did set a precedent in the context that nothing
has changed since that decision was made. We had a discussion this
morning that shed a bit of light on that, but I am wondering if I got
clarity or more confusion on that, but you have your opinions,
obviously.

20 CHAIRPERSON: Oh, well, there's a precedent; there's a legal precedent.

MR NEWSHAM: Yes, I see.

25 CHAIRPERSON: No question about that.

MR NEWSHAM: Yes. Right.

30 Finally, as so many of the other submitters have done, I will address
the greatest and ugliest elephant in the room, the process.

35 In 1990 I was travelling from Christchurch to Northland on a tour bus
stopping at examples of sustainable aquaculture and horticultural
commercial ventures, one of which was a positive example of fish
farming. Our group comprised 14 different nationalities and we Kiwis
were very proud when during that trip it was announced that the
proposed Resource Management Act Bill had been passed by
Parliament. We were the envy of the other nationalities travelling with
us. Six months later, as chairman of the Marlborough Environment
40 Centre, I helped organise a public seminar to familiarise Marlborians
with this new legislation, which limited something like 14 major Acts
and 47 minor Acts - you fellows would know that better than me - to
make the concept of resource management the criteria by which
consent proposals were measured. It was heady stuff for both lay
45 people like me, and those who would now have to start making the
determinations of law. Many questions and issues were thrown up by
this change and it was hard to get an objective view of what the
intentions of the Act were. As the years ticked by, judgments and
precedents helped to develop expectations and consistency. Although

5 there was a requirement to give regard to iwi and Treaty issues, social,
cultural, amenity values and even spiritual belief, we environmentalists
felt that the economic value was almost always given precedent over
the protection of the environment. For a pro-business, resource-
exploitative government, the RMA was seen as an inconvenient
encumbrance to progress. Central government, and in some cases local
government, and with the help of the media, painted the Act as an
unnecessary obstacle restricting development; the bad guy, the root of
10 all evil. Thus enters Environment Minister Nick Smith, with the
RMA's Simplification Bill, which got rid of some of those pesky
considerations and some of the consultation that many people were
previously entitled to. Our current government then developed a vision
for a billion-dollar aquaculture industry by 2025 and got impatient with
local governments like the Marlborough District Council, which was
15 struggling with finding a balance between marine farm development
and protection of the Sounds' environmental values. So wowie; we get
the Aquaculture Amendment Bill, which tended to dictate and limit
what levels we locals could decide on aquaculture development.

20 I apologise if you find this review of what I see of the brief history of
our regulatory framework regarding resource use tedious, but I am
trying to demonstrate how far we have come since 1990, to get to this
process we have here in this room today. This is the crux of the
ugliness I mentioned.

25 CHAIRPERSON: So Parliament is ugly, is it?

MR NEWSHAM: Sorry?

30 CHAIRPERSON: Parliament is ugly?

MR NEWSHAM: Perhaps.

CHAIRPERSON: Is that your view?

35 MR NEWSHAM: No. It isn't.

CHAIRPERSON: Because everything you've said so far has gone through Parliament.

40 MR NEWSHAM: Yes, I realise that.

CHAIRPERSON: Yes.

45 MR NEWSHAM: Yes. I think this process has turned ugly and the use of the RMA to
achieve what a particular government body is trying to achieve.

CHAIRPERSON: But it's been through Parliament. The Aquaculture Amendment Bill
went through Parliament, didn't it?

MR NEWSHAM: Yes. I know that.

CHAIRPERSON: Yes. Well, what weight do you expect us to give to that assertion? You are telling us that Parliament doesn't know what it's doing.

5

MR NEWSHAM: No, I am not. I'm saying that I find it disingenuous to use a small part of the Act in a way to obtain the results the current government wants rather than putting it out there in the normal process, as we have seen in the past.

10

CHAIRPERSON: What is disingenuous about using a section in an Act of Parliament?

MR NEWSHAM: I'm not sure if you're seeking clarification here.

15

CHAIRPERSON: I am seeking clarification. I am seeking clarification of what you are saying because I don't understand it. There's an Act; there's a section in an Act of Parliament that says a Minister can do certain things under certain conditions. You say that's disingenuous?

20

MR NEWSHAM: Well, I am asking why the government is resorting to section 360A in this circumstance. It seems pretty consistent with what it is already trying to achieve rather than using the methods that it has used in the past. It's almost oppressive, using that in this situation.

25

CHAIRPERSON: All right.

MR DORMER: By the way, no questions that the Panel ask you can ever fall within the definition of cross-examination. Cross-examination is examination of one party's witnesses by a lawyer or another party. Our questions cannot be cross-examination, no matter how crossly you may feel they are put.

30

MR NEWSHAM: Okay. I appreciate that and I know your terms of reference in this. It just sounded like I was being cross-examined in that situation.

35

CHAIRPERSON: I am trying to --

MR NEWSHAM: I'm a lay person; you're an expert in your field. Okay. Please take that into consideration.

40

CHAIRPERSON: Well, I do, but I also need to be clear with you about the sort of assertions that you are making.

MR NEWSHAM: Right. I think you are clear.

45

MR DORMER: If you are making your assertions from a false premise --

MR NEWSHAM: On what premise?

MR DORMER: -- on a false premise, then we will give little weight to your assertions. If we think they are made on a false premise, it is our obligation to test our thinking.

5 MR NEWSHAM: Right. And it is thinking; it's not an up-there, objective view. It's your thinking and my thinking.

MR DORMER: Yes. And we have to --

10 CHAIRPERSON: We haven't come to any conclusions.

MR DORMER: If we think that you may be proceeding on a false premise, and it is therefore our duty to disregard what you are saying, it is our duty, too, to check our thinking because it would be terrible if we disregarded some very good points that folk are making because of our mistaken belief that they were proceeding on a false premise. So we have to test these things and on occasion that testing may be done in what you might perceive to be a testy fashion but it is certainly never intended in that way. It is merely intended to enable us to get to the bottom of what it is you are saying so we can discount it or so we can give it weight.

MR NEWSHAM: By all means. And thank you for your comments.

MR DORMER: Carry on then.

MR NEWSHAM: We have a District Policy Statement and a District Plan, both required under the RMA. With a huge effort and cost to our local council and ratepayers, let alone all the time and energy voluntarily given by organisations, business interests and individuals, we have a plan that is our best effort at representing our belief system and the aspirations of our district but now even that stands in the way of a government so intent on achieving its objectives it is willing to use a dubious ethical loophole - and this is what we were referring to just a moment ago - to run roughshod over our own District Plan. One really has to question how King Salmon so effectively seduced the Ministry for Primary Industries into backing a private business to this extent. Admittedly New Zealand King Salmon currently has what is considered New Zealand's very, very best PR personnel in its employment but King Salmon started the sales pitch, the promises, the lies, the schmooze of the public, long ago and has been very successful in convincing some of the public that they are producing a healthy and environmentally sustainable product, one that will even help feed the world. Farmed King Salmon is not, certainly not, protein for the proletariat. Having closely followed New Zealand King Salmon's antics, media hypes, and promises, my certainty grows daily that we are being sold a pup.

If you recommend approval of this application, I would like to see a prescribed, adaptive management approach clearly outlined with conditions. Also, I agree with the submitter this morning, the

Marlborough Environment Centre, to say that it is only fair that a mechanism be put in place where King Salmon is required to produce a substantial bond to ensure that they actually do create the multiple jobs they have promised and can meet the environmental guidelines, not just benthic, which they claim this move will ensure. In Norway, there is a non-refundable €5 million bond required to be lodged with the government before an application for a farm can even be considered.

[1.15 pm]

I am angered and disappointed that we are represented by a governing body willing to so blatantly override normal procedure with this deceitful process. The fact that they have disallowed other government Ministries, like the Department of Conservation, from taking part in this process shows how totalitarian and dictatorial they have been. They have excluded any possibility of appeal to the Environment Court and have ensure there is no funding assistance for NGOs or community groups to have a chance against the big bucks of MPI and New Zealand King Salmon. They are taking no chances whatsoever to ram this agenda through. I think this should send a signal to the people of New Zealand that the democracy they fought for and have come to expect, is seriously under threat. I have learned this morning that that word democracy doesn't exist in the RMA but it's a feeling that I believe, be it legal or not, that New Zealanders share. To me, democracy simply means a fair go.

I also resent the personal cost, the daily anguish, and the preoccupation with the whole charade, not just for me but for all of us who have made an effort to oppose this. What a waste of good energy. But greater still is the significant final cost to the public of New Zealand, especially considering this isn't a public or civil initiative, but instead for a private, profit-driven individual company. As for you three commissioners, whether you are complicit in this rort or not, and despite your expertise, you have been chosen deliberately and carefully by the orchestrators of this fiasco to produce a favourable outcome. I say this totally without criticism of any of you.

CHAIRPERSON: Well, that's pretty hard to accept.

MR NEWSHAM: Okay. Well that is why I felt I had to clarify. In fact I wish to thank you --

CHAIRPERSON: So having criticised us, then you say you are not criticising us.

MR NEWSHAM: No. I said that I am not criticising you; I am criticising the government that chose you for whatever reasons they did.

CHAIRPERSON: No, you say we have been chosen deliberately.

MR NEWSHAM: Yes, but you didn't choose yourselves. The government chose you and they chose you because you had great expertise in the issue.

5 CHAIRPERSON: That's not what you've said here.

MR NEWSHAM: It is. I wish to thank you for --

10 CHAIRPERSON: No, you said we've been chosen to produce a favourable outcome, that's an assertion --

15 MR NEWSHAM: I knew this would get up you, and I thought perhaps you would misunderstand the intent of the statement. What I'm saying is that there are a lot of people with expertise, maybe not as highly skilled as you, and maybe that's why the three of you were chosen because you are the crème de la crème of the country of expertise in this matter. But of the people that they could have chosen, I'm sure there are people out there who they knew would have opposition to this proposal and those people weren't chosen.

20 MR DORMER: Nought.

MR NEWSHAM: And, yes, I don't -- I am assuming where you stand? No, I'm not assuming where you stand on this issue.

25 MR DORMER: But it would be quite improper to choose people who are known opponents of the proposal to sit on judgment of it; that would be quite improper.

30 MR NEWSHAM: It would also be improper to choose people who are in favour of the proposal.

MR DORMER: Yes.

35 CHAIRPERSON: Yes. Precisely.

MR DORMER: I can assure you that I certainly haven't been chosen, and I have no doubt that the other two haven't been, either, because of my views in favour of it. I haven't got any views in favour of it or against it.

40 MR NEWSHAM: Really?

MR DORMER: Yes.

45 MR NEWSHAM: All right. Well, that's wonderful, if you are that objective that you can totally disassociate your inner feelings --

CHAIRPERSON: That is why we are here, Mr Newsham.

MR NEWSHAM: Well, in practice yes.

5 MR DORMER: Yes. I am not a former environmental judge, as our chairman is, but I still have 20 or 30 years of experience sitting as a hearings commissioner and I don't go into these things with my mind determined already.

MR NEWSHAM: I know; you can't do that.

10 MR DORMER: And I haven't here. So I haven't been chosen deliberately and carefully to produce a favourable outcome, have I?

MR NEWSHAM: Well, one would have to ask the people who chose you, actually, to get that answer, and I'm sure that they couldn't give you an answer you could rely on.

15 CHAIRPERSON: I'm sorry; what did you say?

MR NEWSHAM: You couldn't guarantee that you would get an answer from the people who chose you what their intent was.

20 CHAIRPERSON: Well, they said so in their public statement. We were chosen for our expertise in the area of resource management law. That's what they said.

25 MR NEWSHAM: That's right and I stated that.

CHAIRPERSON: That's what they said. But it's a big jump from there to being chosen to produce a favourable outcome.

30 MR NEWSHAM: Well I am sorry you interpreted it that way.

CHAIRPERSON: How else were we supposed to interpret it?

35 MR NEWSHAM: Well, I think you should take it for what I said, and I'm not laying this at your door. I'm laying it on the government, or the Ministry, that made the decision who would be on this Panel. I think we are opening a can of worms here and I think we have a clear understanding of what we feel about this, so ...

40 CHAIRPERSON: Well, I hope you are not going away with the impression that we're just sitting here filling in our time to produce a favourable outcome to the Minister.

45 MR NEWSHAM: I hope you are not and that is why I am here. And if I really thought that in totality, I wouldn't be here. I'm having a shot.

CHAIRPERSON: You would be here. You would be wanting to tell us your --

MR NEWSHAM: I'm giving you the benefit of the doubt that you are not and that you actually are listening to what I'm saying.

CHAIRPERSON: Oh, well, thank you for that. Right.

MR NEWSHAM: I have said nothing new, nothing you haven't already heard, but perhaps just phrased my sentiments a little differently. I'm quite scarred from doing environmental battle over the years and one would think that those scars would become protective callouses but truthfully, I have never before felt that my submission would make so little difference to the outcome as through this process that we are part of. In the end, the Minister, not the public, not even you guys, will make the decision. Yesterday I almost chucked the whole idea of appearing today but I have kids and I have grandkids; we spend a lot of time in the Sounds, and 40 years ago I made a very conscious choice that this is where I want to live, to breathe, to contribute. It is where I want to be and I value that. It is my tūrangawaewae; this is where I stand.

CHAIRPERSON: All right. Any questions?

MR DORMER: No, thank you.

MR CROSBY: No, I have no questions.

CHAIRPERSON: Is there any magic about the term Sunshine Trust? Is it a family trust or what is it?

MR NEWSHAM: Yes, it's a family trust.

CHAIRPERSON: A property-owning trust, or ...?

MR NEWSHAM: It owns property.

CHAIRPERSON: Yes.

MR NEWSHAM: If you want to know where the original name comes from ...?

CHAIRPERSON: Yes.

MR NEWSHAM: It comes from my grandfather, a very wonderful, optimistic, entertainer, and when he helped my father to create the old barn into a house, where I was born, every time he went out there he said the sun was shining on the hill, so the property got named that.

CHAIRPERSON: Right. And that's the property where you live, is it?

MR NEWSHAM: No, it's where I was born.

CHAIRPERSON: Oh, where you were born.

MR NEWSHAM: Yes.

CHAIRPERSON: Okay.

5

MR NEWSHAM: I live here now.

CHAIRPERSON: Yes.

10

MR NEWSHAM: At Ferry Bridge.

CHAIRPERSON: In?

15

MR NEWSHAM: Ferry Bridge, in Marlborough, on the banks of the Wairau River. It flows into the sea that we were talking about.

CHAIRPERSON: Yes. All right. Thank you very much, Mr Newsham. Thank you for coming.

20

MR NEWSHAM: Thank you.

CHAIRPERSON: Right. We will adjourn now until 2.00 pm.

25

ADJOURNED [1.25 pm]

RESUMED [2.05 pm]

CHAIRPERSON: All right. Now, we've got two lots coming at once.

30

MR PATTERSON: Safety in numbers.

MR DORMER: Yes, doubly blessed.

35

CHAIRPERSON: Safety in numbers, right. Yes, so we have Jan Whillans and Duncan Patterson, okay, and Vanessa and David Griffiths. Right. Are you all sort of here on a common theme?

MS WHILLANS: Yes. So, we own a property in Oyster Bay.

40

CHAIRPERSON: You do?

MR PATTERSON: Jointly.

45

CHAIRPERSON: Oh, you all jointly own this property, right. Yes.

MS WHILLANS: So we bought it three years ago and I'm going to start with our submission and then Vanessa and David will do their submission.

CHAIRPERSON: It's the one property that you all have an interest in.

- MS WHILLANS: Yes.
- 5 MS GRIFFITHS: Yes, 23 hectares just straight in.
- CHAIRPERSON: Right. All right, thank you. Now, so, are you going back to the written ...
- 10 MS WHILLANS: Yes. So we are submitting based on our original submission.
- CHAIRPERSON: Are you going to read from that or are you reading from something else?
- 15 MS WHILLANS: We're reading from our original submission.
- CHAIRPERSON: From your original submission. Okay. I don't know whether we've got that. So you're going to start, are you?
- 20 MS WHILLANS: I'll start. So, we're equal shareholders in a property in Oyster Bay with David and Vanessa. We're in the easternmost corner. We purchased the property about three years ago - it's over three years now - mostly so we're able to enjoy more time in the Marlborough Sounds. So, both of us have spent a lot of time there for work and holidays since we were at school and we moved to Marlborough permanently 17 years ago. We both really enjoy fishing, diving, free diving, spear fishing, walking and tramping, which is one of the key reasons why we bought the property.
- 25
- CHAIRPERSON: Where do you live now?
- 30 MS WHILLANS: In Blenheim here.
- CHAIRPERSON: You live in Blenheim.
- 35 MS WHILLANS: Yes. So, the property was in a poor state when we bought it and we've done a lot of work to improve it, both removing rubbish and things but also returning the native bush back to the site, doing a lot of trapping of possums and controlling the goats, spraying out gorse and we've sprayed out over 800 wilding pines to date.
- 40 CHAIRPERSON: Eight hundred?

MS WHILLANS: Yes. So we're very much focused on improving the property and returning it back to its natural state. In between that work we've enjoyed it for continuing our recreational enjoyments, I suppose, and sharing it with family and friends. Yes, the property has got a lovely
5 big wide beach which is north-facing and that was one of the key attractions when we bought it and it's also where we spend the majority of our time. So, from that beach our predominant view is actually straight down Oyster Bay out to the headlands where the proposed salmon farm is to be sited at Tio Point.

10 There are buildings on our property which you can't see because they're protected from the Nor'west wind by vegetation but eventually we've got plans to build a dwelling that we can look out the ...

15 CHAIRPERSON: You haven't got a house there yet?

MS WHILLANS: There are some buildings there, it's a bit more of a campsite at the moment.

20 CHAIRPERSON: Right, yes.

MS WHILLANS: And a caravan, yes.

CHAIRPERSON: Caravan, yes. How do you get there, just as a matter of interest?

25 MS WHILLANS: It's boat access only.

CHAIRPERSON: It is boat access only, yes.

30 MS WHILLANS: You can drive through the forestry tracks and then walk down the track but that's on the mainland.

MR DORMER: How did you get the caravan in?

35 MS WHILLANS: Don't ask. So, we've got a number of concerns about the establishment of a salmon farm at Oyster Bay and Tio Point and how this will impact both the community in Oyster Bay but predominantly the water quality and our enjoyment of the area.

40 So firstly the effect on the visual amenity. We believe the location of the proposed salmon farm will heavily affect the visual aspect from our site. The amenity value of our property is strongly influenced by the wider bay that we look out into and it's intrinsically linked to the identity of that site. We spend the majority of our recreational time
45 down at the beach and the proposed site of the salmon farm would become a significant feature in our view. We believe it will detract from this view shaft and become a focal point especially due to the location between the two headlands.

So the photos that are provided there, the first one shows the two headlands and the view from our beach so between the two headlands is where that site's going to be.

5 CHAIRPERSON: Now, the site is on the right-hand side?

MS WHILLANS: No, it's going to be right in the middle.

10 CHAIRPERSON: Oh, in the middle?

MS WHILLANS: Yes.

CHAIRPERSON: Is that the headland, is it?

15 MS WHILLANS: Yes. So it looks -- because of the nature of a landscape photograph --

CHAIRPERSON: Looks like two headlands.

20 MS WHILLANS: It is between the two headlands, yes. It will be in the centre.

CHAIRPERSON: Right. Oh, yes, I think I can see what you're saying.

25 MS WHILLANS: Yes. So the nature of the landscape photo makes it look further away than if you're actually standing on the beach, it looks a lot closer.

30 Over the page on the back of that photo there's another image which is coming down the path from the main site. That's the main walkway out to the beach which is also where we will be able to see the salmon farm. Just behind the boat there's a little white speck which is actually the Clay Point farm so we can see that already.

CHAIRPERSON: Yes, I can just see that.

35 MS WHILLANS: Again, because of the landscape photograph it makes it look like it's further away than it actually is. We believe that our property's likely to be one of the most negatively affected visually by the impact of this proposed farm because it's going to sit right in the middle of our predominant view. The location and orientation of the beach means it's not possible to screen out the farm or remove it in any way from our view shaft.

45 The proposed site of the Tio Point farm is to be located in the centre of the Oyster Bay entrance and therefore it doesn't have any surrounding land mass for the farm to recede into. The landform behind the existing Clay Point farm allows it to be better absorbed into the landscape. We can see the existing Clay Point site from our beach but the way that this farm sits against the bay and sitting against the bush behind the landform means that the farm is visually anchored by that land and it doesn't -- the visual impact of it is reduced.

5 The Hudson Associates landscape report didn't appear to consider the
visual effect from our property or that from any of the residents in
Oyster Bay. Also, particularly that our predominant view is going to
include both the Tio Point farm and the Clay Point farm. The landscape
10 photos supplied as part of the consultation illustrate the simulation of a
particular viewpoint for each of the sites. They were noticeable for
being taken from the vantage point where the proposed farm sites were
backed against the nearest landforms, this gave the appearance of the
farm receding into the view more. This is a classic trick of landscape
architects when they are doing this type of submission; it gives the
appearance of reduced impact.

15 CHAIRPERSON: You can't say that about all landscape architects, could you?

MS WHILLANS: The three that I know and have spoken to, all laughed and said that's a
classic trick, yes.

20 These landscape photo simulations provided as part of the consultation
process also don't show the most common view for recreational fishers
and people coming out from Picton if you're coming northeast down
Tory Channel approaching Oyster Bay.

25 **[2.15 pm]**

30 So for anyone that's going to enter Oyster Bay the proposed site will
significantly change this view. The clear water view through to our
beach as we round Tio Point to enter Oyster Bay holds an intrinsic
value and we're concerned that this will be lost if the proposal goes
ahead as recommended. The entry to the bay is currently uncluttered
by structures and/or obvious human influence. The proposed farm
location would diminish this natural perception of the bay as being
more commercial in nature.

35 There is currently an approved resource consent for a marine farm
located adjacent to the proposed Tio Point farm site. So this is on the
Marlborough District Council marine map. It's not currently operating
as a marine farm but is marked out with marker buoys and has consent
40 to operate as a marine farm. Should the owner of this site choose to
rightfully place a farm on the site it will have further detracting of the
visual amenity of this area. The cumulative effect of both the salmon
and mussel farm does not appear to have been considered by the
Hudson Associates landscape report.

45 One of the reasons we oppose the application is that we don't think the
visual effects can be adequately mitigated, however, if the proposal
does go ahead we'd like the feed barge to be in recessive colours, be
single storey and located in a position to minimise visual effect.

CHAIRPERSON: Feed barge, what, single storey, and?

MS WHILLANS: Recessive colours.

5 CHAIRPERSON: And recessive colours. Yes.

MS WHILLANS: And placed in a location where it's going to minimise the visual impact.

10 CHAIRPERSON: By that, do you mean on the in-shore side?

MS WHILLANS: Yes, so perhaps northwest rather than sideways.

CHAIRPERSON: Right.

15 MS WHILLANS: So one of our other concerns is the effect on the recreational enjoyment of the area. So we enjoy paddle boarding, water skiing and biscuiting around Oyster Bay right throughout the summer. We often go out and we'll be going out over and around where the proposed farm site is. The proposed location will affect the available space and speed of the recreation for us and the other families in the bay who also regularly share the same activities and the space.

20

We also enjoy a wide range of marine life within the bay it's a great source of enjoyment of the area and also education for the children and visitors. We've got a number of paua sites, there's crayfish, there's large cockle and pipi beds at the head of our bay. It's also very common to see stingrays, schools of kahawai, garfish and red krill. From time to time we'll also see dolphins. We've seen red cod, sorry, blue cod, gurnard, kahawai, spotties and tarakihi directly within just our little part of the bay and on the beach we've got oyster catchers and lots of crabs and native eels. In the rocky shorelines right around the edge are particularly rich marine communities which we really enjoy snorkelling through.

25

30

We're concerned that any effects from a commercial activity may upset this ecological diversity and the ecosystem and then also our enjoyment of it. You only need to read through the visitor book at our property to see how much we value the marine life within that bay. Pretty much every entry has a mention of something that's been seen or found during the time there.

35

40

5 The reef at Tio Point is also a very popular dive site both for us and
others, there's a high number of boats that anchor at this site for
recreational diving. We're afraid that the close proximity of the salmon
farm would affect this reef and the marine life that is on that site.
10 Oyster Bay, particularly around the entrance, is very popular with
recreational boaties and during the summer there's always at least one
boat and often two positioned somewhere along Tio Point, Motukina
Point and along the shoreline back into Oyster Bay. We're concerned
that the addition of a new salmon farm will change the nature of the
15 bay to that of a commercial site. While there are a number of marine
farms in the bay already these are all mussel and oyster farms and have
low profile in the water and do not have a high frequency of human
activity.

20 Two previous marine farm applications for Oyster Bay have been
turned down. The key reasons these applications were refused were
undue adverse effect on the property; that they would constitute a
visual intrusion in terms of the introduction of structures into what is
currently unoccupied water space; that Oyster Bay is receiving an
25 increasing level of recreational use and that the establishment of a
marine farm in this area would adversely affect those activities.

30 We're also concerned that the cumulative effect of additional farms in
a small area will mean that the farms dominate the character of this area
and give it a new utilitarian focus. Tory Channel is a gateway for
thousands of visitors coming into the Marlborough region through the
Marlborough Sounds and it's the intensity of these marine farms which
35 is not in line with their perceptions of the region and what they expect
of Marlborough.

40 Our third concern is around navigation and safety. Given that the farm
is proposed to be sited in the centre of the entrance to Oyster Bay,
between Tio Point and Motukina Point, this will leave a much reduced
access space on either side for safe travel. It will also increase travel
time as boats will need to reduce speed to 5 knots within 200 metres of
45 a shore or a structure.

50 The second concern is that should the owner of the consented marine
farm, which is likely to be mussels, which is adjacent to this proposed
salmon farm site, should they rightfully decide to put their farm in place
it will significantly reduce the access to Oyster Bay from Tory Channel.
We estimate it would leave an entrance of approximately 200 metres
on the northern Motukina Point side and only a very narrow entrance
on the Tio Point side of perhaps 50 or 60 metres. This site is currently
45 not operating as a marine farm but is marked out with marker buoys
and has consent to operate. This has also not been noted in the
consultation documents. MPI said at the drop-in centre that the consent
for these farms would be released by the owner. When we met with
King Salmon they said that this was not the case.

- CHAIRPERSON: Do you say at the consultation you went to one of those drop-in things and MPI said ...?
- 5 MS WHILLANS: That the consents for the marine farm adjacent to the proposed --
- CHAIRPERSON: The consents for the marine farm ...
- MS WHILLANS: Which is adjacent to the proposed salmon farm.
- 10 CHAIRPERSON: ... adjacent to the site. That's the one furthest out towards Tory Channel, is it?
- MS WHILLANS: Yes, it is.
- 15 CHAIRPERSON: That that would be surrendered?
- MS WHILLANS: Yes.
- 20 CHAIRPERSON: Yes, and?
- MS WHILLANS: When we met with King Salmon to go through some of our concerns about the proposal they said that they had no understanding that the site would be surrendered.
- 25 MR PATTERSON: The consent.
- MS WHILLANS: The consent.
- 30 CHAIRPERSON: Do you know who holds that consent?
- MS GRIFFITHS: Te Ātiawa.
- CHAIRPERSON: Te Ātiawa, yes. Right. Do Te Ātiawa own both those that you've marked with the red dot?
- 35 MS WHILLANS: Yes, they do.
- CHAIRPERSON: Yes, right, I thought there were two. Righto.
- 40 MS WHILLANS: So, in addition to the proposed water area of the farm there would regularly be vessels such as feed and supply barges, harvesting boats and other vessels moored alongside which will further restrict the available water space when navigating past. This narrow access will also be a particular concern for larger boats wanting to access the bay as we do quite regularly have large boats --
- 45 CHAIRPERSON: Can people hear what this person is saying?

MR PATTERSON: Yes.

CHAIRPERSON: You can? Good, yes. I'm having difficulty but that's just my hearing I think.

5

MS WHILLANS: Okay. We're also concerned about the ferry traffic in this narrow part of the channel between the two salmon farms.

10

Our fourth concern is the cumulative effect of multiple aquaculture sites. We're concerned that multiple sites within a relatively small area within Tory Channel, should the proposal go ahead, there'll be four salmon farms operating within about an 1800 metre radius and three salmon farms operating in about a 650-metre radius. In addition to this there are four operating marine farms in Oyster Bay plus approved consents for a further two which could start operating any time.

15

MR DORMER: The four were in how big a radius?

20

MR PATTERSON: 1800 metres.

MS WHILLANS: Four within 1800 metres, yes. It should be noted that not all of the consented operating mussel farms in Oyster Bay were noted on the consultation proposal documents. So the last page I've given you is a higher resolution picture of that.

25

CHAIRPERSON: That's from the consultation document, yes.

30

MS WHILLANS: Yes. So the consultation document showed two mussel farms which were the little dots. There's actually four operating mussel farms already in Oyster Bay so only one was noted and then the two which are consented and could start operating at any time. This information is really easy to access on the Marlborough District Council website. It's quite disappointing that this was missed on the documents, it's reasonable to expect that the presence and density of farming operations in the area is an important consideration to this submission process. Given the level of detail provided in many of the documents it's quite remarkable to think that these sites were somehow omitted from even the consultation document; even the summary consultation document.

40

Another of our concerns is rubbish. The location of our beach within the shoreline of the property means that the prevailing Nor'west wind pushes all rubbish, seaweed, pine needles and any marine farm debris, etc, on to our beach. Our bay is known locally as a natural collection point for debris, we clean the beach every week we're there. Of the plastic rubbish we collect often the majority is from commercial aquaculture and fishery activities. There's often blue and white strapping tape, a wide range of ropes, mussel buoys, circular filter guards and other unidentifiable but regularly occurring commercial looking material. There are photos of this material in my original submission. We're concerned that the addition of another commercial venture will only increase the amount of this rubbish and that we'll need to deal with it and remove it from our property. From our experience we expect that there is a high probability that anything that comes off the proposed Tio Point site which floats will end up on our beach.

Water quality and sedimentation is another concern from the effect of both the waste and excess nutrients from the salmon farm accumulating within the bay. The hydrogen dynamic modelling suggests that this will be swept out of the bay and down Tory Channel. However, Oyster Bay is a relatively large and shallow bay, as can be seen on the navigational maps, and there is a notable sediment build-up at the eastern and southern ends of the bay where mud can be seen in the low tide zones. There's also a lot of pipis and cockles in this area. We get krill at least twice a year often for up to two weeks and the krill is sitting in the water column so it's not being affected by the wind and it ends up on our beach.

[2.30 pm]

Modelling is only as good as the model that they base it on and our experience is that more of the debris and any particulates in the water will come into the bay from the salmon farm than is suggested by the modelling that they've done. We're concerned that any waste particles which are in the water column which are not flushed down the channel will follow the same path as other debris to the shallow ends of the bay where it will deposit and create further sedimentation affecting the cockle and pipi beds and affecting the current seafloor quality.

5 There does not seem to have been any water testing to understand the
effect of intensive salmon farming on the in-shore water quality in
shallow bays such as Oyster Bay and how any benthos or resulting
particulate accumulations in the in-shore water column will affect the
water quality. We have concerns that greater nutrient levels in the
10 water arising from the salmon farming activity will also lead to
increased growth of sea lettuce and other algae life in the low tide zone
and also impact the quality of our current water. Some of the testing
that's been done and was labelled as "Oyster Bay Tio Point" was
actually sampled on the channel side of the bay, so not in the shallow
end areas of the water.

CHAIRPERSON: The water testing, are you talking about?

15 MS WHILLANS: Yes.

CHAIRPERSON: Was done on the Tory Channel side?

20 MS WHILLANS: On the Tory Channel side. The water testing also doesn't appear to
have been done outside the, I think it's 250 metres from the farm sites
for benthic. There doesn't seem to be any general water quality testing.
We'd like to see this on the interior of Oyster Bay and also any other
proposed salmon sites to ensure that the addition of a new site does not
25 have an adverse effect on the water quality and that we've got a baseline
data to base that information on. Should there be any adverse effect on
the water quality and marine environment we'd like to be assured that
there will be direct action taken to ensure a return to the quality of this
water and marine environment.

30 Another concern is the placement of a large structure at the centre of
the bay entrance will adversely affect the currents and water
movements. This effect could further be heightened by the addition of
the mussel farm being placed on the adjacent site.

35 Another concern is about the introduction of species and disease, so
increased numbers of seal and predatory fish such as sharks and orcas.
Over the time that we've spent recreationally in Tory Channel, both
before and since owning the property, we've noticed an increase in the
number of seals. It's well known that the seals are attracted to the
40 salmon farms. It's always noticeable now to see seals located actually
on the Tio Point. Baby seals have also been born at this site and it can
only be expected that the numbers will continue to grow as the food
becomes more available, also as it becomes home to that next
generation of seals.

45 MR DORMER: Why is that a problem?

MR PATTERSON: When you're diving it's not much fun because they steal your fish.

MS WHILLANS: Yes, they are also incredibly smelly.

MR DORMER: Aren't they? Yes.

5 MS WHILLANS: We're concerned that any expansion of this population will mean that
they'll expand to make other beach sites home, including one of the
beaches where we recreationally enjoy the water. It affects the
10 enjoyment of our recreational activities such as swimming and diving
and increases competition for catching fish. We have the same
concerns around an increase in sharks.

15 On to noise. So, currently on a still night or when there is a light
Nor'west breeze blowing we can currently hear the hum of the
generator on the Clay Point farm site. There's no other installation or
equipment within Oyster Bay which could provide this noise. Our
concern is that with the placement of a second farm the noise level will
20 only increase. Oyster Bay is a reasonably remote and unpopulated area
so hearing industrial noise does not fit within the character of this
location.

25 As with the noise we can currently also see the underwater lights of the
Clay Point salmon farm from the beach. This light interference will
only be heightened with the addition of a second farm in the foreground
and as with the noise this distinct light spill does not fit with the
character of the remote and natural location of Oyster Bay.

30 That's the most of our submission. Just the process has been at very
short notice and it's been a huge amount of information to read and
understand which has been difficult when we all have full time jobs
and we're not scientists. I think there's a lot of people that have already
discussed the process before us so we won't repeat that. Thank you for
your time.

35 CHAIRPERSON: Now, who else wants to speak?

MS GRIFFITHS: We'll just go over ours quickly because Jan and Duncan have raised
most of the points that we want to cover off. But firstly, we just want
to make a correction to the submission summary. It said that we were
40 opposed in part, David and I, but we're opposed, not in part.

CHAIRPERSON: No, you oppose wholly?

MS GRIFFITHS: Yes, wholly opposed. So we've just got a few points on the process to start with, just that we don't really think there's a valid matter of urgency. I know that King Salmon need to be able to put stock on their farms and that they can't meet the guidelines at the moment but I don't think that's a valid point for urgency, to push it through this process. As Jan said, there's a large amount to digest and comprehend from the documents that are on the MPI site and we just felt that there wasn't enough time to fully understand these and especially being of a scientific nature when we're not scientists.

5

10

We haven't bothered to put in our submission anything about the planning because we figured that there's a lot of --

CHAIRPERSON: Anything about what?

15

MS GRIFFITHS: The planning or the Marlborough District Council Plan or any of the objectives. I'm sure there are lots of people that have covered it off.

CHAIRPERSON: We know a lot about that already.

20

MS GRIFFITHS: Yes. One of our biggest concerns is the benthos, that there's no baseline data of the in-shore benthos in and around Oyster Bay and particularly our bay and beach. There's no study outside of the site of the hydrodynamics and because we're a north-west facing beach and the predominant wind is north-west with especially high spring tides we're concerned that there's no baseline data for the bay. As Jan mentioned the bay is shallow with a large beach front and, according to one of the local marine farmers, everything that comes into Oyster Bay ends up on our beach. As Jan mentioned the prevailing north-west wind pushes in a lot of rubbish to our beach.

25

30

With water quality we haven't seen any water quality analysis and because the new salmon farm is in its infancy we don't feel that there's enough data now to know what the effect of having three farms in the area already, let alone adding another one in with higher feed rates. The bay is shallow and no current farms are in the entrance to a north-west facing shallow large bay. We don't know or we haven't seen anything to suggest that the effects aren't going to be large to us in terms of being able to wash it out.

35

40

MR GRIFFITHS: We've got video footage of an outgoing tide with a light Nor'west wind blowing seaweed in, so even though the tide's going out stuff's still coming into our bay.

- MS GRIFFITHS: Again, noise and odour are also of a big concern. Being a north-west wind, the odour is going to blow straight into our beach from the farm. We were out at the property on 21 April, on Friday, and we could hear Clay Point quite clearly from our beach. Shifting a farm into the head of our bay it's only going to be heightened and hearing both of them at once will be significant.
- 5
- We have children so the lights, the predators and the wildlife. The lights can be seen of Clay Point. Again, as Jan said, seeing both of them at once is going to look like a Christmas tree in an industrial park and those lights will attract predators to the bay and at the moment our children swim quite happily and safely in the bay and waterski and we're concerned that those predators, ie, sharks will be attracted to our bay which was once --
- 10
- CHAIRPERSON: Well now you're starting to repeat what we've already heard.
- MS GRIFFITHS: Yes, I know so I'm just trying to run over --
- 15
- CHAIRPERSON: Yes. If you've got something new to add please do so but we do have other people to hear.
- 20
- MS GRIFFITHS: Yes, no fair enough. Again, the landscape to us is one of the considerable issues in that we'll see it directly and it will affect our bay. I've given you some photos that have shown that.
- 25
- MR GRIFFITHS: And the value of our property too, that's going to significantly decrease what we've worked hard to try to achieve.
- 30
- CHAIRPERSON: All right. Is there anything else?
- MS GRIFFITHS: No.
- MR GRIFFITHS: Navigation's a big thing.
- 35
- CHAIRPERSON: Yes, we understand that, you're not the only ones concerned about that.
- MS GRIFFITHS: Nothing to add on top of what Jan said, no.
- 40
- CHAIRPERSON: No. All right well thank you very much. Just wait there, would you, please?
- MR DORMER: Yes, just if I may. I must ask, did you go to Westlake Girls High?
- 45
- MS WHILLANS: No.
- MR DORMER: There was a Jan Whillans at Westlake Girls High.
- MS WHILLANS: My cousin, yes.

- MR DORMER: I've got this photograph and I've put an asterisk on the white dot behind the boat and that's the Clay Point --
- 5 MS WHILLANS: That's the Clay Point farm, yes.
- MR DORMER: Yes. If I was to put another asterisk by the proposed site ...
- MS WHILLANS: It would be just to the left of the boat.
- 10 MR DORMER: Just to the left or way over here?
- MS WHILLANS: Probably about midway between the boat and that -- yes.
- 15 MR DORMER: And the fern.
- MS WHILLANS: Yes.
- MR DORMER: But it would be further out surely or is that ... Would you like to mark it on yours and I'll mark it on mine? Okay, thank you very much.
- 20 MS WHILLANS: That's all right.
- MR DORMER: She reckons it's going to be in there.
- 25 CHAIRPERSON: Any other questions you've got?
- MR DORMER: No, thank you. I live near a railway line and that was very noisy when I moved in and the trains have since increased in number and I no longer hear them.
- 30 MS WHILLANS: Good on you.
- MR DORMER: So, some of these noise detractions that we anticipate don't turn out to be as bad as what is feared but I understand your anxiety.
- 35 MS WHILLANS: Yes, I think they're still valid concerns that we can raise.
- CHAIRPERSON: Yes, of course.
- 40 MR PATTERSON: If we can hear one further away a closer one's going to be noisier, isn't it?
- MR DORMER: Of course.
- 45 MR GRIFFITHS: It's going to be more a visual thing than a noise thing that's going to be --
- MR PATTERSON: Yes.

CHAIRPERSON: Yes.

5 MS WHILLANS: Our primary concern is the water quality testing, the navigation and the noise.

CHAIRPERSON: Yes, they're all well made and legitimate points.

10 MR PATTERSON: And the rubbish issue to be honest.

MR CROSBY: Just one further question. In the four operating marine farms that are in the bay at the present time, are they all lit on each corner?

15 MS WHILLANS: Yes, they are.

MR CROSBY: They are, right.

MS GRIFFITHS: Somewhat more lit now than they were.

20 MR PATTERSON: There's one photo in Vanessa and David's thing that shows one of their markers on our beach so they're wide away from ...

MR CROSBY: Just so that we're aware of it, this larger cluster of photos is that Tio Point here?

25 MR PATTERSON: No, it's further round.

MR CROSBY: So where's that photo taken from?

30 MS WHILLANS: So that's taken from our beach.

[2.45 pm]

MR CROSBY: Right. Oh, that's the light that you're referring to.

35 MS WHILLANS: Yes, that's just the lights so the salmon farm will be here.

MR CROSBY: I see, okay. Right.

40 MS WHILLANS: So that's the two headlands.

MR CROSBY: I see. Okay, thank you.

CHAIRPERSON: Is that in a Nor'west wind, is it?

45 MR PATTERSON: Correct.

CHAIRPERSON: Right.

- MR GRIFFITHS: Which Marlborough has a few of.
- CHAIRPERSON: Yes. We do at Christchurch too.
- 5 MR CROSBY: Just on the second to last photo there's a clearish spot just to the right of the boat. What is that?
- MS WHILLANS: That's the bank with Clay Point in the front of it. So that's the Clay Point farm.
- 10 MR CROSBY: Oh, right. Okay, thank you.
- CHAIRPERSON: Which one's that one?
- 15 MR CROSBY: This one here. So that's the Clay Point farm.
- CHAIRPERSON: Oh, where the bare patch is, okay.
- MR CROSBY: Thank you.
- 20 CHAIRPERSON: Right. Thank you very much. Thank you all for coming, yes. Frank Higgott and Susan Caldwell. An educational experience, yes?
- MR HIGGOTT: It is, this is school for them today.
- 25 MR DORMER: It's a good lesson in civics.
- CHAIRPERSON: Well I hope they learn something from it. Yes, now how do you want to proceed?
- 30 MR HIGGOTT: Well, first of all hello to you all. My name's Frank Higgott and this is Susan Caldwell and our children, Heeni and Piripi. We are here to just present our concerns. We live and work full time in Pelorus Sound and we don't represent any particular group. We feel we're a fairly typical Sounds family and we're just here with our own views.
- 35 CHAIRPERSON: What do you do?
- MR HIGGOTT: Both Susan and I work for the Department of Conservation and we're the rangers on Maud Island so we live --
- 40 CHAIRPERSON: Oh, right, you're the rangers on Maud Island.
- MR HIGGOTT: Yes, we live there permanently and work there permanently. We also own a 5-hectare property in North West Bay in Pelorus Sound and have shares in another 80-hectare property also in North West Bay. So, like I say, we're full time residents and work full time in conservation in Pelorus Sound.
- 45

We oppose the relocation of the salmon farms and we've given you our list. We're just going to read it word for word pretty much.

CHAIRPERSON: You read this I think that's the best way.

5

MR HIGGOTT: Okay.

CHAIRPERSON: Thank you very much.

10 MR HIGGOTT: Under the headings you see, our first one is we feel that the process is undemocratic. King Salmon and MPI using section 360A of the Resource Management Act has taken the decision making away from us as a community and our elected representatives of the district council. The decision on this proposal will be made by one person, the
15 Minister for Primary Industries, who is under no obligation to accept any recommendations from the residents, ratepayers, community or, with all due respect, indeed this Panel. It seems the decision is a foregone conclusion; it seems to us anyway. If this process succeeds, the council and the region's ratepayers will be railroaded into a resource
20 consent process for these farms where there will be no public submission process.

25 The relocation sites - in particular we're talking about the Pelorus Sound, Waitata Reach sites - they are located in coastal marine zone 1 where aquaculture is prohibited. The 2013 Board of Inquiry process and 2014 Supreme Court process made it clear that coastal marine zone 1 is not suitable for further aquaculture due to outstanding natural character and landscape and the cumulative effect aquaculture would have on natural character and tangata whenua values.

30

35 The appropriate forum for decisions regarding aquaculture is through the current schedule 1 review and community input into the proposed Marlborough Environmental Plan. This current process, under section 360 of the RMA, ignores the fact that work has started on the aquaculture part of the proposed marine environment plan and, unfortunately, the council and the community at the heart of this relocation proposal will be forced to accept whatever the minister decides. The review of planning documents under schedule 1 of the RMA, ie the current proposed Marlborough Environment Plan process,
40 should be allowed to run its course without government intervention and without a process under section 360 of the RMA undermining this review by assisting a single private company using a public resource for private gain.

Our own analysis of the submissions to the relocation proposal shows that support for the proposal is distorted. 231 of the 594 submissions received, or 39 per cent of those in support of the proposals, are New Zealand King Salmon employees who have a vested financial interest in the outcome of the proposal. It is obvious that New Zealand King Salmon needed the submissions of its own employees to make the proposal appear as though it has, and I quote Grant Rosewarne, "The most popular aquaculture resource management application ever".

5

10 MS CALDWELL:

This process is driven by commercial and economic gain for New Zealand King Salmon, whose largest single shareholders, the Tiong family of Oregon Group - they're a forestry company - have systematically destroyed huge swags of indigenous forest in South East Asia, the Pacific and South America, and whose profits are invested offshore. New Zealand King Salmon are not environmentally or socially responsible corporate citizens. This pursuit of economic growth will have far-reaching environmental effects on landscape, recreational values and ecosystems. The social impacts of a degraded environment will be felt throughout the Sounds community.

15

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One of the biggest social impacts is the precedent this proposal, coupled with New Zealand King Salmon's farming practices, will set. It will teach future generations that riding roughshod over legal rulings and polluting the environment for private financial gain is acceptable, at the cost of whatever; in this case, the environment, one of New Zealand's most valuable resources.

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And we've got some concerns over lack of independence, which I'm sure the McGuinness Institute - who I believe are up next - will cover. I just want to acknowledge their views on it, and they've been well publicised, especially over the last couple of years, regarding some of the financial statements that have been produced in the consultation documents by Bill Kaye-Blake, Ernst & Young and the NZIER. And they've had a very long association with New Zealand King Salmon that can be traced back to 2009. And they, as far as we're concerned, do not appear to be independent.

40 MR HIGGOTT:

We have environmental concerns. None of the New Zealand King Salmon farms to date have met best practice management guidelines. Some of the existing farms are so polluted they have existing controlled area notices where no equipment or fish can be moved from these sites. They have received no penalty for any of these breaches. Relocating these current farms to new sites will only serve to move these same issues to new sites. Climate change is driving an increase in sea temperature globally, meaning that the proposed relocation sites will be marginal, we feel, for salmon farming.

45

5 There have been no monitoring reports released to date regarding these three newest farms at the Waitata, Kopāua and Pelorus Sound, and Ngamahau in Queen Charlotte Sound, demonstrating whether or not they are meeting these best practice management guidelines. These three farms had consent conditions put in place requiring regular monitoring and reporting when they were given approval in 2013 by the Board of Inquiry.

10 If New Zealand King Salmon is unable to meet these best practice guidelines then it proves their operation is both environmentally and economically unsustainable. In addition, a limit should be set on the total nitrogen released in tonnes from feed aquaculture through the environment plan process. There are currently no limits set for the amount of nitrogen permitted to be released by New Zealand King Salmon farms in the Marlborough Sounds. This is standard practice now for salmon farming in other countries, such as Australia and Scotland.

20 MS CALDWELL: We wish to acknowledge and support the sentiments and statements of expert ornithologist, Rob Schuckard regarding the effects of increased nitrogen from these proposed farms on the water column, creating severe problems for deep diving sea bird species, such as the nationally-endangered King Shag, which rely on light penetration through a clear water column to obtain food.

25 We also consider it is important to note that there are several nationally-threatened and at-risk seabirds, many of which have nationally-significant breeding sites in the Marlborough Sounds. These include the Little Blue Penguin, Sooty Shearwater, Pied Shag, Black Shag, Little Black Shag, White-fronted Tern, Caspian Tern, Fairy Prion, Fluttering Shearwater, Red-billed Gull and Reef Heron. Many of these birds rely on this area in and around, out of Pelorus Sound, for foraging and breeding.

35 CHAIRPERSON: "Feeding" or "breeding"?

MS CALDWELL: Pardon?

40 CHAIRPERSON: "Feeding", did you say?

MS CALDWELL: Yes, feeding, and foraging. Yes.

CHAIRPERSON: Thank you.

MS CALDWELL: Seabirds are the keystone species in the ecosystem, meaning they are the vital link between the natural processes that occur in the sea with those that occur on the land. Seabird guano and regurgitations are deposited on the land as they roost, nest, breed and burrow on the ground. This provides disturbance and the enrichment of soils, creates suitable habitat that many other species rely on. Plants, including many that are threatened, vertebrates - such as reptiles and lizards - and insects, are all dependent on the particular conditions that seabirds provide. Our concern is that the proposed relocation will change the availability of food sources for both seabirds and marine mammals, beyond the salmon farms, as the nutrients that are produced, and spread, influence the food chain and the wider ecosystem.

MR HIGGOTT: Intensive farming concepts. Intensively-farmed salmon harbour infectious diseases that create a hazard to wild fish populations and aquatic life. Farming salmon intensively causes stress to the farmed fish, a build-up of cortisol in the fish, which can lead to bacterial outbreak, parasites and disease, and eventually mortality events. Farmed salmon live in crowded, stressful environment where they endure the presence of aggressive fish, a battle for food and sporadic changes in lighting, water temperature and currents. Many fish simply lose the will to live and drop out, eventually dying. This research was published in Aquaculture Magazine dated 30 May 2016. I have a copy here if you want it.

CHAIRPERSON: What's that?

MR HIGGOTT: A copy of the research that was published in the Aquaculture Magazine. Sorry, I only have one. I thought we'd done more, but we haven't.

CHAIRPERSON: Okay. Which aquaculture magazine is this? Is this an American publication?

MS CALDWELL: I believe it's an overseas one, yes, but I have read it in an aquaculture magazine in New Zealand as well. Yes.

CHAIRPERSON: This isn't that, though, is it? This is not the New Zealand ...

MS CALDWELL: I've seen it published in a New Zealand magazine, but the research is from overseas, yes.

CHAIRPERSON: You've got it off a website?

MS CALDWELL: Yes.

CHAIRPERSON: Right.

MR HIGGOTT: Sorry, I've only got the one copy.

CHAIRPERSON: Well, that's all right; we can fix that.

5 MR HIGGOTT: Oh, good. I would likely to quickly draw a parallel between
intensively-farmed salmon practices and land-based intensive farming,
such as that which has occurred in the dairy industry. For years and
years average everyday people, with no scientific background and a
concern for fresh water and the environment, have been saying that our
10 waterways are getting more and more degraded and that pollution from
intensive farming must stop.

[3.00 pm]

15 Finally, many years later, the government's leading science advisor,
Professor Sir Peter Gluckman, admits what these everyday people have
been saying for years, and agrees that something must be done about
water quality in New Zealand. For many waterways it's too late; the
damage is done. The same could soon hold true for this intensive type
20 of salmon farming and we, as everyday Sounds residents, don't wish
any further degradation and damage to the Marlborough Sounds.

Nitrogen may behave differently as a compound of fresh water as
25 compared to sea water, but who is to say the effects will be any less
adverse on the marine environment and the life that it supports?

30 MS CALDWELL: I'm just going to talk about some landscape and natural characteristics.
Four of the five proposed sites in Pelorus Sound are in coastal marine
zone 1, a zone recognised for its outstanding natural character and
outstanding natural features and landscapes, both terrestrial and
marine. The prohibition of further aquaculture in this area has already
been agreed on previously through the Board of Inquiry and Supreme
Court decisions.

35 Now, there are many ecologically significant marine sites in the
Marlborough Sounds that are located near these proposed relocation
sites and they have the potential to be adversely impacted by the
relocation proposal. Now, these sites include, but aren't limited to, in
Pelorus Sound, Paparoa Point, Harris Bay, Oke Rock, Tapapa,
40 Kauaruroa and Tawero current communities, Duffers Reef and Maud
Island, and, in Queen Charlotte Sound, there's Takatea Point, Tory
Channel, Tio Point, Te Pangu and, of course, there are whales in the
entire Queen Charlotte Sound area. These are off the Marlborough
District Council website, and this is their significant marine sites
45 project, and those numbers refer to the site ...

CHAIRPERSON: They're the site numbers, are they?

MS CALDWELL: Pardon?

- CHAIRPERSON: Are those site numbers for the marine farms?
- MS CALDWELL: Yes, site numbers. Yes, they are. Yes.
- 5 CHAIRPERSON: Right, thank you.
- MR CROSBY: Sorry, the Chair just said for the marine farms, but they're the site numbers for the ecological maps?
- 10 MS CALDWELL: The site numbers for the ecologically-significant marines sites, yes.
- MR CROSBY: Maps. Not for the farm sites?
- CHAIRPERSON: Not for the marine farms?
- 15 MS CALDWELL: No.
- MR CROSBY: No, okay.
- 20 MS CALDWELL: So they're on the GIS mapping system, yes.
- MR CROSBY: Ecological maps. Yes, right.
- MS CALDWELL: Yes.
- 25 CHAIRPERSON: Oh, right. Thank you.
- MR CROSBY: So are those the maps for the Marlborough Sounds Resource Management Plan or for the new mapping?
- 30 MS CALDWELL: Are what, sorry?
- MR CROSBY: Are they for the operative Marlborough Sounds Resource Management Plan ecological maps that you took these from?
- 35 MS CALDWELL: I'm not sure whether this ecologically-significant marine sites is part of that plan or whether it's proposed to be part of the new environment plan, but they're on the GIS system on the council website. That's where we obtained that. Yes.
- 40 MR CROSBY: All right, I'll check that. Thank you.
- MR HIGGOTT: Noise. Each of these proposed salmon farms will have a large diesel generator running 24 hours a day 7days a week. In addition, during the day, the farms have a host of other noise-generating machinery operating, such as a diesel power compressor running a water blaster, a petrol-powered net lifter and another compressor running the feed dispenser.
- 45

Vessels servicing the farms are exempt from noise restrictions at the farms. The source for all this is Marshall Day Acoustics Salmon Farm Relocation Noise Effects Assessment. This means there will be a constant hum of noise pollution from all of the proposed sites, plus the existing salmon farms, all day and all night, every single day of the year. We feel that this is unacceptable. Despite the best acoustic modelling, the technical report is based on scenarios and assumptions.

The reality is that sound travels a long way in calm conditions, day or night. We, as a family, live in this area and the noise from a solitary barge travelling past, well over a nautical mile away, is significant. The constant noise pollution from not just one but potentially seven of these farms in the Waitata Reach alone, an area of outstanding natural landscapes and high in natural character values, will be completely untenable. People come to these places to get away from the constant whine of industrial noise and the sound of machinery operating. Noise from the proposed sites will turn coastal marine zone 1, and areas of outstanding natural character and landscape, into an industrial zone.

MS CALDWELL: Our comments on lighting. We consider the effects of light pollution, particularly from underwater lighting but also building and structure lighting and the floodlighting of moored vessels, will have an adverse impact on seabirds. Many seabird species are active at night and become disorientated, often fatally, in their usual flight paths, due to sources of artificial light. We think Petrel, Prion and Shearwater species are particularly vulnerable to disorientation from artificial lighting on these farms, particularly as the lighting is accompanied by a cage and structured netting which they can get tangled in. We almost always see Sooty Shearwater, Fairy Prion, Fluttering Shearwater, Diving Petrels and sometimes Storm Petrels when out on the water, feeding and roosting in the vicinity of the proposed farm sites in Pelorus Sound. They have breeding colonies nearby, mostly on pest-free islands in and around the entrance to Pelorus Sound.

There are various community groups working hard to re-establish seabird colonies in and around this area. It is also worth noting again here that 80 per cent of New Zealand seabirds are threatened species.

We also consider the use of bright lighting, flood lighting, under water lighting, etc, at night, creates a hazard to navigation by obscuring and diminishing a watch-keeper's night vision when they are manning a vessel underway. The glare from lighting on salmon farms operating at night creates a hazard to maritime navigation, particularly at the proposed Waitata Mid Channel site.

Cumulative effects. This proposal, if successful, will translate to seven salmon farms within the vicinity of Waitata Reach and Pelorus Sound. The effects of each site have been assessed independently of the other sites, whereas, in reality, the five proposed sites in Pelorus Sound will add a combined benthic footprint of at least 107.5 hectares to this area. This is in addition to the existing footprint of the two New Zealand King Salmon operational farms at Waitata and Kopāua. The amount of feed discharged per annum in the Pelorus Sound will increase by 23,000 tonnes if the five new sites are approved. We are concerned that very little consideration has been given to the cumulative effects of seven salmon farms within one area of Pelorus Sound.

Impact on visitors, tourism and recreational users. The Marlborough Sounds is a world-famous destination because of its outstanding values, uniqueness and natural beauty. Visitors are the life force of the region's economy and its future. \$365 million was spent by visitors in Marlborough for the year ending March 2016; up 7.9 per cent on the previous year. \$117 million of that was spent on tours, transport and experiences. Visitors and tourism is a growing industry. In order to secure the success of our local economy, we must not destroy the very thing visitors come here to experience: the remoteness, outstanding natural features and landscape, and beauty of the Marlborough Sounds. We must not let New Zealand King Salmon, a private company, with the help of the government, use public space and public money to ruin the health of the Marlborough Sounds by turning these remote areas of beauty into industrial zones.

MR HIGGOTT: Navigation. The relocation of all of these salmon farms will cause a real navigation hazard, especially the Mid Channel site in Waitata Reach. The Marlborough Sounds salmon farms risk assessment prepared by Navigatus Consulting Limited on behalf of the Ministry of Primary Industries, is woefully lacking in information on mariners who actually use the area in question. The data provided uses AIS tracks only to plot the routes in and out of Pelorus Sound. This system is a fairly new technology used mainly by large commercial vessels.

In this sea area, these types of vessels make up a small percentage. The report does not consider the routes of sailing vessels or other recreational vessels without AIS. When tacking in or out of the Pelorus Sound under sail, every inch of sea room is needed to gain ground against the wind. The Waitata Reach will be blocked completely by the presence of these farms, especially the Mid Channel one. I question the accuracy of the data in this report also, as one of the AIS tracks shown actually goes straight through the middle of Maud Island, and another through Clayface Point near French Pass.

MS CALDWELL: You've got a copy of that there.

MR HIGGOTT: There's a copy of that there.

- CHAIRPERSON: That will be in the materials that we've got.
- MR HIGGOTT: You've got that, yes.
- 5 MS CALDWELL: Good.
- MR HIGGOTT: So I'm just questioning the data and the accuracy of it. Those lines just seem to be in random places.
- 10 CHAIRPERSON: Well, give us the sheet anyway, but I think we've probably got it somewhere. Here we go, yes.
- MR HIGGOTT: Sorry, we've only got the one.
- 15 MR CROSBY: That's all right. We've got the others.
- CHAIRPERSON: Yes.
- 20 MR HIGGOTT: Straight across Maud Island here. And there is another one somewhere but I can't see it. Here.
- CHAIRPERSON: Right, okay.
- 25 MR HIGGOTT: Impact on values significant to tangata whenua. We fundamentally oppose relocation of these farms, due to the impact on wahi tapu areas and areas of cultural significance, such as mahinga kai, mahinga mataitai, and traditional waka routes. The loss of mahinga kai and mahinga mataitai is a huge issue for the ability of iwi hapū and whānau to provide kai for manuhiri, and the inability to undertake the role of kaitiaki, which means a loss of mana to those iwi hapū and whānau. Less salmon farms, not more, would minimise further loss of cultural integrity.
- 30
- 35 The treaty settlement process. In 2014, Parliament passed the relevant Claim Settlements Act, which settled outstanding treaty claims of Te Tau Ihu iwi. During the settlement negotiations, these iwi, quite rightly, requested their share of aquaculture space in the Marlborough Sounds, itself guaranteed by the 2004 commercial aquaculture claims settlement, only to be told that there was no aquaculture space to give. These settlements were binding. Why now can the powers that be find additional space to relocate six salmon farms for a privately-owned company?
- 40
- 45 We also wish to acknowledge and record our support for the submission lodged by Raymond Smith on behalf of Ngāti Kuia opposing this relocation proposal.

That's all we've got.

- CHAIRPERSON: No, that's fine. That's a lot. Yes. Just wait there, would you, please? Have you got any questions?
- 5 MR DORMER: Not really a question, but a statement, if I may?
- MR HIGGOTT: Sure.
- 10 MR DORMER: A couple of times you've emphasised that New Zealand King Salmon is a privately-owned company.
- MR HIGGOTT: Yes.
- 15 MR DORMER: And I don't think you have, but other people during the course of the hearing, have stressed that it was foreign-owned.
- MR HIGGOTT: Well, yes.
- 20 MR DORMER: If, for example, this project was being undertaken on behalf of a state-owned enterprise, do you think they should be subject to more lenient environmental standards than should be imposed upon a privately-owned company?
- 25 MR HIGGOTT: No, not at all.
- MR DORMER: And do you think that New Zealand companies should be more free to pollute than foreign-owned companies?
- 30 MR HIGGOTT: No way.
- MR DORMER: So what's the relevance of a company being foreign-owned?
- MR HIGGOTT: Well, we didn't mention anything about them being --
- 35 MR DORMER: So what's the relevance of the company being privately-owned rather than state-owned?
- MR HIGGOTT: It means that the money is actually going into the pocket of private people instead of, at least, if it's state-owned, I suppose, the money could be going to each and every one of us, who actually own the resource we're talking about.
- 40 MR DORMER: Well, that gets to the point I was seeking to make to you --
- 45 MR HIGGOTT: Okay.

MR DORMER: -- that there's nothing in the RMA, which is an environmental statute, about where the profits, or otherwise, go. And it would be quite improper of us, in my view, to take account of the fact that the company is foreign-owned or that the company is privately-owned. Had Parliament intended those to be relevant factors in an environmental statute, Parliament would have said so.

5

MR HIGGOTT: Okay. So what you're saying is that the fact we used the word "privately-owned" is irrelevant?

10

MR DORMER: Yes, in my view.

MR HIGGOTT: Okay. Oh, well ...

MR DORMER: And if you have an argument to the contrary, I'd be grateful to hear it. I don't say that in an antagonistic sense, I say it in the sense that you are entitled to know what's going through our minds, or my mind, so that if you have a rebuttal point to make, you have the opportunity to make it.

20

[3.15 pm]

MR HIGGOTT: I suppose you're right, in a sense, that, if it doesn't matter and it has no -- it doesn't matter because it doesn't affect the environment --

25

MR DORMER: But the noise and the glare and the navigation dangers are all the same, whether it's owned by a state-owned enterprise, or --

MR HIGGOTT: Yes, but it makes it even worse to know that the money they're making out of it is going into their own pocket and that we actually own that resource.

30

MR DORMER: Yes, but that's not a factor in the RMA.

MR HIGGOTT: No. But I suppose this is the difference between the law and morality, and there's a fine line. And laws are made usually - well, often - in a sense that it doesn't even come close to what is maybe moral.

35

MR DORMER: I can understand that that concerns you but it should not concern you that we will be making our decision, as we must, or our recommendation - because we don't make the decision - based on the law. We wouldn't want - and I'm sure nor would you want - the government to appoint a panel which then got carried away with its own view of morality. The government has appointed a panel which it has every reason to expect will apply the law.

40

45

MR HIGGOTT: Yes. I understand that. Nevertheless, that's our view, and I thank you for listening to it. And I hope that maybe something that we've said might have some cause for you to recommend something in the favour of our opinion.

5 MR DORMER: Who knows; we're a million miles away from even coming close to a view.

MR HIGGOTT: And, anyway, he doesn't even have to listen to you anyway.

10 CHAIRPERSON: Don't go yet. I think your children have behaved remarkably well.

MR HIGGOTT: Thank you.

15 CHAIRPERSON: And thank them for coming. I hope they've had some experience with it.

MR HIGGOTT: Yes.

20 CHAIRPERSON: Mr Crosby?

MR CROSBY: Just on page 4, you had a benthic footprint of 107.5 hectares. Where did that figure come from?

25 MS CALDWELL: 107.5 hectares?

MR CROSBY: Yes.

MS CALDWELL: That was in the consultation document. So they had a summary of the -- what was it called? The impact assessment, I think. There was a summary document where it had tables with the surface area of each farm, but it also had -- in one of the columns it had the benthic footprint, and that was those. They also had graphed it as well. And so that was the estimate of --

30

35 MR CROSBY: Oh, that's the depositional footprint, was it?

MS CALDWELL: Yes.

40 MR CROSBY: Oh, right.

MS CALDWELL: So that benthic footprint comes from that.

MR CROSBY: Oh, I see. Okay, thank you.

45 MS CALDWELL: Yes. That's the combined -- so that's just for the five new farms --

MR CROSBY: No, no, you've have answered my query which was the depositional footprint.

MS CALDWELL: Yes.

5 MR CROSBY: And the only other question I really had: Mr Higgott, do I take it from the express comments that you've got under the headings of impact on values significant to tangata whenua, and from your children's names, do you whakapapa to Ngāti Kuia, or ...?

10 MR HIGGOTT: Well, my iwi affiliation is Ngāti Kōata, Ngāti Toa, Ngāti Raukawa. I mean, if you went back far enough in the marital -- we certainly do have a connection with Ngāti Kuia also, but I affiliate to those three iwi.

15 MR CROSBY: (Māori content)

MR HIGGOTT: Pardon me?

MR CROSBY: (Māori content)

20 Where do you come from?

MR HIGGOTT: I come from here.

25 MR CROSBY: Do you? Right, okay.

MR HIGGOTT: Well, actually, I was born at Whanganui, but we live here, I come from here. I am tangata whenua here, basically. But I thought long and hard about coming. I wanted to karakia, I wanted to mihi in Māori, but I've seen from some of your other people submitting, it seems that you totally ignore it. So I thought, "Well, why go there?"

30

MR CROSBY: Well, no, I think you would have found a different reaction in this Panel. You would have been responded to in te reo Māori.

35 CHAIRPERSON: We already have done that.

MR HIGGOTT: Oh, well, maybe --

MR CROSBY: If you would like to end that way, we'd be grateful to hear it.

40

MR HIGGOTT: Well, no, I won't, actually, because it's -- no, I decided not to. We looked at some of your other --

45 MS CALDWELL: The transcripts, yes, and it just says "Māori content" and it's not --

MR HIGGOTT: Yes, there's nothing written there, and I thought, "Well, you don't --

CHAIRPERSON: Oh, the words.

MR CROSBY: That will simply be the transcriber won't have been able to take it down, that's all.

5 MR HIGGOTT: Oh, I see. So I thought there was --

CHAIRPERSON: But you can be assured that we do.

MR HIGGOTT: Oh, well, sorry. It's just what we read. I thought, "Oh, you don't --

10 CHAIRPERSON: Yes. Well, I'm sorry that that happened.

MR HIGGOTT: Yes, so am I.

15 CHAIRPERSON: Just before you go, can I ask you a question, on the first page, your suggestion of lack of independence of Ernst & Young and the New Zealand Institute of Economic, I think or Economic --

MR CROSBY: Research.

20 CHAIRPERSON: Research, isn't it?

MS CALDWELL: Yes.

25 CHAIRPERSON: What was that in connection with?

MS CALDWELL: Some of the financial statements that were produced. I'm pretty sure the McGuinness Institute are up next, and they'll probably be able to elaborate more, but I read it in the submission --

30 CHAIRPERSON: Okay. We're going to hear somebody else on that.

MS CALDWELL: Yes.

35 CHAIRPERSON: It's on the financial statements that had been --

MS CALDWELL: Yes. So there were some financial reports produced as part of the consultation documents and also over the last couple of years there's been -- I know that these guys have done their releases on the fact that perhaps some of their financial positions are overstated, and it's not going to produce the profit that they think they might. So, anyway, that's what I wanted --

40 CHAIRPERSON: It's just I was so interested, because this is a public company, isn't it, it's on the stock exchange, King Salmon.

45 MS CALDWELL: Yes. Well -- yes.

CHAIRPERSON: So if they were fooling around with their figures, they're playing a very dangerous game, aren't they?

- MS CALDWELL: Well, I'm sure these guys will have more on it, I don't want to stand on their toes any more than I already have.
- 5 CHAIRPERSON: Yes. Well, I wasn't clear, but I now am. Yes. And I think there was one other question I had for you, but I can't remember what it was now ... oh, yes, on page 4, at the bottom of the page you refer to \$365 million, and so on. Where do those figures -- what's your source for that?
- 10 MS CALDWELL: Ministry of Business Innovation and Employment, that's off their website. I'm pretty sure there have just been some updated figures for the last year to March 2017. But at the time we did the written submission, they were the most up-to-date figures for tourism spending in Marlborough from MB, yes.
- 15 CHAIRPERSON: All right. So we know where they've come from. Thank you, all of you.
- 20 MS CALDWELL: Okay, thank you.
- MR HIGGOTT: Thank you.
- CHAIRPERSON: Thank your whole family for coming.
- 25 MR HIGGOTT: Thank you for that.
- CHAIRPERSON: I hope you enjoy it back on Maud Island.
- 30 MR HIGGOTT: We will.
- CHAIRPERSON: I wouldn't mind being there myself right now. Thank you.
- MR HIGGOTT: It's close to a salmon farm now.
- 35 CHAIRPERSON: Yes. Now, the East Bay Conservation Society.
- (off mic conversation)
- 40 MR DENIZE: Kia ora, I'm Mark Denize. I'm the President of the East Bay Conservation Society. With me today is Marcie Rowe, she's one of our committee and she'll be supporting me today.
- CHAIRPERSON: Sorry, what was your name, again? I didn't get it. Your name?
- 45 MR DENIZE: My name?
- CHAIRPERSON: Yes,

- MR DENIZE: Mark Denize.
- CHAIRPERSON: Mark ...?
- 5 MR DENIZE: Denize. It's on our submission.
- CHAIRPERSON: Yes. How do you spell your name?
- MR DENIZE: D-E-N-I-Z-E.
- 10 CHAIRPERSON: Thank you. And ...?
- MS ROWE: Marcie Rowe.
- 15 CHAIRPERSON: Marcie Rowe?
- MS ROWE: Yes.
- CHAIRPERSON: All right, yes.
- 20 MR DENIZE: Do you want me to go?
- CHAIRPERSON: Yes.
- 25 MR DENIZE: Okay. Do you actually have my submission?
- CHAIRPERSON: Yes, we've got it somewhere.
- MR DENIZE: Good.
- 30 CHAIRPERSON: Are you going to read from that, are you?
- MR DENIZE: At least some of it, yes.
- 35 CHAIRPERSON: Okay.
- MR DENIZE: I just want to give you a little bit of background. The East Bay Conservation Society, or EBCS, as we are generally known, has a long history of doing our very best to make sure that the special environment of East Bay, Arapawa Island, is managed sustainably. EBCS is not opposed to aquaculture, except where the interests of a few, who seek to profit from the degradation of that environment, will do so at the cost of the people of New Zealand.
- 40

5 EBCS has a significant experience with salmon farming and NZKS
because of the local Otanerau Salmon farm in Otanerau Bay, which is
part of the wider East Bay. EBCS calls the attention of the independent
Panel to the context and previous history of NZKS in relation to this
proposal. The story goes back to 2016. EBCS, along with all
community groups with a strong public interest in the Sounds,
participated in the open consultation process run by the Marlborough
District Council last year to finalise the Marlborough Environment
Plan. We were horrified to learn that the MDC had not included the
10 aquaculture policy in the draft plan on the grounds that marine farmers
needed more time and were discussing issues with environmental
interests.

15 We understood that a discussion document would be published shortly
and the consultation would take place ASAP. On enquiry in February
about the timing of the aquaculture plan, Pere Hawes, Manager
Strategic Policy, informed us that a working group had been
established with four industry reps and four community reps from the
Sounds Advisory Group, which had not yet met. They are charged with
20 preparing recommendations for a consultation paper, unlikely to be
public before June 2017, likely to be later this year.

25 We asked how this fitted with the MPI proposals, given they relate to
expansion of the major salmon farm player in the Sounds. We asked if
MDC would be making submissions to MPI based on the work already
done. We learnt that MDC will not be making a submission on the MPI
proposals as they have not done the planning work to guide aquaculture
in the environment plan and are busy with other work.

30 We were explicitly told that the MPI initiative is out of the hands of
MDC and led by the minister, and that whether MDC will make a
submission is a political question for councillors. EBCS has now
received a letter from New Zealand King Salmon which states:

35 "Although the site relocation proposed is led by MPI and the
Marlborough District Council, we are a huge champion and really want
this to happen."

40 All of us interested in the Sounds are very well aware that NZKS did
not get the expansion they sought in 2013, the establishment of eight
new salmon farms in the Sounds, through an EPA Board of Inquiry.
The matter went to the Environment Court and was hugely expensive
for NZKS and a huge cost to the community groups involved. We are
also aware that the intention of KS at that time was to push through
45 specific plan changes to gain new farm areas ahead of the public
consultation on the new plan; a matter addressed in the Environment
Court. In other words, the 2013/14 experience shows there was a huge
public interest in the environment of the Sounds.

- CHAIRPERSON: There was a huge what?
- MR DENIZE: Public interest.
- 5 CHAIRPERSON: Oh, yes.
- MR DENIZE: EBCS considers that this is still the case: the Sounds are a unique recreational area of exceptional natural heritage, importance and renowned beauty. Despite NZKS's letter to us suggesting that this is an MPI/MDC initiative, a logical conclusion from this history and information is that this is another effort by NZKS to circumvent public participation, this time by lobbying the minister to intervene on their behalf. That is now possible under amended legislation. It is our view that the 2016 delay to the MDC's aquaculture plan provided an avenue for NZKS to lobby the minister to overrule the existing plan.
- 10
- 15
- Finally, in relation to process, and I'll expand a little bit on the process. (1) The East Bay community is an interesting one. It's --
- 20 CHAIRPERSON: Just remind me where East Bay is, would you, please?
- MR DENIZE: Do you know where the Otanerau Salmon Farm is?
- CHAIRPERSON: No, I don't think I do.
- 25
- MR DENIZE: Okay. If you go out the northern entrance of Queen Charlotte Sound to the far end of Arapawa Island, there's a large bay.
- CHAIRPERSON: Oh, right. Yes.
- 30
- MR DENIZE: That bay is called East Bay.
- CHAIRPERSON: That's called Otanerau Bay on there.
- 35
- MR CROSBY: Yes, but East Bay is bigger bay.
- CHAIRPERSON: Oh, Otanerau Bay is part of East Bay, is it?
- MR DENIZE: Yes. The huge hook of Arapawa Island is called -- that encloses all the water called East Bay.
- 40
- CHAIRPERSON: Yes. Right, now I'm with you.
- MR DENIZE: Okay. Captain Cook wasn't very creative when it came to naming; he did a lot of easts and wests.
- 45
- CHAIRPERSON: Well, yes. That's understandable, I suppose.

MR DENIZE: In this case it's about the eastern-most east bay. There are a few other east bays.

CHAIRPERSON: Right at the head of Queen Charlotte, yes. Thanks.

MR DENIZE: Okay. So I will clarify what I mean in terms of "process" shortly. Although NZKS will have to apply to MDC for resource consent, if a decision in their favour is made by MPI, this cannot be withheld. The new farms will be in place for a minimum of 20 years, maximum of 35 years, so environmental planning in relation to one company's salmon farming interests in the Marlborough Sounds will be completed before the working party looking at the MDC aquaculture plan even starts.

Whilst this sequence is enabled by law, EBCS considers that the background we've outlined here must be taken into account by MPI's independent Panel.

[3.30 pm]

EBCS considers that New Zealand King Salmon has consistently acted in a way that could be described as duplicitous. At the very least, there is very strong evidence of major community interest in New Zealand King Salmon's expansion plans from 2013/14, which should not be overruled without proper consideration.

MR DORMER: Can I ask you to go back about three or four sentences?

MR DENIZE: Yes.

MR DORMER: If this proposal is approved, that I understand you to say that the local council will be overridden, so the local council will have no further say?

MR DENIZE: In this salmon farming expansion, yes.

CHAIRPERSON: I think you said, "Consent cannot be withheld".

MR DENIZE: Yes.

CHAIRPERSON: Well, why do you say that?

MR DENIZE: My understanding is that, by calling this process in through this independent board, once the minister has made the decision, based on your recommendation, the Marlborough District Council will not be able to refuse the resource consents. Is that not correct?

- CHAIRPERSON: Well, it's not correct because the consents are for what is called a restricted discretionary activity, and the council can refuse consent, in its discretion, having regard to the discretionary matters that it has to consider. The Marlborough District Council will be the consent authority not the minister.
- 5
- MR DENIZE: Yes, I understand that part.
- CHAIRPERSON: Yes.
- 10
- MR DORMER: There were earlier versions, or earlier proposals, we have been told, that provided for the salmon farms to be a controlled activity.
- CHAIRPERSON: Yes, what's called a controlled activity, which is different.
- 15
- MR DORMER: And the council would have no right to refuse an application for a controlled activity. But the proposal before us is a restricted discretionary one and the council will have the power, if this all goes ahead, to refuse a consent.
- 20
- MR DENIZE: Right, okay. I stand corrected. Thank you. So am I led to understand then that, after you have made your proposal to the minister and the minister has made a decision, that it will all go through the normal resource process?
- 25
- CHAIRPERSON: No, not necessarily through the normal resource process. Well, yes, through a resource consent process under the RMA. It'll be --
- MR DENIZE: And the council --
- 30
- CHAIRPERSON: As currently proposed, however, that is non-publicly notified. It may be a notification to people who are thought to be directly affected but the current proposal is that they will be non-publicly-notified applications. But the consent authority, the Marlborough District Council, will still have the ability to refuse a consent.
- 35
- MR DENIZE: Right, thank you for correcting me.
- CHAIRPERSON: Yes. It's not a foregone conclusion. All right?
- 40
- MR DENIZE: Yes, thank you. Okay. This is where I want to --
- CHAIRPERSON: Now, you want to talk about process?
- 45
- MR DENIZE: Yes. What I'm going to talk about I've written down, so would you like me to pass it?
- CHAIRPERSON: Yes, please.

- MR DENIZE: So one of our members, who was planning to be here today but unfortunately is ill, is an ex-member of the Law Society.
- CHAIRPERSON: Well, it's not your words, it's somebody else's.
- 5 MR DENIZE: Yes. I'm just going to read it for her because unfortunately she couldn't be here.
- MR DORMER: We're all ex-members of the Law Society as well, so ...
- 10 CHAIRPERSON: A long time ago, in my case.
- MR DENIZE: Her name is Margaret Thomson. You may know her.
- 15 CHAIRPERSON: Yes. She can't be here today.
- MR DENIZE: No. Unfortunately she's not well.
- CHAIRPERSON: She's not well?
- 20 MR DENIZE: Yes.
- CHAIRPERSON: Okay. Yes.
- 25 MR DENIZE: This further presentation highlights three points made in the EBCS written submission so as to provide further context for our views. We see this process as seeking community input under a process to expedite effective marine farming, not a done deal, as some have suggested. We respect the integrity of the independent Panel and would like to say that we feel fortunate that this consultation is happening in New Zealand, where we can still have confidence in the rule of law.
- 30
- 35 Implementation of the benthic guidelines is arguably of regional and national significance but benefiting one company cannot be of national or regional significance. Our written submission preamble describes the perception we and other community groups in the Marlborough Sounds have about this proposal. We want to be clear: EBCS welcomes the benthic guidelines initiative that will be implemented in the marine farming provisions of the proposed MDC environment plan, however, linking implementation of the benthic guidelines with shifting the current sites allocated to King Salmon conflates two separate issues.
- 40

5 The outcome will enable one company to obtain as many as possible
of the new sites identified in the benthic review before the review and
potential closure of some of their existing sites due in 2021 and 2024.
10 In effect, MDC's environment plan will be amended to benefit one
company by way of legislative intervention. We dispute that there is
any urgent or nationally regionally significant basis for MPI to initiate
the current process, as required inter alia under section 360B(c) of the
RMA. The proposed regulations are necessary or desirable for the
15 management of aquaculture activities in accordance with the
government's policy for aquaculture in coastal marine area, and the
matters to be addressed by the proposed regulations are of regional or
national significance, and ... etc.

20 We consider that the MPI consultation document does not meet the
legal test in these provisions in relation to the reallocation of the sites
to New Zealand King Salmon. In 3.11, the document purports to set
out the government policy for aquaculture, drawing on three current
strategy documents, and this decision makes the case for the benthic
25 guidenotes to be considered of high significance.

There is not the same case for site B allocation. The document says
that MPI has worked with the MDC to consider the relocation of the
existing sites, describing this as a pragmatic approach. We agree:
30 reallocation is a task for MDC not for RMA legislation.

In another part, the document discusses the economic benefit of
relocation in terms of GDP value, but economic benefit is not one of
the requirements in section 360B, nor yet included in the definition of
35 "national importance" in the RMA. The purported government
aquaculture policy includes, as a relevant consideration, 1(b):

"Taking account of the social and economic benefits of aquaculture,
including any available assessments of national and regional economic
35 benefits, and ..."

40 Etc. Consideration of economic benefit in this provision seems to be
complex and is not further discussed. In any case, this government
aquaculture policy appears to have no credentials or authority other
than its appearance in this MPI consultation document. Whilst
implementation of the benthic guidelines is arguably of regional and
national significance, how can benefitting one company possibly be of
national or regional significance?

45 (b) Serious doubt as to whether the costs of enforcing the proposed
restricted discretionary activity status of the reallocated sites
can be met by MDC.

Our written submission states that:

"Monitoring reports from the Marlborough District Council show that NZKS has not operated all its farms within benthic best guidelines since they were agreed in 2014, with at least one farm not complying with its resource consent conditions as at 20 February 2016 ..."

5

and that:

"... New Zealand King Salmon has shown that when it cannot meet its consent conditions on existing high-flow sites, it seeks to change those conditions by backdating feed allowances and changing the measurement boundaries of those consents ..."

10

I'm not sure if you're familiar with the Clay Point high-flow site.

15 CHAIRPERSON:

We know where it is, yes.

MR DENIZE:

When that farm was originally consented, they believed - as you have been told - that the high-flow sites would distribute the waste and they would not have any adverse benthic effects because it would all be washed away. What they subsequently found out was that the waste was distributed a little further downstream than they thought. What they actually needed to do was reset the boundaries of those ellipses, those pretty ellipses that they tend to put in their consents by quite a substantial margin.

20

25

So the farm effectively -- I can't remember exactly the percentages, but to my untrained eye, it got approximately double the benthic effect area and the zones were changed so that instead of having small zones which were measured, the zones got bigger and bigger and bigger. Instead of there being a non-complying high-flow site, they became overnight a complying high-flow site, not by changing the amount of fish in the farm, not by changing the amount of feed in the farm, nothing like that; just by changing the boundary of where their measurements were made.

30

35

CHAIRPERSON:

Who changed the boundary?

MR DENIZE:

It was a hearing before a commissioner under the Resource Management Act.

40

CHAIRPERSON:

So it went through a process?

MR DENIZE:

Yes.

45

CHAIRPERSON:

Went through a proper process?

MR DENIZE:

Yes.

CHAIRPERSON:

Right.

- MR DENIZE: No, the proper process would have been to make them meet their consented conditions. But they chose - and they were successful before a commissioner - to go back and retrospectively reset their own consent conditions. I can't think there'd be many other people who get to do that.
- 5
- CHAIRPERSON: They had to change their resource consent.
- 10 MR DENIZE: Yes.
- CHAIRPERSON: It went through a proper hearing process before an independent person.
- MR DENIZE: After they were shown to be not meeting their consent conditions.
- 15 CHAIRPERSON: So what's wrong with that?
- MR DENIZE: If we all got to do that, I guess nothing.
- 20 CHAIRPERSON: No.
- MR DENIZE: In light of this experience, we commend chapter 5, part 3 of the document, which states that:
- 25 "The regulations will create a new rule to require that salmon farming on the relocation sites becomes a discretionary activity [and this is what you were talking about] and sets out the conditions that will have to be met. The reason we do not support the proposed regulations is not because the conditions are not satisfactory but because we do not believe that they will be met by New Zealand King Salmon nor monitored and enforced by MDC. We have good reasons for coming to this conclusion based on long experience and also the lack of resources available."
- 30
- 35 This is where I want to talk about this. That is one of 20 mussel buoys that were on my beach. It's the only one that would fit in my car and the cleanest one, which is why you get that one. The Marlborough District Council as part of their consent conditions makes all the mussel farmers ...
- 40 CHAIRPERSON: I'm sorry but we're probably not recording you.
- MR DENIZE: Sorry.
- 45 CHAIRPERSON: We can see it. You can talk to us about it.

MR DENIZE: The Marlborough District Council as part of their consent conditions makes the mussel farmers put the name of their business on their mussel buoys. New Zealand King Salmon has responsibility for cleaning up East Bay. The aquaculture industry shares out the responsibility for cleaning up the waste. I was listening with interest to the families of Oyster Bay. They have a northwest-facing beach. We have a northwest-facing beach. The northwest wind is the predominant wind and their experience is consistent with ours. I'm not sure who cleans up their beaches, but I hope they're a lot better at it than New Zealand King Salmon is.

5

10

As you can see, these are mostly mussel farming waste. All of it is aquaculture waste. Some of it is at least fishing waste if not fish farm waste. All of it has the responsibility of New Zealand King Salmon written all over it. They do not clean up my beach as they are responsible for.

15

CHAIRPERSON: They've got to clean it up whether it's their mess or not?

20

MR DENIZE: Absolutely.

CHAIRPERSON: Is that part of the terms of their consent?

25

MR DENIZE: I'm actually not sure whether ...

CHAIRPERSON: No.

[3.45 pm]

30

MR DENIZE: I'm actually not sure. I've been told by the Marine Farming Association that New Zealand King Salmon has responsibility for cleaning up East Bay. At every hearing that I've ever been to, they will tell you what a great job they do of looking after the environment, including doing beach clean-ups. I'm here to tell you that our experience is they are very, very bad at it. This is nothing like the amount of rubbish that I have at home because I collect every time I walk across the beach. I can collect a significant amount of this waste right after one of those beach clean-ups. They do it as window dressing. They do not do it to protect the environment from this plastic. It's illegal in New Zealand to dump plastic. It's against their consents. It will be written in every one of their consents that they're not allowed to dump plastic. New Zealand King Salmon is responsible for picking it up. It means nothing. It still ends up on the beach. I still end up picking it up.

35

40

45

This is my point here:

"The reason we do not support the proposed regulations is not because the conditions are not satisfactory but because we do not believe that they will be met by New Zealand King Salmon nor monitored nor enforced by Marlborough District Council."

5

When I go to the Marlborough District Council with these, you know what they tell me? Their regulation department tell me they do not have the money to -- even if I show them which marine farmer dumped the rubbish, they will not process the complaint because they do not have the money to prosecute them. They have told me that if I prosecute them and I am successful, they will refund me:

10

"We have good reasons for coming to this conclusion based on long experience and also a lack of resources available."

15

CHAIRPERSON: Having made that statement, which actually could be quite important, can you tell me who told you that?

MR DENIZE: It was the then head - if not now head - of the regulatory department.

20

CHAIRPERSON: The regulatory department?

MR DENIZE: Of the Marlborough District Council at a meeting at the Marlborough District Council where I took some of this along to talk to them about it.

25

CHAIRPERSON: But you don't remember the --

MR DENIZE: At that time, we actually had a -- sorry.

30

CHAIRPERSON: You don't remember the person's name? If you don't, you don't, but it was --

MR DENIZE: He's very well-known.

35

CHAIRPERSON: How long ago was it?

MR DENIZE: Approximately two years.

40

CHAIRPERSON: Two years ago?

MR DENIZE: Yes.

CHAIRPERSON: All right.

45

MR DENIZE: He told me at the time that they were more worried about social issues relating to viticulture than they were about pollution in the Marlborough Sounds and they would not do anything about it.

CHAIRPERSON: Have you taken that up with the chief executive or anybody like that?

MR DENIZE: Are you suggesting that I should or I could?

5 CHAIRPERSON: Yes.

MR DENIZE: I would like to --

10 CHAIRPERSON: Let me tell you this. I am a Canterbury regional councillor. If somebody made a complaint to the head of a regulatory department like you've just stated, that would reach my ears very quickly and there wouldn't be any "beg your pardons" about it.

15 MR DENIZE: I hope that that's true. It doesn't --

CHAIRPERSON: But you haven't made that sort of --

20 MR DENIZE: -- it doesn't happen up here. I'm grateful for your direction because I would like to take it further. In that particular incident, I --

CHAIRPERSON: We will take it further.

25 MR DENIZE: Yes. In that particular incident, we had photographs of the mussel barge that dumped all the waste. We had photos of the mussel farm where the waste came from and we had photos of all the waste on the beach. We had the boat's name, the date, everything, and they would not take it any further.

30 MR DORMER: Do I take it that there was a barge?

MR DENIZE: Yes.

35 CHAIRPERSON: That is positively dumping the rubbish? Or is this stuff that gets ripped away from the mussel farms by adverse weather events?

40 MR DENIZE: No, this is processing waste. I'll show you. See this shaped piece of rope. This is what attaches the growing lines to the backbones. It curls around a half inch - so it's not quite long enough - like that around the backbone line and holds the growing line up. What the mussel barges do is they come along with a knife. They raise the mussel buoys out of the water to the mussel barge height and they run along with a knife. You'll find that every single little piece of rope here is short, based on them cutting it off the backbone, so that they can release the growing lines from the backbone. Then this goes on the deck with all the mussel
45 waste and gets washed over the side with a high-pressure hose.

- 5 All of it ends up on our beach. That would be exaggeration. A lot of it ends up on our beach because our beach is a northwest-facing beach and it collects all this stuff. This is not by any means a high percentage of the waste because (a) I didn't bring it all with me, but New Zealand King Salmon is supposed to be picking this up. I presume they will show you photos of the waste they do pick up, but what I'm saying is they don't pick up anywhere near all of it.
- 10 MR DORMER: So it's inevitable, you're telling us. They cut with a knife those ropes, it goes on to the deck of the barge and then just gets hosed over the side?
- MR DENIZE: That's right.
- 15 MS ROWE: Yes, when you clean the deck down.
- MR DORMER: Yes.
- MR DENIZE: So what the --
- 20 MR DORMER: It surely has to be a breach of the condition of resource consent?
- MR DENIZE: Absolutely, but that's my point. All of the resource consent conditions say that they are not allowed to dump any plastic into the sea. I suppose it's MPI now, but the MPI regulations say you're not allowed to dump plastic into the sea, but the sea's a big place. What people say in regulation and what can be regulated is not the same as what these people do.
- 25 MR DORMER: No.
- MR DENIZE: Unfortunately, this is the obvious stuff. This is the stuff that floats. You can imagine the sort of waste that we're talking about, the faeces, the pseudo faeces from a mussel farm or all of the nitrogen waste.
- 30 MR DORMER: No.
- MR DENIZE: Unfortunately, this is the obvious stuff. This is the stuff that floats. You can imagine the sort of waste that we're talking about, the faeces, the pseudo faeces from a mussel farm or all of the nitrogen waste. That's the stuff you can't see. This is just stuff that is illegal in every respect and that you can see. This is not managed in any way.
- 35 CHAIRPERSON: All right, you've made your point.
- MR DENIZE: Yes, thank you.
- CHAIRPERSON: We do have other people to hear so ...
- MR DENIZE: Great, yes.
- 45 CHAIRPERSON: I think you can go to paragraph 12 now.

MR DENIZE:

5 Great. The absence of any discussion of the cost tells us that these regulations will impose a burden on MDC and their ratepayers without any expectation of government financial commitment. Legislation imposed by central government as these regulations will be should not proceed without budget analysis and allocation and usually, given normal consultation process, they do not. The principle, no taxation without representation, comes to mind.

10 We know from previous experience, in the absence of any accountable cost analysis, that it is not credible to imagine that MDC can meet the full cost of effective monitoring/enforcement. MDC and all those interested in aquaculture in the Sounds have been in this situation many times. We have had a long learning curve. In the absence of adequate resource planning from the outset, the conditions and the regulations will simply remain an ephemeral hope without reality.

15 In the absence of any resource allocation to ensure the legislative conditions to ensure sustainable marine farming on the relocated sites will be met, EBCS suggest the regulations should not proceed. See reasons for urgency and the suggestion about how the precautionary principle can be applied.

20 The reasons for reallocation given in the consultation document relate to existing low-flow, existing farms not being productive and in the wrong place according to the benthic guidelines. Moreover, the term of some existing farms will be up in 2021 and 2024. The potential termination of the existing farms is a major reason why this proposal is being given urgency.

25 In point 2 of our written submission, we discuss the precautionary approach we consider should be taken to reallocation and the discussion under (b) above about the lack of resources for monitoring/enforcement and simply makes that point more compelling.

30 If the regulations as proposed are passed, there will be no review of the existing failing farms and the new farms may be given a maximum life of 30 years. Given the long experience of lack of monitoring and enforcing conditions on marine farms, largely due to lack of resources, a 30-year life for the reallocated sites would be against all precautionary principles. There must be teeth in the review process and these are not yet there.

35 Assuming that the regulations for new benthic guidelines proceed, we suggest that either they proceed minus the reallocated provisions and MDC processes applications for the new sites; or they prescribe a conditional period for the reallocated sites such as four years, to be followed by an independent review of the conditional provisions for salmon farming on those sites.

(d) Limitations of this consultation process for community groups
 We note the conflation of the two issues, benthic guidelines and
 reallocation, together with the somewhat truncated submission
 time has imposed an impossible burden for those with
 legitimate interests in the long-term future of the Sounds. For
 community groups, this verges on abuse of process. In order to
 consider the issues and become a substantive and responsible
 contribution to the consultation, we would have to become
 expert in benthic guidelines, current and proposed sites, current
 national policy documents, current MDC documents, proposed
 legislation, related legal matters, related scientific matters.

Conclusion. EBCS's contribution to the MPI proposal is cautious based
 on a long, first-hand experience of the salmon farming in Otanerau
 Bay, part of East Bay. Despite our caution, we respect MPI's lead in
 bringing together various agencies interested in an effective, ongoing,
 sustainable approach for salmon in the Sounds. Such an approach is
 long overdue, but good intentions do not necessarily translate into
 effective, practical implementation.

We ask that you see beyond the interests of one company and hear the
 voices of those with practical experience and knowledge of the history
 of salmon farming and the Sounds policy. We support the
 precautionary approach reflected in the relocation conditions proposed
 for the regulations, but hope is not enough, not nearly enough. The
 proposed regulations carry risks for the Sounds environment and they
 need teeth for review and resources for implementation.

We hope you recommend regulations that can actually provide the
 substantive long-term benefits contained in this MPI proposal,
 effective, sustainable salmon farming in the Sounds, an outcome that
 does not endanger the unique wonders of the Sounds on land, in the sea
 and under the sea."

Okay, I'll just go back to page 3 of my original submission, thank you.

CHAIRPERSON: I thought you'd finished everything.

MR DENIZE: No. I think I can skip over the process. I think I've covered that fairly
 clearly.

CHAIRPERSON: Yes, you have.

MR DENIZE: I do want to talk a little bit further about the precautionary approach:

5 "The three new high-flow sites granted by the BOI are only just coming on stream. It would be precautionary to wait until monitoring shows that the company can operate these sites along with their other high-flow sites to comply with the benthic guidelines at maximum feed levels --"

CHAIRPERSON: Several people have already made that point.

10 MR DENIZE: Good. Do you have any objection to me making it?

CHAIRPERSON: Well --

15 MR DENIZE: The point I wish to make, going back to what I was saying about Clay Point, we already have experience that they do not meet their responsibilities under their original resource consents associated with those benthic guidelines.

CHAIRPERSON: We're about to find out how they're getting on with that because the reports --

20 MR DENIZE: Are due out, yes.

CHAIRPERSON: -- the monitoring reports, are becoming available very shortly, I think.

25 MR DENIZE: This especially applies to Tio Point, which will be the fourth salmon farm in close proximity:

30 "We do not believe it's precautionary to move to a new site any salmon farm which cannot meet the benthic guidelines [à la Clay Point. In this case, we're talking about Otanerau. Otanerau is one of the sites that is going to be removed because it is not meeting its benthic requirements] because of overfeeding and overstocking beyond the environment's capability to absorb the waste. The precautionary approach is to reduce the feed and stocking rate at any salmon, including the low-flow sites, to meet benthic guidelines."

I think I go on to say, yes, at the end of this next section about nitrogen pollution:

40 "As a land-based comparison of low-flow and high-flow sites, it is not okay for a dairy farmer who has been pulled up for discharging effluent into a small stream to resolve the issue by increasing his herd and discharging it in a faster river."

45 **[4.00 pm]**

MR DORMER: We had that exact sentence read to us this morning.

MR DENIZE: Good.

CHAIRPERSON: Yes, I think it was exactly the same, which is of some interest.

5 MR DENIZE: So I believe a precautionary approach would be to say to New Zealand King Salmon, "You have been given a taonga, a piece of New Zealand's coastline. To farm that sustainably, we expect you to meet these benthic guidelines. If you can't do it, you need to reduce the number of fish you have or the amount of food you provide them until you can meet those benthic guidelines". A precautionary approach is not
10 reward them by allowing them to increase the amount of fish, to increase the amount of food in a fast-flowing river. We wouldn't do that for any dairy farmer in New Zealand.

15 CHAIRPERSON: Probably because the dairy farmer would have paid a huge price for the piece of land he's already got. It wouldn't be --

MR DENIZE: Even if Crafar Farms had been able to meet all of their resource consent conditions and had the money to move to the Waimakariri River and dump all of their effluent straight into the river, we would not allow
20 them to do it, I hope anyway.

CHAIRPERSON: You don't know.

25 MR DORMER: I'm glad you said "probably".

MR DENIZE: I think we've moved on a little bit, haven't we?

CHAIRPERSON: It's all a bit theoretical now because there's huge restrictions on dairy farming anyway.
30

MR DENIZE: Yes. We'll jump to (6), landscape and cumulative effects:

35 "This proposal will degrade the outstanding natural landscape and high natural character of the Waitata Reach. [I think the last family told you a lot about that.] The Board of Inquiry identified the threshold number of salmon farms for Waitata Reach is two. [I think we've heard about that.] New Zealand King Salmon and MPI have ignored this ruling, arrived at after a long and considered judicial process. Instead, they have joined forces and put forward this relocation proposal for five
40 more farms in the Waitata Reach. None of these farms can be justified."

45 I was listening to the radio the other day. I heard MPI say that it wasn't their idea; that this process is actually a New Zealand King Salmon-initiated proposal. Is that correct?

CHAIRPERSON: I can't recall now but it may be that New Zealand King Salmon sought MPI to exercise these --

MR DENIZE: Yes, so MPI are backing down from any suggestion that they are the ones initiating this. It seems to me that sense that they are driving this still is pervasive. If it is able to be cleared up who is actually driving this process, it would be quite good.

5 CHAIRPERSON: We had evidence from MPI at the beginning of this hearing. Have you read that?

MR DENIZE: No.

10 CHAIRPERSON: Right, I suggest you do.

MR DENIZE: Unfortunately - and this is perhaps --

15 CHAIRPERSON: Because that will tell you the answer to your question.

MR DENIZE: Unfortunately --

CHAIRPERSON: It's not for me to answer your question.

20 MS ROWE: Where is that available, sorry?

CHAIRPERSON: Yes?

25 MS ROWE: Whereabouts is that available, sorry? I didn't hear you.

CHAIRPERSON: It's available in the transcription and on the website.

MR DENIZE: Unfortunately, one thing I didn't make clear to you at the start of this: the East Bay community is a very remote one. We were the last party line in New Zealand. We do not have broadband in East Bay.

30 CHAIRPERSON: Okay.

MR DENIZE: We do not have cell phone coverage.

CHAIRPERSON: No.

MR DENIZE: So it is very difficult for us to do anything.

40 CHAIRPERSON: I understand that.

MR DENIZE: So it is quite difficult for us to keep up-to-date with the latest. What I was talking to you about was what I heard on the radio. We do have access to National Radio fortunately. Anyway:

45

"In conclusion, there should be no discussion of more salmon farms in the Marlborough Sounds until NZ King Salmon shows it can operate the ones it has within the agreed benthic guidelines.

5 Monitoring reports from the Marlborough District Council show that NZ King Salmon has not operated all its farms within benthic best guidelines since they were agreed in 2014 with at least one farm not complying with its resource consent conditions as at 20 February 2016. [There's the details.]

10 This causes harm to the environment of the Marlborough Sounds because of the size of the nutrient load, which cannot be processed by nature. There is little evidence that New Zealand King Salmon operating practice has improved at these sites. In fact, New Zealand King Salmon has shown that when it cannot meet its resource consent conditions on existing high-flow sites, it just seeks to change those conditions by backdating increased feed allowances and changing the measurement boundaries of those consents."

15 CHAIRPERSON: You've told us that at least twice now.

20 MR DENIZE: Good. "This is a very important factor" --

CHAIRPERSON: Wait a minute.

MR DENIZE: Yes.

25 CHAIRPERSON: There are other people wanting to be heard today. You've had a fair old crack of the whip.

MR DENIZE: Thank you.

30 CHAIRPERSON: If you've got something new to tell us, tell us. Otherwise, let's bring this to a conclusion.

35 MR DENIZE: This is a very important factor because of the size of the benthic damage that will inevitably follow any salmon farming expansion by New Zealand King Salmon. Any expansion must be linked to significant improvements on the existing sites.

40 Our desired outcome is the Minister does not recommend the proposed regulations.

CHAIRPERSON: All right.

MR DENIZE: Thank you for hearing me today.

45 CHAIRPERSON: Right. Have you got any questions?

MR DENIZE: We just have one final question. I hope that's all right.

MR DORMER: I have no questions, but I'd like to thank you for posing so many.

- MR DENIZE: Okay, thank you.
- 5 MS ROWE: I've got one further one if that's okay.
- CHAIRPERSON: What is it? Is it something new?
- 10 MS ROWE: Possibly, yes. I just wanted to ask how this Panel or if this Panel intends to consider the contribution to iwi for the increasing marine farming. Is that a consideration?
- CHAIRPERSON: We're going to be having a hui with iwi in a couple of weeks' time. So we'll be talking to them about that on the Waikiwi marae. It's a public --
- 15 MS ROWE: Waikawa marae?
- CHAIRPERSON: Sorry, Waikawa marae.
- MS ROWE: Yes. No, that's fine.
- 20 CHAIRPERSON: Yes. It's a public process.
- MS ROWE: What date is that? No matter, I'll find it.
- 25 CHAIRPERSON: It's 15 May in the afternoon.
- MS ROWE: Okay.
- CHAIRPERSON: I suggest if you're interested you come along to that.
- 30 MS ROWE: Yes, I would like to.
- CHAIRPERSON: All right?
- 35 MS ROWE: I definitely will because it seems to me that that's quite an important thing as these proposed increases are going down the line.
- CHAIRPERSON: I'm not going to comment on that but that's undoubtedly what will be discussed.
- 40 MR CROSBY: We have already heard from Te Ātiawa.
- MS ROWE: Good.
- 45 CHAIRPERSON: Yes, we've had a presentation from Te Ātiawa.
- MS ROWE: Yes, I wondered how much of the --
- CHAIRPERSON: Te Ātiawa has already been to see us.
-
- Marlborough Convention Centre, Blenheim 2.5.17

- MS ROWE: Great. Thank you.
- CHAIRPERSON: Have you any questions?
5
- MR CROSBY: No, thank you.
- CHAIRPERSON: No, you don't.
- 10 MR DENIZE: Thank you.
- MR CROSBY: Right, thank you.
- MR DENIZE: Thank you.
- 15 CHAIRPERSON: All right, thank you very much.
- MR DENIZE: Thank you.
- 20 CHAIRPERSON: Thank you for struggling on to bring all this material to us.
- MR DENIZE: That's all right. I'm sure I can get New Zealand King Salmon to take it from here.
- 25 CHAIRPERSON: That would be a start, wouldn't it?

(off mic conversation)
- CHAIRPERSON: We don't want that.
- 30 MR CROSBY: We don't want it, thank you.
- CHAIRPERSON: We don't want that, thank you very much. Now we have two more people to be heard, Wendy McGuinness and John Leader and Des Boyce, who were here yesterday. We've got a limitation on timing.
- 35

(off mic conversation)
- CHAIRPERSON: We have to finish at 5.30 pm. Do you think we can do that? We'll have to finish at 5.30 pm. So Wendy McGuinness.
- 40 MR CROSBY: What's the time now?
- CHAIRPERSON: It's 4.10 pm.
- 45 MS MCGUINNESS: Did you want a cup of tea or a break? No?
- CHAIRPERSON: No, we're going to hear you instead of having a cup of tea.

MS MCGUINNESS: I've just got a PowerPoint to put up as well if that's all right.

CHAIRPERSON: How long do you think you're going to be?

5 MS MCGUINNESS: About three or four minutes?

CHAIRPERSON: What?

10 MS MCGUINNESS: Overall? I was just setting things up.

CHAIRPERSON: How long do you think your presentation's going --

MS MCGUINNESS: About an hour I was going to --

15 CHAIRPERSON: Are you?

MS MCGUINNESS: I had asked for an hour.

20 CHAIRPERSON: Yes.

MS MCGUINNESS: If that was all right.

(off mic conversation)

25 CHAIRPERSON: Yes. What about Messrs Leader and Boyce? How long do you think you will take? We've read your statement. We've read your joint statement.

30 MR LEADER: Half an hour maybe.

CHAIRPERSON: Yes. Do you mind if we take them first?

MS MCGUINNESS: Yes. No, that's fine, absolutely.

35 CHAIRPERSON: Right, because they were here yesterday.

(off mic conversation)

40 CHAIRPERSON: Right, thank you.

45 MR LEADER: Right, let me first of all begin with my credentials and those of Des. My full name is John Peter Leader. My address is 66 Lakings Road, Blenheim. I am a retired biologist with more than 50 years of experience. I hold degrees: a BA from Cambridge University and a PhD from Bristol University and I --

CHAIRPERSON: In the interests of time we'll take all that as read.

MR LEADER: Good, okay.

CHAIRPERSON: We've done it anyway and we know who you are and what your credentials are.

5 MR LEADER: Right. Yes, good. Right, let me get to the submission. I wish to say
at the outset that we are not opposed to aquaculture in general nor to
10 salmon farming specifically. Within living memory, native fish stocks
throughout the world have become depleted to a degree that many
species are approaching total extinction and farmed fish now make up
more than half of the global harvest. Farmed species will become
increasingly important as a source of fish. However, it is our
considered opinion that New Zealand King Salmon (NZKS) should not
be allowed to relocate their farms according to the plans they have
proposed, for a number of reasons.

15
The Conservation Council of New Brunswick, in considering the
impact of aquaculture activities on the environment, proposed that such
farming should be judged by five tests of sustainability. These were:
20 (1) that it does not degrade the environment on which it is dependent;
(2) that it is in harmony with other economic, cultural and social
activities that use the same natural resources; (3) that it does not
diminish the ability of future generations to use the same resources; (4)
that it invests in local communities and decision making is local; (5)
25 that it produces a reasonable and relatively stable net income to both
producers and society by using natural resources on a long-term
recoverable basis.

30 We submit that NZKS, in spite of its public braggadocio, fails to meet
any of these criteria. Furthermore, there is a number of technological
solutions already available which can satisfy these demands and which
are currently in use or near completion."

[4.15 pm]

35 When we made a submission to the Environmental Protection Agency
considering King Salmon's earlier application, we argued, in common
with many other submitters:

5 "This proposal calls for an entirely unjustified appropriation of public
space, in which the rights of other individuals to enjoy the special
qualities of the Sounds, are curtailed without compensation, and which
rewards the public with pollution of the sea floor, unsightly structures
and noise. The recent experience of the environmental damage
10 sustained in Tasmania's Macquarie Harbour, where extensive pollution
of the sea floor has led to instructions from the Australian Environment
Protection Agency for destocking of salmon farms there, and which
shows reprehensible abandonment of the stewardship of the operators,
is a clear demonstration that operation of such poorly managed farms,
15 in shallow and slowly moving water, creates an unsightly and long
lasting degradation of the environment. Even by their optimistic
standards, the farm sites to be abandoned by NZKS will take up to ten
years to return to anything like their original state. In addition it is not
clear, from the documents available to us, who will provide the expert
independent services necessary to ensure compliance with any imposed
conditions."

20 I emphasise there expert and independent. If, as seems likely, this
burden will fall on Marlborough District Council, then this is an
additional and unwelcome cost for local ratepayers.

25 2. In their earlier application to the Environmental Protection Agency,
King Salmon stated that they had examined in great detail all possible
sites for salmon farms in the Sounds, and had identified the only
suitable sites. After just a few years they now seek permission to move
their farms to new sites, different from those previously proposed, and
which have been identified as prohibited for farming activities by the
30 District Council. This shows a cynical and blatant disregard for local
body regulations. Limitations on farming have been imposed for very
good reasons, to allow preservation of precious local values, and should
not be lightly cast aside, particularly when they use a government
department, apparently obsessed with a profit motive, to override local
35 opinion.

40 3. The most persuasive argument, however against allowing King
Salmon to move their farms to new sites is that they are proposing to
continue to use 'third-world' practices. These primitive methods are
increasingly being abandoned in favour of more environmentally
acceptable approaches.

(a) It is now well established that a better practice is to farm fish away
45 from inshore waters, where, no matter how well flushed it may be, fish
may be exposed to excessively high temperatures and low oxygen
levels.

(b) The Sounds are also frequently subject to toxic blooms of blue-
green algae, as a result of eutrophication, mainly from human activity.

(c) The extensive development of mussel farms means that there is
little room for further expansion if the industry is successful.

(d) The predicted progressive rise in water temperature will increasingly marginalise production.

(e) There is the risk of escaping fish interbreeding with wild fish, and of disease spreading throughout the local populations In the Sounds.

(f) Anything less than scrupulous husbandry will lead to the congregation of predatory animals such as sharks and seals, and, in the long-term, disturbance to the ecosystem.

We have sailed past a salmon farm where workers were throwing dead salmon to the seals, which is not really a very nice thing.

NZKS make much of the fact that they wish to move their pens to high flow sites where any detritus, uneaten food and faecal matter, can be distributed over a wider area than at present. However while stating that no additional water space will be occupied by the pens they propose a substantial increase in stocking rate, which will obviate this claim by greatly increasing the amount of waste to be dispersed. In addition, their diagrams of current flow around the pens, particularly in regard to the Waitata site, shows that inward flow past the pens is greater than the outward flow. Hence waste will flow back and forth around the pens, gradually accumulating and adding to benthic deposits.

4. There are two generic solutions which offer ideal solutions to these problems [and which we wish to present], and which are used in different variations throughout the world. Of these, open-ocean aquaculture is now a well-established commercial practice. As James Langan has pointed out:

"There is sufficient rationale for pursuing the development of open ocean cage culture. Favourable features include ample space for expansion, tremendous carrying capacity, reduced conflict with many user groups, lower exposure to human sources of pollution, the potential to reduce some of the negative environmental impacts of coastal fish farming, and optimal; environmental conditions."

In addition, in countries where there is limited space inshore, or where environmental concerns are taken seriously, open ocean farming can be a highly profitable and environmentally acceptable solution. A representative bibliography of open ocean aquaculture techniques is given ... that is in table 1, actually, and that shows some 20-odd countries are now using open-ocean aquaculture. In spite of the fact that NZKS say there aren't any, I happened to notice today that there are some 750 open-ocean farms in China.

CHAIRPERSON: 750?

MR LEADER: Open-ocean farms, in the open ocean. There are many elsewhere.

CHAIRPERSON: Open-ocean what sort of farm? Fish farm?

MR LEADER: Fish farms, yes.

5 CHAIRPERSON: In China?

MR LEADER: Yes. In its application, NZKS states that there are no commercial fish farming operations in the open ocean. When it was pointed out that this was not true, they fell back on the argument that open-ocean farming was only practised in regions protected from high energy wave action, which is also untrue. In fact there is a number of different approaches to open ocean farming. The core technology is now well understood, and the advantages are clear. The fish can be exposed to a high flow of clean, well-oxygenated, cool sea water, while food waste and faeces are dispersed over a wide area. The principal obstacle, the potentially high wave energy of the open ocean can be overcome in several ways, for example by firmly anchoring pens to the sea floor or by enabling the pens to sink when exposed to storm conditions. Feeding can be accomplished using electronically controlled hoppers, thus reducing the servicing costs. Carefully chosen sites can be selected which would use the waste products to fertilise the surrounding area, a form of multitrophic aquaculture in which nothing is wasted, since it encourages the growth of filter feeders and macroalgae. In Europe there is considerable interest in combining fish farms with offshore wind farms using the solid bases of these structures as existing anchorage sites. There is now an extensive literature on the basic technology and a range of designs and procedures.

30 Langan in 2012 produced a chapter in a book by Tidwell which shows a number of these possible adaptations, and there are a wide variety of ingenious responses. For example, the Norwegian-based company, Salar, one of the world's largest producers of organic salmon, producing last year over 110,000 tonnes of fish, uses anchored pens in open ocean, which are 68 metres deep, a diameter of 110 metres and containing 250,000 m³ water. Kampachi Farms [has a smaller one], a Malaysian company, is experimenting with a submersible free-floating cage of 132 m³ in which most parameters can be controlled from a shore-based station.

40 In fact there are a number of different approaches to the potential activity.

5 NZKS has attempted to make much of the fact that a majority of
submitters to the Board have been supportive of the application. Closer
10 examination however reveals that most of the supporters of the
proposal are either employees of NZKS [274 of them] or financially
dependent on it. This is short-sighted on their part, since inshore
aquaculture in an already crowded space offers virtually no possibility
for further expansion. Indeed, at the hearing in 2013 before the
Environmental Protection Agency, NZKS projected a large increase in
15 employment opportunities which later evaporated. On the other hand,
transfer to open ocean aquaculture offers the possibility of almost
unlimited growth, and a consequent substantial increase in employment
opportunities, bringing new skills and higher wages. NZKS suggests
that such technologies are ten years away and will be considered then.
We submit that the technology is available now and NZKS should be
instructed to move their operation to the open ocean, where their
production, and hence profits, can be greatly enhanced, in a sustainable
way, and one which would please all concerned.

20 5. It is however our opinion that an even better solution is offered by
land-based recirculating aquaculture systems (RAS). In systems of this
kind salmon [and other fish] are grown in large tanks but the system is
a completely closed circuit. Sea water driven to the optimum
temperature for growth can be oxygenated and its composition
25 precisely controlled. After passage through the pens, the water,
containing waste products and faecal matter, can be passed through
beds containing in turn filter feeders, such as mussels and clams, thus
providing a second and lucrative crop, and then perhaps to further tanks
growing macroalgae, followed by filtering to remove the remaining
30 solid waste, before being returned and recirculated. The solid waste
could be bagged and sold as fertiliser, generating a further revenue
stream. Such multi-trophic RAS are already being exploited in Europe
and Canada. Wright, for example, has presented a design which is
theoretically capable of producing 1000 tonnes of 5-kilogram fish and
750 tonnes of fillets per annum. Such a system would need an
35 establishment cost of about \$US12 million and a running cost of \$US6
million (2010 pricing), and could return between \$US 5 million and
\$US13 million. These figures could be obtained from a land footprint
of only 24 x 67 metres. The analysis by Wright and Arianpoo is so
detailed in its consideration of both design and operational features that
40 we attach it as an appendix --

I submitted that.

45 CHAIRPERSON: Yes, you did.

MR LEADER:

-- together with the bibliographic references to other material on RAS. To us the exciting opportunity offered by such systems is the employment opportunities it offers. Instead of low paid labourers, such systems would employ innovative and well paid engineers and biologists, in a clean industry, on a small footprint, which could generate many innovative downstream developments. In a world which is increasingly interested in properly sourced food, the premium which such a production method would attract could be well worth the initial expenditure. Sited on waste land, it would overcome almost all the objections to inshore farming. In fact, the influential Norwegian investment bank, DNB Markets, earlier this year reported that as operational and licence costs of traditional pen-based farms rise, economies of scale make large land-based fish farms an attractive and financially viable alternative.

The e-journal Undercurrent News contains a translation of that from the Norwegian, which shows that potentially, because of the high cost of inshore licensing, land-based salmon production is financially viable.

"DNB estimated that land-based salmon production will reach 150,000 tonnes by 2020. If this is the case then production from inshore pens will lose appeal to purchasers, no matter how clever the marketing. We submit that moving to land is environmentally friendly, unobtrusive and profitable."

Another submission from John Mosig in the journal Aquaculture suggests that now is the time to think in terms of land-based aquaculture.

6. NZKS advertises claims about the quality of their fish products which are at best duplicitous and at worst incorrect. The rising cost of fish meal and fish oil means that these predatory fish are fed a diet of chicken offal and soy (which incidentally almost certainly contains an amount of genetically modified material) as well as antibiotics and pesticides which are incorporated into the flesh of the fish. The red colour of the fish, which their advertisements claim is due to their being raised 'in the pristine waters of the Sounds' is actually due to the addition, in the food, of astaxanthin, extracted from cultures in Nelson. In addition, they have clearly demonstrated by the high mortality they have experienced, year after year, that they are incapable of good management practice. A land-based farmer who lost 20 per cent or more of his stock would soon be out of business. It is really unacceptable for NZKS to acknowledge that the areas under some of the recently disused pens will be anoxic for up to ten years.

5 7. In the course of our study of the mesoplankton in the Sounds we
have been keeping records of water temperature at depths of one, five
and ten metres, over the past three years. Each summer for long periods
water temperatures exceed 17 degrees C in the Tory Channel, and this
is confirmed in published records of the Marlborough District Council.
This is approaching the upper lethal temperature for salmon, and
undoubtedly stresses them in crowded conditions, and which, in
combination with falling oxygen levels as the temperature rises,
probably partly accounts for the still unexplained excessive mortality
10 experienced in successive years. The Company is well advised in its
plans to build a pet food industry.

15 There is already good evidence for a steady increase in temperature of
ocean waters, and a diminished buffering capacity caused by the rise in
dissolved carbon dioxide. Thus a situation will arise where the salmon,
near their upper lethal limit already, are likely to be exposed to even
greater stress, with higher mortality, in the future. That will leave no
recourse other than to move the pens again, to cooler sites.

20 8. Conclusion. In summary, we submit that moving the existing
salmon farms to new high flow sites, in contravention of the District
plan, is likely to prove a merely temporary expedient, and it will
become necessary to move the pens again in a few years. In our opinion
the Board should instruct NZKS to relocate to better sites, in the open
25 ocean, outside the Sounds, while developing the technology for land
based aquaculture.

Thank you for listening.

30 CHAIRPERSON: Yes.

MR BOYCE: You got those other additional?

35 CHAIRPERSON: Yes, we have. My copy of Mr Mosig's article says, "Aquaculture 77,
8 - 9, 2017" and I'm not sure what all that means.

MR LEADER: Yes. That's the way a scientist would do it.

40 CHAIRPERSON: What?

MR LEADER: That's the way a scientist would do it. The "77" is the journal number,
the page numbers are 8 - 9 and the year is 2017.

45 CHAIRPERSON: So it's a 2017 journal?

MR LEADER: It was actually last week.

CHAIRPERSON: Last week, was it?

- MR LEADER: Yes.
- CHAIRPERSON: Okay. Good.
- 5 MR BOYCE: That person's got some reasonable credibility. He's quite well-known in Australia as an expert on aquaculture.
- CHAIRPERSON: Yes. Good. So that's all? You're both finished now, are you?
- 10 MR LEADER: I think so.
- CHAIRPERSON: Yes?
- MR LEADER: Nothing to add.
- 15 CHAIRPERSON: Yes.
- MR BOYCE: Sorry it's been a bit rushed but --
- 20 MR DORMER: Not at all.
- CHAIRPERSON: Thank you for coming back, actually, because you spent a lot of time here yesterday.
- 25 MR DORMER: I'm glad we had it in writing because it makes it much easier than trying to scribble things down.
- CHAIRPERSON: Yes.
- 30 MR DORMER: On the -- oh, the page isn't numbered -- about the fifth page in, you've got a long paragraph at the top which says at the end:
- 35 "There is now extensive literature on the basic technology and a range of designs and procedures."
- MR LEADER: Yes.
- MR DORMER: "For example, the Norwegian-based company, Salar, one of the world's largest ... uses anchored pens in open ocean."
- 40 MR LEADER: Yes.
- MR DORMER: I look forward to NZ King Salmon's reply to that.
- 45 MR LEADER: They've tended to brush it aside.
- MR DORMER: Their evidence has been that such things are, at best, only in formative trial stages. But then on the following page, the third sentence, "Such multi-trophic RAS are already being exploited in Europe and Canada".

[4.30 pm]

- 5 MR LEADER: Yes.
- MR DORMER: Now, that statement stands clear on its face. "Are already being exploited in Europe and Canada".
- 10 MR LEADER: Yes.
- MR DORMER: Then you go on to say, "Wright, for example, has presented a design which is theoretically capable ..."
- 15 MR LEADER: Yes. I --
- MR DORMER: There is a big difference between something that is already being exploited and something that is theoretically capable.
- 20 MR LEADER: That's right. I left it out because of space. I had a nice example from Andrew Wright, who had done a beautiful costing and design of the whole thing so that one could see what potentially it could afford, but Andrew Langan gives a nice picture of several different kinds of designs. The Germans, for example, I know are using attachments to wind farms as a concrete base to support these long chains of pens. In
- 25 Canada, pressure from the native tribes is forcing people to look at open-ocean aquaculture.
- MR DORMER: Yes, but that's a lot different, "Forcing people to look at" --
- 30 MR LEADER: Forcing people to use.
- MR DORMER: You just said, "Forcing people to look at".
- MR LEADER: Yes, "To look at", yes. I was -- to use.
- 35 MR DORMER: You are satisfied -- are you satisfied that your comment "Such multi-trophic RAS are already being exploited" is accurate on the commercial as distinct from trial or experimental basis?
- 40 MR LEADER: Yes. I'm just trying -- in Germany, they have trials using windfarms with seaweed and mussels. In Greece, sea bass, sea bream. In Japan, they're using tuna and mussels in a recirculated -- that's an open-ocean system.
- 45 MR DORMER: We're not talking about open ocean here.
- MR LEADER: I should have produced some examples.
- MR DORMER: We're talking about land-based.

MR LEADER: Right. And ... yes, in fact there are already applications in place although they are not actually -- it depends what you mean by "exploited". There are certainly applications.

5 MR DORMER: Well, they are your words, not mine.

MR LEADER: Yes. There are certainly applications to develop land-based fish farms in Europe and in Canada.

10 MR DORMER: When you say "are already being exploited", I expect you to be able to produce, "Here's a photograph of a plant that does this, that and the other thing and it's been in place for six years and here's the downstream effects" or whatever. If you wish to modify the words "are already being exploited", I'm more than happy --

15 MR LEADER: Studied.

CHAIRPERSON: Right.

20 MR DORMER: Thank you. Because if I was in NZ King Salmon's place and was given notice that I expected rebuttal evidence --

MR LEADER: Right.

25 CHAIRPERSON: They won't be getting it.

MR DORMER: -- would we get that?

30 CHAIRPERSON: I don't think so.

MR DORMER: I would find it easy to exploit that if you'd left the word "exploited" in.

MR LEADER: Right, yes.

35 MR DORMER: Hang on, there was -- was there one other thing? No. No, that was it, thank you, Mr Chairman.

CHAIRPERSON: I'm not sure whether this document is one that you presented to us amongst your documents or whether it was one we got from one of the other submitters.

40 MR LEADER: It's not mine.

45 CHAIRPERSON: No.

MR BOYCE: That was Bev Doole's, I think.

CHAIRPERSON: Bev Doole's, was it? Right.

Marlborough Convention Centre, Blenheim 2.5.17

MR BOYCE: Yes, and I must say that we support what she's saying about her opinion. We had no collusion at all with that. She submitted this morning and we were complimentary towards that, I must say.

5

CHAIRPERSON: Right, and indeed she was putting it forward as being supportive of the same sort of argument you have about alternatives --

MR BOYCE: Yes.

10

CHAIRPERSON: -- but when you actually get into it and into the detail -- if I just read a passage from it for example. This is as at 21 November 2016, this report that was given to us.

15

"Large costs aside, can going offshore really arm farmers with the magic bullet and consign their longstanding battle with sea lice to history? It's not a given, according to Arne Fredheim, research director at SINTEF Fisheries and Aquaculture [whoever that may be].

20

Addressing delegates - including Undercurrent - at a sea lice workshop at this year's North Atlantic Seafood Forum in Bergen, Fredheim said there were still challenges and factors to be considered. For instance, the further one goes offshore, the heavier the equipment needed to deal with larger volumes of fish. Farmers might also have to contend with stronger waves and currents in more remote spots. Risk management strategies - commonplace now in the offshore oil and gas sector - are still relatively underdeveloped too."

25

It's the same sort of concerns that we've been hearing in evidence from NZ King Salmon.

30

MR BOYCE: Right.

CHAIRPERSON: Are you able to advance us at all in comparison with those sorts of comments as at November 2016 in Norway?

35

MR BOYCE: Just by those refs, those ones there are examples. This is offshore you're talking about?

40

CHAIRPERSON: Yes.

MR BOYCE: Yes. Yes, those are the offshore ones, examples that are actually operating now, on those graphs there. So they've obviously been extending. They've overcome their problems and the world's looking at that type of process. In our submission we're talking about offshore and then we go and elaborate that best practice would be to land-base, and give you examples of that.

45

CHAIRPERSON: Right.

MR BOYCE: So, the offshore development is well and established here because it's already -- these are examples of farms that are already operating, and the ten and so in China as well. The technology is there. It's being developed, just like the very first salmon farms -- sorry, mussel farms that came into the Sounds. I can remember Keith Yealands's ones that I was involved with. I was working with Keith at those days and that was the first technology. However, we are much more developed since those days and the world is looking at this sort of practice because of the other complications.

CHAIRPERSON: All right. Thank you very much. At the top of your statement you use the words, "Submission to the Board of Inquiry". We are not a Board of Inquiry.

MR LEADER: I'm sorry, I thought you were.

CHAIRPERSON: Is this the same submission that you gave to a Board of Inquiry?

MR LEADER: No.

CHAIRPERSON: Did you think we were a Board of Inquiry?

MR LEADER: I did think you were a Board of Inquiry.

CHAIRPERSON: I see. Well, we've been thought that we were a lot of things in the last days. We're an Advisory Panel.

MR LEADER: Right.

CHAIRPERSON: We're not a Board of Inquiry.

MR LEADER: Well, perhaps you'd like to strike that out and make it "Advisory Panel".

CHAIRPERSON: Just thought you should know that.

MR LEADER: Yes. Well, thank you very much.

CHAIRPERSON: Right. Thank you both for coming and thank you for coming back today.

Now, Wendy McGuinness.

MS MCGUINNESS: Thank you very much. If I could perhaps -- I'm just aware of time so I'm going to move quite quickly. Is that all right?

CHAIRPERSON: Yes.

MS MCGUINNESS: Yes? Cool. There's three things that have come up since I've been sitting here. One is I do have some photographs of offshore farming, which John has alluded to.

5 CHAIRPERSON: You have some what?

MS MCGUINNESS: These will be passed to you shortly. If you could pass these out, that would be great.

10 MR CROSBY: Photographs of offshore farming.

MS MCGUINNESS: Yes.

15 CHAIRPERSON: Right. Just explain to us again who you are and what your purpose in being here today is because I think you're coming to one of the witness meetings we're having, aren't you?

MS MCGUINNESS: That's right. That's right, on the 10th.

20 CHAIRPERSON: Yes.

MS MCGUINNESS: So, I'm an expert. I'm going to be one of your expert people that will be involved in the caucusing.

25 CHAIRPERSON: But you're -- so what are you doing here today in your personal capacity?

MS MCGUINNESS: I'm not here in my personal capacity, I'm here as Wendy McGuinness from McGuinness Institute.

30 CHAIRPERSON: I see. It's a submission by the McGuinness Institute.

MS MCGUINNESS: That's right.

35 CHAIRPERSON: But you've got some expertise.

MS MCGUINNESS: I'm an accountant. I've got a BCom. I do strategy, I do futures, so it's quite --

40 CHAIRPERSON: Okay.

MS MCGUINNESS: And I've got -- in my statement of evidence I've got a list of my background, which is being read at the moment by Alan Dormer.

45 CHAIRPERSON: You see, there's a difficulty in having you as an expert person on the one hand and an advocate for a cause on the other.

MS MCGUINNESS: I think my view is that I've never been an advocate for cause. I wouldn't define myself like that.

CHAIRPERSON: But isn't your whole statement about that?

5 MS MCGUINNESS: My statement is that I don't support this but I don't support it on public policy grounds. I'd like to --

CHAIRPERSON: Is that outside your expertise?

10 MS MCGUINNESS: Well, I've been a public servant most of my life, sir.

CHAIRPERSON: Well, anyway, we may have to look a bit more closely at that, Ms McGuinness.

15 MS MCGUINNESS: Okay. Thank you. So, in front of you -- probably if I could have one of my staff up here pointing, doing the thing.

20 What you have before you is a statement of evidence and you also have a long letter which is one of the attachments to that, which is to the Minister. Then you have two further reports that were prepared in the past and these will become relevant.

25 I first wanted to start by your terms of reference. You'll be aware of the Aquaculture Strategy 2012 that's been prepared by government. It's part of your terms of reference so I'm assuming you'll have a copy of it.

CHAIRPERSON: I'm sorry, I wasn't --

30 MS MCGUINNESS: In your terms of reference you're actually required to achieve the government's policy for aquaculture and then earlier on, on page 2 --

CHAIRPERSON: Oh, yes, yes.

35 MS MCGUINNESS: Yes, yes. So you'll be aware of that. I want to come back to that because one of the things as -- I'm concerned in terms of public policy process where the National Direction for Aquaculture fits in, which is the public consultation that's going to happen in mid-July. So how that fits.

40 I'm not going to expect you to be able to answer that unless you want to but my point is that in the letter to Minister I have got a detailed timeline of events. It has always been a very contentious area. We've had moratoriums in the past in terms of new aquaculture farms in 2000. What I'd like to do is actually just feed through the correspondence that's in front of you.

45

So the first image, the first one is actually just understanding what the discharge process is. So these are diagrams that are actually in the letter to the Minister.

CHAIRPERSON: Where is this in your evidence?

5 MS MCGUINNESS: I have my statement of evidence, being this document here --

CHAIRPERSON: Where are you starting?

MS MCGUINNESS: -- and then I have my first attachment, this letter to the Minister.

10 CHAIRPERSON: Why are we interested in a letter you've written to the Minister?

MS MCGUINNESS: Because it outlines the history of strategy development that comes under your terms of reference.

15 CHAIRPERSON: I don't understand why you think -- I don't understand why you've written a letter to the Minister. Why haven't you told us about this?

20 MS MCGUINNESS: Well, I was in a difficult position because some of the issues are outside your terms of reference and some of the issues are inside but they are all inside the Minister's terms of reference, if you like. And so how I've dealt with this, rather than being repetitive I've created a letter to the Minister and made that letter a part of my submission.

25 CHAIRPERSON: Well, if they're outside our terms of reference we can't take any account of them.

30 MS MCGUINNESS: Well, the strategy, it actually says -- under the terms of reference, your terms of reference, it does talk about the government public policy and so I thought that that would be helpful for you.

CHAIRPERSON: You can't have it both ways.

35 MS MCGUINNESS: Well, if you can imagine, the way I see it is that the Minister has a much bigger frame than you but the Minister has directed you to look at aquaculture strategy.

CHAIRPERSON: Has he?

40 MS MCGUINNESS: I'm sorry, I'll read it out to you. It actually says, "To achieve the government's policy for aquaculture and give effect to the identified objectives". That's on page 4, and on page 2 it actually refers to:

45 "The government's policy for aquaculture (based on the New Zealand Coastal Policy Statement 2010, the Aquaculture Strategy 2012 and the Natural Resource Business Growth Agenda 2015)."

CHAIRPERSON: You're reading from our terms of reference now?

MS MCGUINNESS: That's right, yes.

CHAIRPERSON: Well, what's outside our terms of reference then?

5 MS MCGUINNESS: Well, it's a very interesting issue for you about how you define that. My view is that even this public consultation that MPI is running around -- perhaps if you go to the letter and you go to the timeline at the very back, and I'll refer you to page 32, on the MPI website they call it the National Direction for Aquaculture. They have a consultation process for the public that starts in mid-2017 which includes:

10 "Developing a National Direction to manage consenting of existing marine farms more consistently and efficiently across the country."

15 [4.45 pm]

I am confused how we can have a public consultation process here for King Salmon and Marlborough Sounds and actually at the same time be running this larger one that sets the strategy direction. So, if you can imagine, I was confused and I felt that the best way to do it was to document this history and then actually draw that out in terms of where you might want to go.

20 My view is that your terms of reference has been very large at one level and then very narrow in terms of the consultation with the regulations. In terms of your question earlier that was raised in terms of whether the Council could decline a consent application under the regulations in the proposed consultation document, it would be very hard for the council to actually turn down a consent. This is my legal advice.

25 CHAIRPERSON: Your what?

30 MS MCGUINNESS: My legal advice. In other words, I've asked a lawyer to have a look at this because I'm --

35 CHAIRPERSON: But you're not a lawyer.

MS MCGUINNESS: No, I'm not a lawyer --

40 CHAIRPERSON: No.

MS MCGUINNESS: -- but I have asked an expert and I can provide a legal opinion if you would like one.

45 CHAIRPERSON: Well, that's one thing but you can't tell us that.

MS MCGUINNESS: No, no, I'm responding to you because you informed someone that they could do that and all I'm saying is: yes, but -- you know, so you're absolutely correct but that is a narrower process than what currently exists at the moment, based on the proposed regulations.

MR DORMER: But that wasn't the issue --

CHAIRPERSON: It wasn't.

5

MR DORMER: -- because the person we were talking to said that the council would not be able to.

10 MS MCGUINNESS: Absolutely. I'm not disagreeing, I'm just saying that what we're looking at is 11 farms that are existing in the Marlborough Sounds and there's issues in terms of: is this proposal just specifically looking at six, in which case it ignores what's actually happening in the broader sense, or not?

15 CHAIRPERSON: No, the existing farms are part of the consenting environment.

MS MCGUINNESS: So are the 11 farms part of that? Do you look at the 7 in terms of the 11? Do you look at the 11 in terms of the overall strategy --

20 CHAIRPERSON: Yes.

MS MCGUINNESS: -- and what work is happening with the MPI? That's absolutely fine. What I'm trying to do, all I'm trying to do is provide a historical context because I love history in terms of public policy so that you can see that situation as it comes into existence.

25

CHAIRPERSON: I'm trying to find, Ms McGuinness, a sensible way forward at 4.45 pm in the afternoon of a long day and I'm having difficulty doing that, I have to say.

30

MS MCGUINNESS: If you would like me to come back, I'm happy to do that.

CHAIRPERSON: I don't think we've got time. Well, it's possible that you could come back tomorrow.

35

MS MCGUINNESS: I'm flying back to Wellington but I --

CHAIRPERSON: No, you can't because we won't have a recording facility tomorrow.

40 MS MCGUINNESS: Okay.

CHAIRPERSON: No, he's going at half past. Unless we get him to stay.

MS MCGUINNESS: I mean, I'd like to then -- so that's one area of my expertise, is public policy.

45

CHAIRPERSON: Yes.

MS MCGUINNESS: Another area is financial and I'd like to talk about that and go through these figures with you in terms of financial results.

5 CHAIRPERSON: Well, that's going to take us a lot longer than until 5.30 pm, isn't it? Yes.

MS MCGUINNESS: I'm here for you.

10 MR CROSBY: Another concern I've just got is that attached to your submission as Appendix 1 is a letter to the Minister of Primary Industries dated 27 March 2017 which appears to start off exactly the same as this one that you've now put before us dated 2 May 2017, which I note at the top right-hand side has "Final draft" on it.

15 MS MCGUINNESS: That's right.

MR CROSBY: Apart from the first page and a half, it then seems to replicate the letter of 27 March.

20 MS MCGUINNESS: No, it's actually -- what's actually happened is that I was in dialogue with MPI, collecting information. I didn't want -- I wanted an extension. They couldn't provide one and so my understanding was I had to send in what I had. I did so and then we've had dialogue since then that's provided information that's actually made the letter, the original letter, more accurate. I've worked very hard to try and get all the information I could together to make an informed letter and through that process I came across new documents and new pieces of information. It's a little bit like I imagine as lawyers you're developing a narrative, you're trying to understand how things connect.

25
30 The letter as it stands hasn't been sent to the Minister yet and I did that just in case there was anything that came up right now, today. I still have letters -- I still have questions outstanding with MPI and I met with PricewaterhouseCoopers yesterday.

35
40 The reason I think that this is an incredibly important and interesting area is that we're dealing with massive timeframes. There's not many decisions that we make for 35 years when we give away a licence for something. So that's my interest in King Salmon, is the length of the licence.

45 MR DORMER: If they were to get a licence granted, if they were, one of the matters for consideration by the consent authority would be the length of the term. I haven't practiced in the field of resource consents for salmon farms but I'm vaguely familiar with resource consents for other water uses and it's relatively common to get a consent for a lot shorter period than 35 years.

- 5 MS MCGUINNESS: I agree. I advocated strongly for that at the Board of Inquiry, particularly with the level of innovation that's happening. But, as you know, with the Board of Inquiry they took a view that they would reduce the number of farms to sort of four out of the nine that were applied for but then make those 4 for 35 years. I think you're sort of dealing with a package of what you think is what you will advise is the best to the Minister.
- 10 MR DORMER: If those 4 were for 35 years it doesn't mean anything approved as a result of this process will be 35 years.
- 15 MS MCGUINNESS: Absolutely not, absolutely not. When you're doing risk management, which I do, or cost-benefit analysis or assessments, one of the first things you look for is the timeframe and we don't have a timeframe here, which is why PwC fell back into this hundred -- I don't know how much you've read of their document, sorry. That's a particular area of interest of mine because, if you could imagine, when you get an economist and a finance or accounting person together you're getting a different language. But --
- 20 MR DORMER: You get three lawyers and it's different again.
- 25 MS MCGUINNESS: I know, I know, I know. Too true. So there's some interesting things there that can be discussed in the caucusing, which I'm looking forward to doing. We've already, like I said, had a -- met with PwC.
- 30 One of the things I look for, which I'm sure you do as lawyers -- you're always looking for the follow-through. You're trying to understand the narrative, connect the dots, make sure things are logical. With the PwC report - it is actually in my understanding the only economic report that is before you - it is not a cost-benefit analysis. In fact, the gentleman that prepared it at PwC is very clear that it is not a cost-benefit analysis. The only cost-benefit analysis you have is what was prepared in the Cabinet paper in December 2016 so you're in a difficult position in terms of -- and they're very clear that that is a preliminary one.
- 35 CHAIRPERSON: Because do you understand that the Section 32 analysis under the RMA has yet to come? That's why we haven't got it.
- 40 MS MCGUINNESS: So will that be made public and who's preparing that?
- CHAIRPERSON: Well, it will be made public, yes. Of course it will be.
- 45 MS MCGUINNESS: I'm sorry, I've been in contact with MPI and PwC and no one has mentioned that a cost-benefit analysis is being prepared in the process, or even who's preparing it. I've been in quite frequent contact with them, so ...
- CHAIRPERSON: Well, because it hasn't been done yet.

MS MCGUINNESS: But -- sorry, my point being is that I'm asking if they're going to do it or who's going to do it and I haven't been --

5 CHAIRPERSON: They have to do a section 32 analysis.

MS MCGUINNESS: Yes, okay.

CHAIRPERSON: The law requires them to.

10

MS MCGUINNESS: With respect, then, if this is the only time that King Salmon's work is going to be up for consultation and possibly whether it's going to be 5, 10 -- and you can imagine where I'm erring -- but 35, looking at the previous major decision in this area, the cost-benefit analysis is something that actually the public should be consulting on, and so if it's not --

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CHAIRPERSON: No, there's no requirement under the to consult the public on a section 32, which is where the cost-benefit analysis would be done.

20

MS MCGUINNESS: Yes.

CHAIRPERSON: There's no requirement to consult the public on that.

MS MCGUINNESS: It would be unusual, in my view, to have an input-output analysis without a cost-benefit analysis going up for public consultation. So if you're going to have one, the other one is the more predominant one that you would see. I mean, input-output is a particular type of model that is an economic model. It doesn't -- it can't be looked at as a --

30

CHAIRPERSON: No, I understand.

MS MCGUINNESS: Yes. Thank you, yes. Shall we just go a little bit further through those figures? Would that be useful for you? And I could just --

35

CHAIRPERSON: Yes, I'm just worried that we're not going to --

MS MCGUINNESS: No, I'm happy to come back but I thought if I --

40 CHAIRPERSON: Well, yes, you might be but we've got a problem with the recording.

MS MCGUINNESS: Okay.

CHAIRPERSON: Is there any way we can continue tomorrow?

45

FACILITATOR: We've got the possibility of 9 May.

CHAIRPERSON: What?

- FACILITATOR: The possibility of taking it on 9 May. We're running a hearing anyway on that day.
- 5 CHAIRPERSON: Oh, yes. What else have we got to do that day?
- FACILITATOR: There is an expert meeting at 3.00 pm but the last --
- CHAIRPERSON: Yes. That's when Ms -- this lady's going to be there, isn't it?
- 10 MS MCGUINNESS: Yes.
- FACILITATOR: Not that one. That one's landscape, on the --
- CHAIRPERSON: Oh no, it's landscape. It's the next day.
- 15 MS MCGUINNESS: I'm happy to do that. I appreciate that. The more I've dug into this, the more I -- there's a whole lot of issues and I don't want to be (mobile phone speaks). Sorry. The phone's talking to us. But that would be great. It's up to you.
- 20 MR DORMER: I'd much rather hear it in one hit, rather than --
- CHAIRPERSON: So do I, and now that we've got this I think we should have a look at this.
- 25 MR DORMER: Yes.
- CHAIRPERSON: Yes. So I think, if it's all right with you, we will ask you to come back on 9 May and see Louise about getting a suitable time.
- 30 MS MCGUINNESS: Thank you.
- CHAIRPERSON: In the meantime, we'll have an opportunity.
- 35 MS MCGUINNESS: Thank you.
- CHAIRPERSON: We might be a bit more focused at that point.
- 40 MS MCGUINNESS: I'm sure you've got all the answers, it's just that I haven't and I'm trying to contribute in the best way.
- CHAIRPERSON: Well, I think we need to focus ourselves a bit more.
- 45 MR CROSBY: We haven't even got all the questions, let alone all the answers.
- CHAIRPERSON: Would that be all right with you?
- MS MCGUINNESS: I think that's the best solution and I was apologetic to even be where I am at the moment in terms of --

CHAIRPERSON: Okay.

5 MS MCGUINNESS: -- so I appreciate it a great deal, yes.

MR DORMER: Again, can I just get it clear, though, that the letter that is attached to the submission which was dated 27 March, is that just a foundation to this final draft?

10 MS MCGUINNESS: My view, my recommendation, is I would like you to put a line through 27 March. You could rip it up and throw it out, as far as I'm concerned. I was actually under a lot of pressure at that time.

15 MR DORMER: A better course might be for me to write, "Superseded by draft 2 May"?

MS MCGUINNESS: Please, please. That would be wonderful. Yes, that would be wonderful and I actually think MPI would be happy as well. I mean, we were -- they had a situation that happened to their team so they couldn't answer the questions so it was just a very messy time for both of us. So ...

CHAIRPERSON: Right. Then can we treat your letter to the Minister of 2 May as your submission on this proposal?

25 MS MCGUINNESS: I think if you treat the statement of intent -- sorry, the statement of evidence, if you have the statement of evidence and then underneath that you have the letter.

30 CHAIRPERSON: Which is --

MS MCGUINNESS: Yes.

CHAIRPERSON: Yes, we've got that. That's your statement of evidence to us.

35 MS MCGUINNESS: Yes.

CHAIRPERSON: But we can treat this letter now as your comments, I think is the word that's used?

40 MS MCGUINNESS: Yes.

CHAIRPERSON: All right?

45 MS MCGUINNESS: It actually discusses four different elements in my statement of evidence and one of those is the letter to the Minister.

CHAIRPERSON: Yes. All right.

MS MCGUINNESS: Thank you very much.

CHAIRPERSON: Thank you for accommodating us in that way as well, and we'll see you on 9 May.

5 MS MCGUINNESS: That would be wonderful. Thank you very much.

CHAIRPERSON: Thank you.

MS MCGUINNESS: Have a good evening.

10

CHAIRPERSON: You too. All right, now there's nobody else here that thinks they ought to be heard today? No. In that case then, this hearing is adjourned until Monday, 8 May at 10.30 am. Thank you all very much. Thank you for attending with us today.

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**MATTER ADJOURNED AT 5.00 PM UNTIL
MONDAY, 8 MAY 2017**