

**BEFORE THE ENVIRONMENTAL PROTECTION AUTHORITY
AT WELLINGTON**

IN THE MATTER of the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (**EEZ Act**)

AND

IN THE MATTER of an application for marine consent under section 38 of the EEZ Act by Trans-Tasman Resources Limited to undertake iron ore and processing operations offshore in the South Taranaki Bight

BETWEEN **Trans-Tasman Resources Limited**
Applicant

AND **Environmental Protection Authority**
EPA

AND **Fisheries Inshore New Zealand Limited, New Zealand Federation of Commercial Fishermen Inc, Talley's Group Limited, Southern Inshore Fisheries Management Company Limited and Cloudy Bay Clams Limited**
Fisheries Submitters

SUPPLEMENTARY EVIDENCE OF DOUGLAS SAUNDERS-LODER

Dated: 7 April 2017

Counsel Acting

ROBERT MAKGILL
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INTRODUCTION

1. I prepared evidence, dated 23 January 2017, in relation to the application for marine consents by Trans-Tasman Resources Limited (TTR).
2. On Thursday 22 February 2017, I attended the hearing and provided a summary of my evidence. At the hearing, the DMC sought clarification on several matters in my evidence and invited me to provide further information.
3. This statement contains the further information requested by the DMC being:
 - (a) Updated information on Talley's Group Limited's (TGL) quota in FMA8;
 - (b) Information on the Rolling Grounds; and
 - (c) The estimated costs to a fisherman of relocating fishing operations to a different area.

TGL Quota Holdings in FMA8

4. TGL has rights to the following species that occur in FMA8. The value of these species is also expressed for the 2016/2017 year as:

Species/Area*	Tonnes Owned	% of TACC	Quota *Value \$ Per Tonne	Total
Blue Cod 8	6.992	20.5	5,000	34,960
Dogfish 8 (Rig)	114.469	36.9	10,000	1,144,690
Flatfish 2	39.400	5.4	3,500	137,900
Gurnard 8	202.400	37.2	4,000	809,600
Jack Mackerel 7	1,900.000	5.8	1,000	1,900,000
Leather Jacket 2	320.911	28.0	1,500	481,366
Red Cod 2	39.027	6.3	3,000	117,081
Rough Skate 8	3.029	14.4	2,500	7,572
School Shark 8	141.114	26.6	25000	3,527,850
Snapper 8	49.624	3.8	60,000	2,977,440
Tarakihi 8	20.835	9.2	6,000	125,010

Trevally 7	117,200	5.4	5,000	586,000
TOTAL				<u>\$11,849,469</u>

Quota values taken from Fishserve records.

Nursery Grounds

- I refer to the supplementary evidence of Captain Andy Smith dated 10 March 2017 at paragraph [6] where he describes the Rolling Grounds and the area regarded by fishermen as a “nursery ground”.

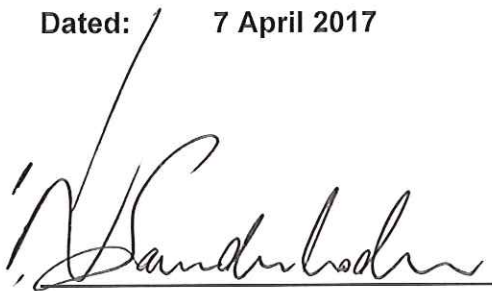
Cost of Relocating Fishing Operations

- As an example of the costs associated with a relocation of fishing operations, I provide information in respect of McDonald and Brown Limited (MBL). MBL own the F/V Mako. This vessel is a 21 metre, fibreglass stern trawler that has fished the STB since 1980 and is typically operated by four crew. The vessel’s port of domicile is Nelson and she spends on average 35–40 days a year fishing the Rolling Grounds and the STB for a turn-over of approximately \$85,000-\$100,000 per annum. The harvest consists of mixed trawl fish including Blue Cod, Flatfish, Gurnard, Ghost Shark, Groper, John Dory, Kingfish, Red Cod, School Shark, Snapper, Rig, Tarakihi and Blue Warehou.
- A typical trip to the STB would be a week-long round trip. Steaming from Nelson to the Rolling Grounds takes 10-12 hours depending on weather conditions and the vessel would burn between \$5,000-\$7,000 of fuel during the trip.
- If the sediment plume created by TTR’s mining operation was to affect fish-stocks and the F/V Mako was forced to leave this area, then MBL would certainly incur additional re-location costs.
- In this event, MBL has two options. First, it could direct the vessel to travel from Nelson to the East Coast of the South Island/Southern Cook Strait. The vessel would be required to steam an additional 6 hours before any fishing could begin (a 12-hour round-trip) and the type of fishing (catch mix) would be different. In this area, the vessel is more likely to catch higher volume, lower value stocks such as Barracouta, Red Cod and Squid.

Combined with an increase in fuel costs for such a trip (approximately 30%) the return for MBL would be far less compared with a trip to the STB.

10. The second alternative is for the F/V Mako to travel to the West Coast of the South Island (south of Greymouth). Travelling time in this instance exceeds 24 hours. Given the distance from Nelson, the vessel is likely to spend more time in the area compared with a trip to the STB. While landing catch to Greymouth or Westport cuts back on significant steaming time, the different catch mix and distance from the port of domicile have an economic impact. For example, in addition to the extra fuel cost, there are additional costs associated with transporting fishing gear and other equipment as well as transportation and accommodation for crew (when a crew change is required).
11. In summary, there are many financial implications in having to re-locate from a traditional fishing ground. Weather also plays a major part in any fishing business and fishermen need to be able to have options available. If the STB was no longer an option for the F/V Mako, MBL would see a reduction in annual turnover based on a different catch mix and subsequent values combined with extra running costs in steaming and transportation of gear and accommodation of crew.

Dated: 7 April 2017

A handwritten signature in black ink, appearing to read 'D. Saunders-Loder', written over a horizontal line.

· Douglas Saunders-Loder