



18 April 2017

**POTENTIAL RELOCATION OF SALMON FARMS IN THE MARLBOROUGH SOUNDS  
A PROPOSAL TO AMEND THE MARLBOROUGH SOUNDS RESOURCE MANAGEMENT PLAN**

**ORAL SUBMISSION BY SANFORD LIMITED**

**STATEMENT OF EVIDENCE OF EDWARD JOHN CULLEY ON BEHALF OF SANFORD LIMITED**

- 1 My full name is Edward John Culley (**Ted**). I am the General Manager Processing for Sanford Limited (**Sanford**) based at Havelock. I am responsible for managing Sanford's processing operations across five sites in New Zealand and one site in China.
- 2 Prior to my current position I was the Sanford General Manager of Aquaculture where I oversaw the acquisition and development of ~2025 hectares of water space primarily growing Greenshell mussels, and including a 3,300t salmon farm in Big Glory Bay, Stewart Island.
- 3 I am a director on Aquaculture New Zealand, which is the sector representative body of fish farmers and processors. I am aware of the AquacultureNZ submission to the relocation proposal. Sanford's submission is not at odds with the industry perspective, but we do raise several issues that arise from our potentially becoming close neighbours to the NZKing relocated farms (Site 1 and Site 4) – our concerns are not matters raised in the industry submission.
- 4 I am also an industry representative on the MPI National Direction team reviewing the aquaculture amendments intended to support the re-consenting of the bulk of marine farming licences across New Zealand in 2024. Through this process I am cognisant of the need to offer existing marine farms long term security of tenure, particularly if the RMA planning environment was to change.
- 5 I am a member of the Marlborough Working Group, which is a Marlborough Council initiative where community stakeholders have come together to work on the aquaculture provisions in the Marlborough Environment Plan (**MEP**); and I was a submitter on that Plan both in my professional capacity at Sanford. and as a private resident.
- 6 Through my long experience in aquaculture, my professional activities and my governance role with the AquacultureNZ I am familiar with and interested in aquaculture developments across the Marlborough region. My knowledge is up-to-date.
- 7 To avoid any doubt, I am proud of what has been achieved in Marlborough and the wealth, economic and social wellbeing that aquaculture has brought to our region. I believe that it is a privilege to farm in the public space and that all farmers have a responsibility to be make their footprint lightly. I am a strong advocate of marine farm etiquette – how farmers behave on the water, in their community and with their neighbours.

- 8 This submission represents the view of Sanford. I am authorised to present this submission on behalf of the company. I welcome your questions.

### Submission

- 9 While Sanford supports the relocation of the farms, in principle, our support is provisional on two conditions:

- 9.1 The effects on existing nearby farms is recognised and appropriately mitigated, and
- 9.2 Best practice salmon farming is achieved.

### Declaration of interests

- 10 Sanford has an interest in the proposed relocation that is greater than that of the general public.
- 11 Sanford holds marine farming licences on sites immediately adjacent to three of the proposed new NZKing farms. As such we are a near neighbour with the potential to have our own farming entitlements adversely affected by any relocating decision.
- 12 Sanford's has owned and managed a King (Chinook) salmon farm in Big Glory Bay, Stewart Island since 1993. This farm was originally established in the mid-1970s. The farm is BAP<sup>1</sup> certified, and is part of Aquaculture New Zealand's A+ programme.
- 13 Sanford has a direct interest in salmon farming, Sanford is a commercial trade competitor to NZKing in both the domestic and export market. However, the proposed relocations do not affect our own salmon farms and our concerns relate to effects on our mussel farming operations.

### Precedent

- 14 Sanford supports the principle that Government will assist farms to be re-located if subsequent regional decision makers via RMA plans or consents deem that an established consented site is no longer suitable, or if changes to environmental standards mean a farm can no longer operate in its consented area.
- 15 If, at some time in the future, Sanford finds itself in a similar position to NZKing, and, for example, we are unable to farm in Big Glory Bay, or we were to seek to move one of our activities to more productive water space, we would also look to Government to provide us with a similar relocation package. We believe that it would be advantageous if the Panel made a positive supporting statement stating that a similar process should be adopted across New Zealand where similar circumstances arose.
- 16 All the above said, Sanford supports the Government's intent to find a solution to what is a very difficult situation in Marlborough.

---

<sup>1</sup> Best Agriculture Practice is a 3<sup>rd</sup> party global certification programme for aquaculture

## Changing environment

- 18 The Marlborough coastal marine area has undergone significant change over the last 25 years as the aquaculture industry in the region has developed, and as land use development patterns have changed. Over this time some Sounds communities have become less tolerant of aquaculture in their bays. Recent decisions by the Council, include a desire to move farms away from ‘ribbon development’ around specific foreshore areas to “extended ribbon development” or where appropriate ‘block development’ further out in the Sounds. This decision, and an earlier one not to allow double parking (i.e. two rows of farms), both seem at odds with some of the relocation sites that are proposed.
- 19 We note these new policy directions not because we want to challenge the proposed relocation sites that are being mooted, but because we are concerned that our own existing farms may have a tougher time during re-consenting if the six sites were to be granted as proposed, without giving consideration to existing users.

## Affected Party

- 20 Sanford is an affected party.
- 21 As several of the NZKing proposed relocation sites are adjacent to existing Sanford marine farming licences, the unintended consequence of ‘double parking’ means that the relocation proposal is likely to have a more than minor effect on our legally existing rights.
- 22 There is a potential issue of reverse sensitivity, in that if some of these site swaps proceed a possible unintended consequence is that it may limit our ability to continue (re-new) our existing marine licences. It is unreasonable that if granting NZKing these sites, the Panel has permanently diminished the value of our own sites. We discuss this in more detail below.
- 23 Sanford acknowledges that there is no simple way to resolve our concern that NZKing’s right to undertake their salmon farming activities may come into conflict with our own rights to undertake an existing business nearby. In that regard, we will be requesting from NZKing that they agree to a covenant of no nuisance including:
- Not making opposing submissions
  - Complaining about the effects our existing operations have on their relocated ones.
- 24 As the largest owner of consented water space (farming Greenshell mussels) in the Marlborough Sounds, Sanford owns, share farms or contract farms seven mussel farms which are in close proximity to three of the proposed re-location sites. We have the most concerns about Sites 1 and 4, and some concerns with Site 2, as I will discuss shortly.

## Marlborough Salmon Working Group (MSWG)

- 27 Sanford acknowledges the substantial work of the MSWG that sits behind the relocation proposal; we support its membership being ‘local people making local decisions’.

- 28 It is a disappointing however that experts were not co-opted into the MSWG to provide advice on technical 'fish farming' issues. For example, while the group brought a wide range of skills, interests and knowledge to the table it's not clear what technical expertise was brought to bear in respect of fish farming, fish husbandry including mortalities and ocean hydrological flow requirement. The absence of technical people on the MSWG may have narrowed the scope of its discussion and proposed solutions.
- 29 We raise this in case there is an opportunity to record learnings for future collaborative working groups in other areas around New Zealand.

### Industry growth

- 30 The relocation proposal seems to be viewed by MPI as providing for industry growth through more efficient use of space rather than creating new space and a bigger farm footprint.
- 31 We understand why officials may be wanting to do this. Sanford's preference is to farm sites within the natural resource (site) limitations and simultaneously support industry to find space for new, additional farms.
- 32 The proposed relocation plan is a reasonable solution for NZKing's problem, but is not a panacea for responding to the way the Resource Management Act landscape and natural character zoning has locked aquaculture out of much of New Zealand's sheltered coastal waters. This more fundamental issue still needs to be resolved. Many New Zealanders like to eat salmon and we think they have a right to expect that salmon can be farmed in New Zealand waters.
- 33 Industry growth can also be created by ensuring that resources are effectively managed, for example understanding a site's natural processes and limitations and working within these e.g. the warming of the ocean waters and corresponding changes to the composition of feed, or lower stocking densities.
- 34 Sanford supports the proposition that appropriate sites be farmed, and that the farming practices on the site are undertaken to high environmental standards. For this reason we signal our surprise that the relocation proposal contains no directive about fallowing. In our view it is not desirable if all sites are farmed all of the time.

### Changing the Marlborough Sounds Resource Management Plan (the Plan)

- 35 We also note Government's proposal includes side stepping the regional planning process so as to allow NZKing applications to be lodged in areas where aquaculture is currently prohibited (Coastal Marine Zone One, CMZ 1).
- 36 Sanford is a submitter to the Marlborough Environment Plan.
- 37 Sanford supports the proposed restricted discretionary consenting process – but believes that those parties who can show they are affected, and have an interest greater than the general public should be provided an opportunity to be involved through any approvals process.

## The Government's proposal to ensure there is no overall increase in total surface structure

38 The MPI consultation document proposes a trade-off for the relocation, which would effectively stop any other fin fish farm being applied for in the Marlborough coastal marine area. Sanford does not support the trade-off proposal, and we note that it was not a consensus decision of the MSWG.

39 Sanford's view is that new areas be considered on their merit.

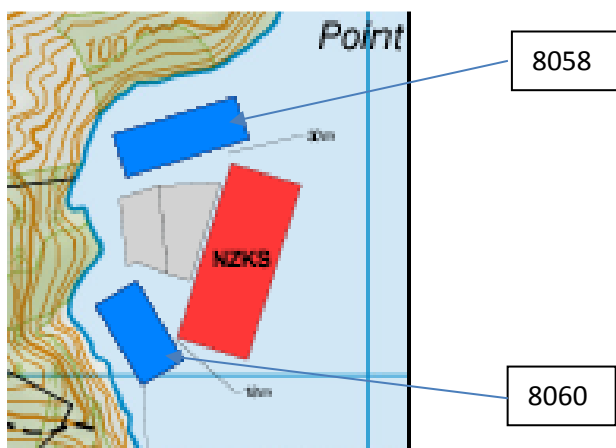
### Proposed sites

40 Of the six proposed 'relocated' sites, the MSWG recommended<sup>2</sup> that three of these go to public consultation: Richmond Bay, Horseshoe Bay and Tio Point.

41 Sanford has existing Greenshell mussel farms next to the **Richmond Bay** (Site 4) and **Horseshoe Bay** (Site 5), see attached map.

44 The MSWG had divergent views on the three other proposed sites; **Blow Hole Point north** (Site 1), **Blow Hole Point south** (site 2) and **Waitata mid-channel** (site 3). Sanford is a close neighbour to the **Blow Hole Point north** site and **Blow Hole Point south**, see attached map.

### NZKing proposed Blow Hole Point Site 1 and Site 2



45 The proposed NZKing salmon site 1, depicted in the above insert as the red box, is located seaward of three existing marine farms. Sanford owns the northern and southern farms, which are the two blue rectangles. The middle marine farm, shown in grey is owned by someone else. These sites are shown to scale.

46 As seen on the map, the proposed NZKing site would double park – that is, if approved it will create a second row of farms. As far as Sanford is aware there are no areas in the Sounds

<sup>2</sup> MSWG Recommendation 2

where marine farms are double parked sites. The Marlborough Council has been firm in its preference not to double park sites.

### **Marine licence 8050 and Marine licence 8058**

- 47 Marine License 8058 is the northern, top farm owned by Sanford. The farm is a 4.2 ha site, the consent will expire in 2019.
- 48 Marine License 8060 is the southern farm, also owned by Sanford. The farm is 3.2ha and likewise the consent will expire in 2019.
- 49 Both farms are 'average' producing marine farm growing Greenshell mussels. Both have been identified by SpatNZ as a nursery farm for their selective breeding programme. SpatNZ is a \$28m Primary Growth Partnership project that Sanford has with Government.
- 50 The estimated value of these farms is \$100,000 ha, which means the two farms combined estimated value of is \$~750,000.
- 51 The farms lie within 400m from a High Natural Character zone, and 400m from an Outstanding Natural Landscape. We note that in the NZ King Salmon EPA application their proposed 'Papatua farm' was adjacent to, but was not inside an area of Outstanding Natural Landscape – this farm was declined consent.
- 52 If the NZKing proposed relocation goes ahead, during the normal course of re-consenting our two sites 8058 and 8060 (November 2018) we would expect there to be some scrutiny of the double parking issue, and questions asked as to whether the bay had reached capacity. We don't know the answer to this, but it should be the responsibility of the NZKing to argue the cumulative effect of more farms, not Sanford's as the existing (first user) of the water space.
- 53 We note that at the closest point the ML 8058 is 50m from the proposed NZKing boundary; and at the closest point for the southern farm there only 18 m separating the consent boundaries. In other words, NZKing will be double parking right next the existing farm.
- 54 In our submission, it is unreasonable if the three lawfully established marine farms were to be penalised by a decision to grant NZKing Site 1.
- 55 We note that the MSWG did not have consensus on Site 1.
- 56 Sanford was advised by NZKing that this site was a possible contender for the swap shortly before the MPI document was released for consultation. Sanford was not approached by the Marlborough Sounds Working Group for our view.
- 57 There was insufficient time for us to take any action to mitigate the risk that the NZKing application places on us, for example by lodging our own consents (for renewal of the site) earlier. Sanford acknowledges that existing marine farms can more than likely satisfactory co-exist and probably have symbiotic relationship to the salmon farm. The mussels will help filter the water and in effect, feed off the nitrogen being discharged by the farmed fish. The

biggest risk to mussel farms is biosecurity, but it may also potentially limit our ability to become organically certified due to their close proximity with the salmon farm.

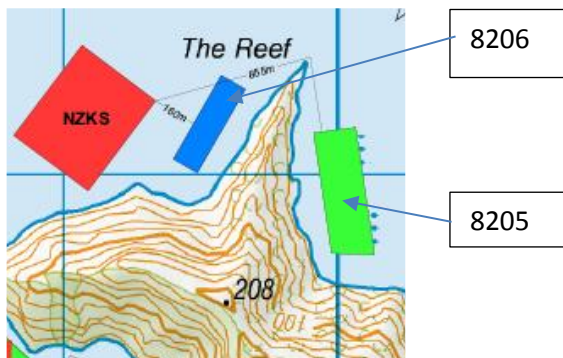
58 It is our submission, that as part of coming to a decision on Site 1, as the first step in the process Marine Licence 8050 and Marine Licence 8058 both be re-consented for 30 years. We accept that this is beyond the power of the panel but they do have the opportunity to recommend this to MPI as part of this process.

#### **NZKing proposed Blow Hole Point Site 2**

59 Marine licence 8060 as detailed above as being 18m from Site 1, is located 200m north of the NZKing proposed site 2, off the northern end of Blow Hole Point. Like Site 1, the MSWG did not reach consensus on this site. While this farm is unlikely to negatively impact us during re-consenting 200m is not a very large separation distance, and we need more certainty that future re-consenting will not be impacted by the relocation proposal.

60 We also note that in Sanford's written submission we stated that the company had a share farm arrangement with a farm on the western side that is 1,480m south of Blow Hole Point Site 2. Since lodging our submission this share arrangement has not been renewed – the reasons for not renewing are unrelated to the NZKing relocation proposal.

#### **NZKing proposed The Reef Site 4**



61 The Marine licence 8206 is a Sanford owned farm that is located 160m from the proposed NZKing new Site 4. This farm is 3.5 ha in area, and the consent expires in 2030. This farm is a good producing farm, with better than average crop rotations. I would estimate the value of this farm is about \$130,000 per ha.

62 In the MEP as proposed, the adjacent land has been identified as an area of high natural character.

63 In our view ML 8206 is a similar double parking issue to marine farms 8050 and 8058. It is our submission, that as part of coming to a decision on Site 4, as the first step in the process Marine Licence 8206 should be re-consented for 30 years. We accept that this is

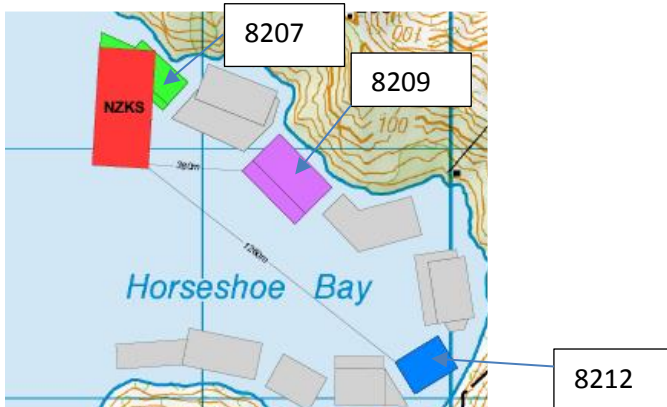
beyond the power of the panel but they do have the opportunity to recommend this to MPI as part of this process.

64 **Marine licence 8205** is a Sanford share farm, which is located 855m from the proposed NZKing new site, on the other side of a small peninsula (the highest point is approximately 600m). In the attached map it is shown as the green rectangle. The farm is 6.98 ha in area and is due for renewal in Oct 2035.

65 Similar to marine license 8206, the farm performs better than average and would have a similar value. The farm lies within 400m of a proposed in the MEP as having high natural character, the marine farms lies within 400m of this area.

66 It is our view that this farm is sufficiently far enough away, and is separated by a peninsula that there is unlikely to be a re-consenting issue.

#### NZKing proposed Horseshoe Bay Site 5



67 **Marine licence 8209** is a Sanford share farm; the licence is owned by a group of five people. The western edge of this farm is 300m from proposed new salmon farm. In the MEP proposal, the adjacent land has been identified as an area of high natural character.

68 This is a 4.5 ha site that is due to expire in 2024.

69 **Marine License 8212**, is a marine license owned and farmed by Sanford. This farm is shown on the above map as the blue box. It is a 3ha farm, and the consent must be renewed in 2029. The boundary of our farm is 1,260m from the proposed NZKS Site 5. In our view the value of ML 8212 site is about \$225,000.00.

70 In the MEP this licence is located within 400m of an Outstanding Natural Landscape, and 400m from a Very High Natural Character area.

71 This site could benefit from the salmon farm location, and be more productive – while noting our earlier comment re biosecurity.



- 72 **Marine Licence 8207**, is currently a Sanford contract farm, shown on the map above as a purple rectangle. The share farm contract will cease for commercial reasons at the end of this season. The reason for not renewing is unrelated to the NZKing proposal, and was a decision made by the consent owner.

### Cumulative adverse effects

- 73 Sanford is concerned that the MSWG has not recognised the potential for cumulative adverse effects on existing users as a result of landscape and natural character saturation. This can be mitigated by first user rights taking priority during re-consenting, or when that is not possible compensation such as NZKing buying the farms.
- 74 We also note that in several of the proposed relocated salmon farm sites there may be a possibility that the area is a habitat for King Shag feeding and foraging. While many coastal areas are feeding grounds for marine life, when taking into account the cumulative effect on these species it should not disadvantage existing growers. As stated earlier, it is the responsibility of the potential new entrant to show how cumulative effects have been addressed.
- 75 Should we, or any other existing grower, be disadvantaged by the planned NZKing relocations we seek government assurance that our first user rights are recognised and we are compensated with alternate space.

### Environmental management

- 76 Sanford has discussed with NZKing why their relocation proposal as it currently stands does not include regular and planned fallowing of sites. As we understand it, MSWG has taken the view that the benthic impact directly under the farms (due to stocking and feed levels) will never be at a level where the sites would require fallowing – as set out in the Marlborough best practice guidelines.
- 77 Sanford was not one of the parties around the table that worked on the Marlborough best practice guidelines; we don't know all the details behind what information was tabled and why. However, [fallowing](#) of sites is often standard industry practice in fin fish farming around the world for both benthic management and fish health.
- 78 We are surprised that fallowing is not being proposed / provided for in the NZKing site relocation proposal. We accept the geography of tides, currents, wind, benthos and the nitrogen cap and stocking rates might suggest that fallowing on the new farms is unnecessary or inefficient. Notwithstanding that, we accept that fallowing may be surpassed by new technology and innovation that means there are other ways to get to the same environmental outcome.
- 79 Notwithstanding local variances, Sanford's view is that finfish – fed aquaculture sites benefit from 'rest and recovery'.

## Navigation

80 We have reviewed the navigation consequences, we don't see the proposed new sites creating any issues.

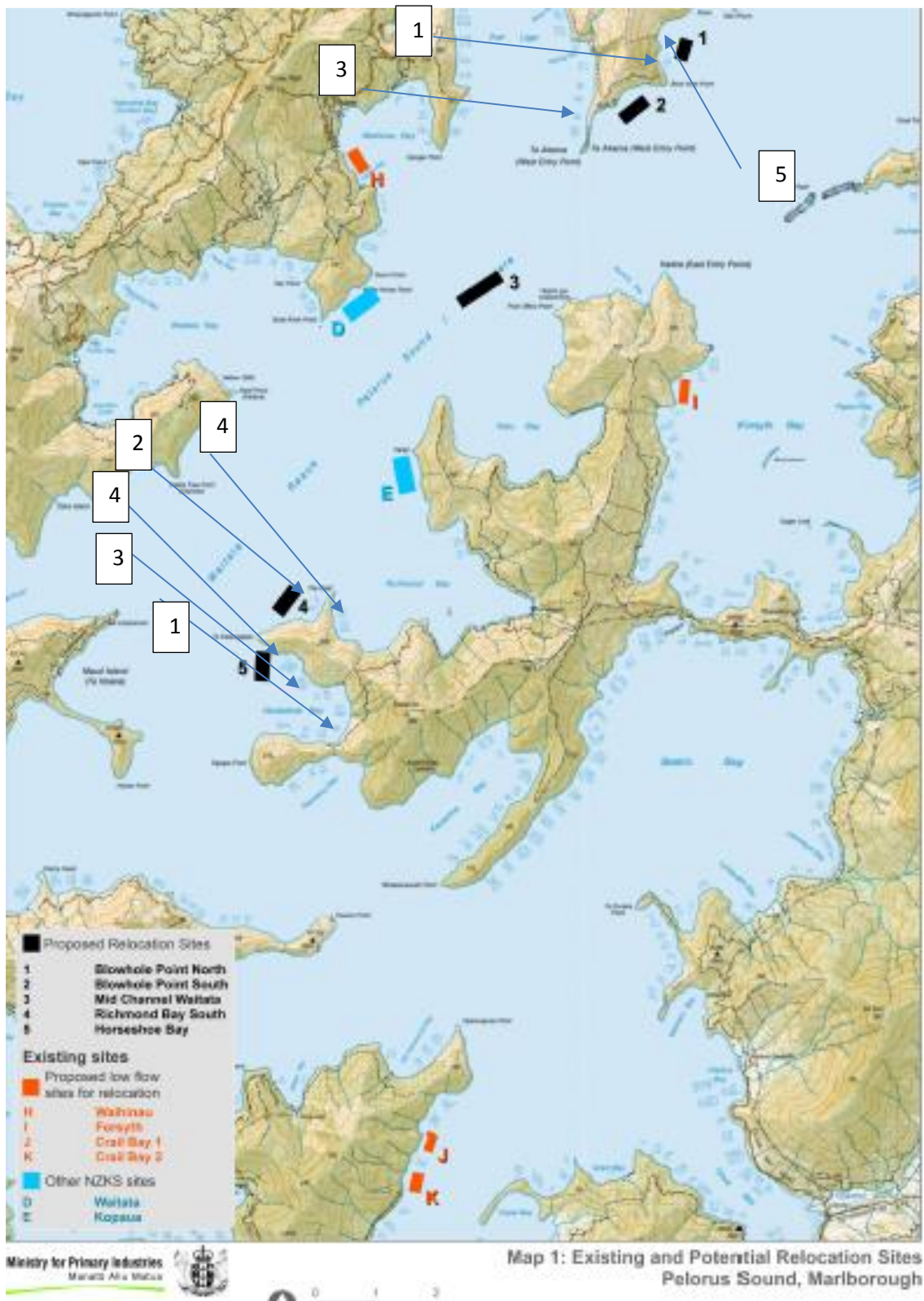
## Conclusion

81 Sanford appreciates the opportunity to provide comment on the proposed relocation of sites.

82 We have set out our concerns, and we proposed solutions for mitigation these.

We welcome your questions or feedback.

**Ted Culley**  
Sanford Ltd.



1. Sanford owned      2. Sanford owned (2 blocks = 1 farm)      3. Sanford share farm  
4. Sanford contract farm      5. Sanford farm, not recognised on MPI map



