

*under:* the Resource Management Act 1991

*in the matter of:* Applications by Sanford Limited to change the conditions of various resource consents that authorise the farming of salmon in Big Glory Bay, Stewart Island

*by:* **Sanford Limited**  
*Applicant*

Statement of evidence by Alison Elizabeth Undorf-Lay

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Dated: 11 March 2019

## **INTRODUCTION**

1 My full name is Alison Elizabeth Undorf-Lay.

## **QUALIFICATIONS AND EXPERIENCE**

2 I am the Industry Liaison Manager for Sanford Limited (*Sanford*) based in Auckland.

3 I hold the degree of Master of Science (Resource Management) and 20 years practical experience working with the Resource Management Act (*RMA*).

4 I work in Sanford operations across the company and support senior management with their strategic direction, external relationships and community consultation. I have held this position for eight years.

5 In my role as Industry Liaison Manager I work closely with stakeholders in all the areas in which we operate and represent Sanford on a wide range of pan-industry forums and committees. In Southland I am a member of the Marine Farmers Association, represent the company on the Stewart Island Promotions Association and write a monthly 'aquaculture' article for the Stewart Island newsletter. I am known to most people on the Island and spend two or three days on the Island or in Bluff each month.

6 Prior to my current position, I was employed by Federated Farmers of New Zealand for 5 years as their Provincial Liaison Manager and 10 years as a senior policy advisor specialising in the RMA.

7 I am authorised by Sanford to give evidence on its behalf. I am familiar with Sanford's application to change the conditions of several resource consents that it holds for salmon farming in Big Glory Bay (*the Application*). I have been the Sanford project manager for this Application and have personally designed and "fronted" our extensive consultation efforts.

## **SCOPE OF EVIDENCE**

8 The purpose of my evidence is to set out:

8.1 why environmental sustainability is fundamental to Sanford's business philosophy;

8.2 how that approach has been applied in practice to Big Glory Bay;

8.3 the socio-economic benefits the community derives from our Big Glory Bay operations;

8.4 the importance of our Big Glory Bay brand;

8.5 how Sanford has approached community and stakeholder consultation; and

8.6 My summary and conclusions.

### **ENVIRONMENTAL SUSTAINABILITY**

- 9 Sanford is a publically listed company that has been in the seafood business for more than 140 years. Sanford considers itself a leader in sustainable business.
- 10 Sanford has been actively committed to sustainable seafood production for more than 20 years during which time there has been significant advancements in the way that we farm, catch and process seafood, which have successfully reduced our environmental footprint. Sustainability is the foundation framework of our business excellence, I have attached an overview of Sanford's sustainability vision as **Appendix 1**.<sup>1</sup>
- 11 In my experience Sanford articulates sustainability at an operational level by erring on the side of caution and taking a conservative approach to activities that may affect the environment. Sanford takes a long term horizon and has repeatedly shown through its actions that we are prepared to do the right thing. Sanford's sustainability journey is independently audited, and publically reported in an annual sustainability report and for the last four years an Integrated Annual Report. Sanford needs to be sustainable because it both works in, and relies on the environment to provide the basis of its wealth and longevity.

### **SUSTAINABILTY AT BIG GLORY BAY**

- 12 Sanford has been farming salmon in Big Glory Bay since 1993. The company purchased Big Glory Bay Seafoods and acquired its salmon farm licences, farming and fish assets and some of its staff. Sanford has also developed Greenshell Mussel farms inside the Bay, and before the recent outbreak of *Bonamia osterae* had an oyster farm joint venture. In mussel farming Sanford is a leader in sustainability and innovation. On the salmon farm side of the business we lean more towards following others' innovations.
- 13 Sanford partners with the other two Big Glory Bay growers who have nitrogen allowances and salmon farming rights on their coastal consents. Mr Walker has two licences and 110t of nitrogen; Mr Schofield has one salmon farm licence and 40t of nitrogen. Sanford works closely with both of these parties in a consent-ownership partnership and over time may engage further with them to discuss the possibility of imposing the same conditions that have been proposed for this Application on their three sites should Sanford wish to farm their sites in the future. The community is aware of our consent partnership, as it was outlined in a community flyer.

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<sup>1</sup> A description of Sanford's sustainability agenda can also be found on our website: <https://www.sanford.co.nz/sustainability/>

- 14 A key distinction between Sanford and other salmon farmers in New Zealand and Tasmania is that we fallow our sites. Sanford has been doing this since 2016. Before 2016 Sanford did not regularly move the farms around its sites, and we used to both 'in-fill' and farm areas 'in fallow' with mussels. Sanford does not do either now. Sites in fallow are not used for any farming, they are fully rested. This was a voluntary change made by Sanford as part of its commitment to sustainability, we imposed this condition on ourselves when we successfully changed a mussel farm site into a salmon farm site (MFL246, described in **Mr Culley's** evidence).
- 15 In the future Sanford may want to farm, fallow or infill sites with multi-tropic aquaculture such as seaweeds or benthic species that have the potential to accelerate site remediation. Sanford is also actively involved in research projects with the Cawthron Institute investigating post-farming site remediation. Sanford staff have also met with a Norwegian salmon producer that farm seaweeds by their salmon farms to share innovation and sustainability experiences.
- 16 Sanford has also recently (in 2016) partnered with Skretting, its feed supplier, in a fish feed research facility at Okiwi Bay, Marlborough Sounds. One of the outputs of this facility will be a bespoke New Zealand King salmon diet, and a better understanding of Feed Conversion Rates, this is described in **Mr Wybourne's** evidence.
- 17 Sanford is committed to sustainable seafood production in Big Glory Bay, the proposed consent condition B(5) Technology Update Report in our application is intended to formalise our commitment to innovation and to give our host communities of Bluff and Stewart Island confidence that we will continue to invest in improvements.

#### **LONG TERM SUSTAINABILITY**

- 18 Having a long term, stable, sustainable salmon production in Big Glory Bay year-on-year is core to Sanford's business. It is important that Sanford can farm, fallow and farm again the same sites, as well as take advantage of opportunities that open as a result of our continuous improvements, increased knowledge and as a result of new technologies.
- 19 Sanford is currently farming more salmon on almost the same footprint as the mid-1970s. This has been achieved by sustainable management.

#### **ECONOMIC SUSTAINABILITY**

- 20 The financial performance of Sanford's Big Glory Bay portfolio of marine farms, and in particular the salmon farm business, is a critical asset in the company's portfolio (as detailed in **Mr Culley's** evidence).
- 21 Despite considerable effort to stretch our salmon farm footprint into other regions of New Zealand and diversify into new fed-farmed species (including most recently on water tender fed-fish sites in the Firth of Thames), Sanford has been unsuccessful.

- 22 The salmon farm sites in Big Glory Bay represent a significant financial investment. The Sanford salmon business is a significant regional employer on both Stewart Island (24 FTEs us contractors) and in Bluff (70 FTEs). If this Application is successful, Sanford plans to develop our Bluff processing business into a centre of excellence specialising in salmon.
- 23 In Sanford's experience, 'sustainability driven' improvements on the salmon farm most often go hand in hand with economic gains. Across the wider Sanford business, feed sits behind fuel as our second largest external cost. Efficiencies in feed technology (as explained in **Mr Swart's** evidence) lead to less wastage; improvements in feed conversion rates and manufacturing specifications (refer to **Ben Wybourne's** evidence) have improved fish performance and reduced the environmental impact.
- 24 Feed pellets are distributed so that they land precisely in the pen. Pellets are also designed so that they do not break up before they enter the water, nor do they fall so quickly through the water column that they lie uneaten on the seafloor.

#### **SOCIAL SUSTAINABILITY**

- 25 Sanford has a long history of contributing to the social wellbeing of both Stewart Island and Bluff both financially and through use of company resources. This was recognised in a MPI-sponsored review on 'The Social and Community Effects of Aquaculture – a case study of Southland aquaculture' in 2015<sup>2</sup> (Baines, Quigley) which said:

*"The social effects in Stewart Island and Bluff are remarkable for their positive nature. Despite participants being asked about negative effects experienced, nothing remotely significant was described. Instead, a highly positive and significant social picture has emerged, where the companies and employees have jointly contributed. There is no doubt that the communities of Stewart Island and Bluff are significantly socially richer due to the presence of aquaculture. (MPI report page 5)*

*"The industry makes cash donations and these reduce the stress of fundraising in this small community. In a small community where sustaining community services can be challenging and relatively costly, the 20 percent of residents associated with marine farms helps significantly – it would be even more challenging without them". (MPI report page 6)*

*'Most Stewart Island-resident aquaculture employees (75 percent) now see themselves as more employable as a result of their experience in the aquaculture industry. This sentiment is clearly linked to the opportunities for gaining new skills while working on the marine farms (91 percent), with*

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<sup>2</sup> Taylor Baines & Associates, The Social and Community Effects of Aquaculture, MPI Information Paper No: 2015/06, June 2015

9 percent putting themselves through a particular training course and 45 percent being sent on a training course by their employer. (MPI page 15)

*'A common theme in responses from Stewart Island interviewees was the positive sentiment about how involvement and employment in aquaculture has brought 'new faces to the Island – that's good.' Against a trend of an increasingly ageing Island population over the past two decades – the median age of Island residents in 1996 was 41, while in 2013 the median age had risen to almost 49. 'They bring diversity of age and ethnicity to the community.' Others describe it as 'bringing fresh blood into the community' with new skills and contributions to community activities. (MPI page 17)*

*'Another theme received even greater emphasis – the fact that aquaculture in Big Glory Bay has grown to the point where it is no longer a seasonal activity. Interviewees observed:*

- *'Aquaculture is not seasonal and it sustains the Island.'*
- *'Whether the Island has one teacher or two will ultimately be determined by aquaculture, not from seasonal tourism.'*
- *'Aquaculture is typically better than other industries on the Island though, as they are quite seasonal and if they can't get the work hours to make enough money, or the season goes belly-up for whatever reason - it's terrible for those people/families.'*
- *'It's year round, unlike tourism and accommodation which is seasonal. It's more stable for everyone. Aquaculture doesn't close down over winter. People live here all year long. (MPI report, page 17)*

- 26 The Sanford salmon farm operations on Stewart Island operate 12 months of the year and are an important contributor to the Island's economy, particularly as many local businesses are highly seasonal. Aquaculture provides jobs all the year round – this steady flow of aquaculture-related business supports the viability of other small businesses on the Island such as water taxis. Sanford spends approximately \$180,000 a year with local Stewart Island businesses including the shop, hotel accommodation, AirBB, flights, water taxis and ferries.

#### **THE BIG GLORY BAY BRAND**

- 27 The premium salmon brand for Sanford is called Big Glory Bay. The fish offerings that Sanford produces are whole fillets, fillets and portions. Big Glory Bay salmon meet a very tight product specification. As **Mr Culley** has explained, the product is sold both domestically and internationally.

#### **FINANCIAL CONTRIBUTIONS**

- 28 Sanford has voluntarily made significant financial contributions to both the Stewart Island and Bluff communities, in excess of \$500,000 over the last

ten years. This includes funding two part time teachers at the Halfmoon Bay School as part of KiwiCan, and one-off contributions to many local conservation and social initiatives. This was also noted in the MPI report discussed above, which stated:

*"Construction of the Community Centre in 2000 was funded by community fundraising activities. The profits from one line of mussel farming (still owned by EEC Ltd, an aquaculture company based on Stewart Island, and managed and harvested by Sanford) supports about 30 percent of the on-going maintenance costs for the Centre" (MPI report, page 19)*

- 29 Most recently Sanford has established a '10 cents a salmon' fund that, via a local Decision Making Committee, will distribute money to the local communities of Bluff and Stewart Island for community and social wellbeing for the next five years. This fund, which has a value of about \$100,000 per annum is intended to formalise the contributions made by the Company and better profile Sanford's financial contributions, see the attached papers in **Appendix 2**.

### **CONSULTATION**

- 30 Sanford lodged the applications to vary its salmon farming resource consents in November 2017. Once the Application was accepted by the Southland Regional Council under RMA s88 we immediately applied to put the Application on hold for three months while we reached out to the communities of Stewart Island, Bluff and wider Southland to talk through with them our plans, and the science.
- 31 In the three months of extensive community consultation Sanford met with tangata whenua, local community groups and stakeholder representatives. We also met with and/or contacted many Stewart Island residents and briefed them on our development plans. I have attached an example letter as **Appendix 3**. We held one-on-one briefings, public drop in sessions and produced two widely circulated information flyers, which are attached to my evidence as **Appendix 4**. These were dropped in every Stewart Island mail box, emailed to groups and left in public places like the library, visitor information centre and the community notice board. The aim was that people could easily pick up a copy and take it home to read. My personal phone number and email address was put on all communications so that people could ring if they had questions – I had four phone calls.
- 32 Once Sanford felt the community was well informed of its intentions and their opportunities to be involved, we notified Environment Southland that we were ready to proceed with the application, and it was publically notified. Sanford requested public notification of the application.
- 33 In my view public and stakeholder consultation was comprehensive and extended well beyond the first three months of intensive community engagement. Sanford has actively engaged with its host community for 18 months on the nitrogen variation. We have taken close to 150 people over

to the farm and explained how we farm, why we are applying to increase the nitrogen loading in the Bay and how the hydrodynamic model works.

- 34 Sanford made its staff and science experts available to residents, community groups and tangata whenua. This has included taking **Drs Mitchell, James** and **Hartstein** over to Stewart Island to meet one-on-one with local people.
- 35 Sanford staff (the General Manager Aquaculture, the Farm manager and I) have endeavoured to create on-going open engagement with local people that is interactive, science based and fun. Sanford views its host communities of Stewart Island and Bluff as an integral part of its brand, and we want our communities to be supportive of what we are doing and proud of locally grown salmon.
- 36 Consultation and engagement included the following:

Location	Action	With who
<b>Stewart Island</b>	2 x mail drops to every box holder  4 x drop in meetings on beach front, at the bus shelter and at the hotel  One-on-one meetings  Posters on the notice board  Site visits  Presentation with overheads etc at the community hall targeted at the variation, and subsequent meetings on technical aspects of salmon feed and salmon farming generally with guest presenters  Public aquaculture weekend and trips to the farm  Monthly articles in the community newspaper	Iwi  Other growers in the Bay  Community Board  Department of Conservation  Community leaders dinner  Rakiura Marine Guardians  Local people



<b>Bluff</b>	<p>Personal meetings</p> <p>Site visits</p> <p>Flyers left in strategic places around town, i.e. cafes etc. and provided to all staff</p> <p>2 x 6 hours drop in meetings on main street of Bluff</p> <p>Posters on the notice board at Sanford processing plant</p> <p>Public aquaculture weekend advertised</p> <p>Frequent articles in Sanford internal newsletters and references at staff meetings</p>	<p>Te Rau Aroha Marae</p> <p>Awarua – Te Runanga o Ngai Tahu</p> <p>Te Runanga o Ngai Tahu</p> <p>Community leaders</p> <p>Local people</p> <p>Tourists to the other Island</p> <p>Other Island businesses</p>
<b>Invercargill and Southland</b>	<p>Flyers left in key locations around Invercargill i.e. library, cafes and at council</p> <p>1 x drop in meeting at Café in Invercargill</p> <p>One-on-one meetings</p> <p>Site visits</p> <p>Public aquaculture weekend</p>	<p>Briefing to Southland leaders (political and business)</p> <p>Presentation to Chamber of Commerce</p> <p>Flyers sent to Ngai Tahu</p> <p>Presentation to SoRDS</p> <p>Local people</p>

- 37 Sanford has had regular meetings with the Department of Conservation – Rakiura office on Stewart Island, Southland Conservancy and the Department’s technical and planning experts. These meetings are used to update the Department of Conservation on progress on the Application and, in the case of the Rakiura Office, to discuss matters of common interest including staffing, accommodation, safety and accident/hazard training and

protected species updates. Sanford reached agreement with the Department on the Variation tonnage, the staged development plan and the proposed conditions. This is reflected in the updated conditions presented by **Dr Mitchell**.

- 38 Sanford has met with Te Rūnanga o Ngāi Tahu – Awarua Rūnanga (Southland) on six occasions over the last two years specifically to discuss the Application, including three site visits to the farm, one of which included observing the annual independent benthic survey operation. Sanford has a very positive good-neighbour relationship with Awarua Rūnanga and Te Rūnanga o Ngāi Tahu more generally and places high value on it.
- 39 Sanford is a founding member of Rakiura Marine Guardians (the Guardians) - an emerging new conservation group based on Stewart Island. I personally reached out to their interim chair and on two occasions met to specifically discuss the Application. Sanford's experts **Dr Mitchell** and **Dr James** have also met with the Guardians. Representatives of the Guardians have been invited to community presentations and briefing sessions. The Rakiura Marine Guardians have not formally lodged a submission on the Variation and have not expressed concern with the tonnage.

#### **DURATION OF CONSENT**

- 40 Sanford considers that transparency and trust are essential components of our relationship with our neighbours and local stakeholders. Very early on in the consultation process on Sanford's applications to vary its salmon farm consents in Big Glory Bay the Company made public commitments:
- 40.1 Not seek to enlarge its footprint inside Big Glory Bay;
- 40.2 To develop the farm in a staged approach, proving along the way that the increased fish biomass and the extra feed was sustainable; and
- 40.3 To Protect the Big Glory Bay natural environment.
- 41 These commitments were made to the Stewart Island community, tangata whenua, the Rakiura Marine Guardians and the Department of Conservation.
- 42 In response to the recommendations in section 10 of the Officer's Report, I wish to clarify that Sanford has not applied to renew the term of the consent licence and as such, the Officer's Recommendation to grant the consent for 20 years was not requested by Sanford. In our application, we sought to retain the current term of the licences, which will expire in 2025. We did not seek that the consents be granted for a term of 20 years. **Dr Mitchell** in his planning evidence, and **Ms Appleyard** in her legal submission will explain why granting these consents for 20 years is out of scope of Sanford's application.

- 43 Sanford is committed to building and maintaining trust with our Stewart Island host community and iwi, and as such I want to address this point formally in my evidence to reassure those parties that the recommendation in the Officer's Report was not included at Sanford's request and does not form part of our application.

#### **ENVIRONMENTAL MANAGEMENT PLAN**

- 44 We are currently preparing a draft of the Big Glory Bay Salmon Farm Environmental Management Plan (*BGBSFEMP*) discussed in the proposed consent conditions. We hope to be able to present a draft at the hearing.

#### **SUMMARY AND CONCLUSIONS**

- 45 I am frequently on the Stewart Island and in Bluff. I am engaged with their communities. I am not aware of any group being opposed to what Sanford is proposing to do with the Variation so as to grow its business.
- 46 I believe there is strong support for Sanford as a sustainable seafood company, and for the commitments it has made to the host communities.

**Alison Undorf-Lay**

11 March 2019

# BRINGING OUR VISION TO LIFE

Sustainability as the foundation for Business Excellence





## Sanford '10 cents a Salmon' Fund

This fund recognises the contribution made by the people living on Stewart Island and in Bluff to support of our salmon farming and processing business.

The fund is financed from the Sanford salmon farm in Big Glory Bay. Sanford will donate 10 cents for every salmon processed for five financial years (2018 – 2022). In 2021 Sanford will review the fund and its achievements and decide on whether to extend the fund for a further five years.

The fund is for practical projects, for more information about the fund please refer to the Guide.

**The fund is exclusively for projects focused on positive wellbeing.**

Positive wellbeing includes projects for people and their communities

This fund is intended to support positive wellbeing for the people and their communities living and working on Stewart Island and Bluff and includes projects where people work together to promote fun, happiness, pride, care and safety. It is for sport, art, culture and good health.

10 cents a Salmon will be donated by Sanford into the fund. It is expected that approximately \$100,000 will be available each year for community and people projects.

The money available in the fund each year will reflect the number of fish processed in Bluff.

For the next two years \$35,000 of the fund will be used to meet Sanford's commitment to Southland Kiwi Can (2018 and 2019). After that time, KiwiCan will have an opportunity to apply to the Fund.

### Dates

The Sanford 10 cents a Salmon fund opens each year on the 01 February and the 1<sup>st</sup> of October, and applications are due by 5 pm on the 15 March and the 15 November

### You must apply before

- 5pm on the 15 March, or
- 5pm on the 15 November



## How to apply

- **Firstly**

Review the eligibility criteria to find out if you and your project is eligible for funding.

- **Secondly**

There are small grants, less than \$10,000 and large grants over \$10,000.

Download a small grant application form, or a large grant application form.

- **Finally**

Email us at [salmongrant@sanford.co.nz](mailto:salmongrant@sanford.co.nz) your application form by 5pm on the 15 March, or 5pm on the 15<sup>th</sup> of November - use your organisation's name in the subject line. Within 24 hours you will receive an acknowledgement that we have received your application.

## What is geographic boundaries define Bluff and Stewart Island communities

It is accepted that there are people working in Bluff and Stewart Island who do not live in the community. Noting also that the Sanford KiwiCan sponsorship extends across Southland. For both of these reasons, the Decision Making Panel will make the decision on where the boundaries are drawn.

## Decisions

A small group of Stewart Island and Bluff community leaders will form the Decision Making Panel. They will meet in March and November each year to decide on the successful grants. The decision makers include:

- Two representatives from the Stewart Island community
- One Bluff community representative
- One representative from Awarua Rūnanga
- One representative from the Sanford Big Glory Bay salmon farm
- One representative from Sanford Bluff processing plant

Sanford's Industry Liaison Manager at Sanford will support the Committee decision making processes.

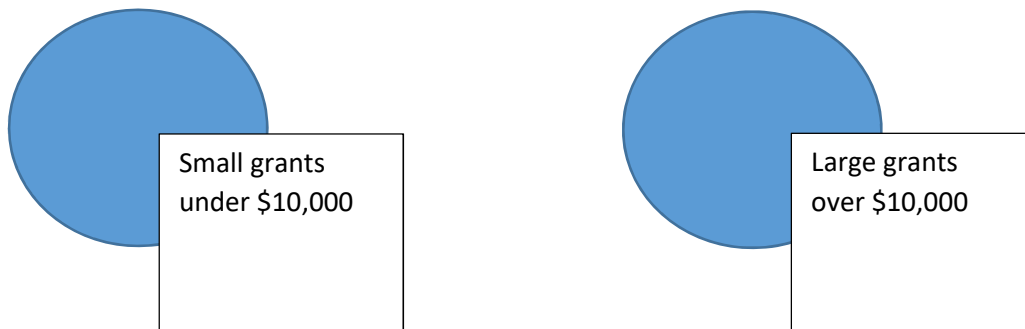


## Please read before you apply to Sanford 10 cents a Salmon Fund

Find out if you're eligible for funding and learn about our decision process.

### Process

Decide if your application is for a small grant (under \$10,000) or large grant (over \$10,000 or for up to three years) and download an application form.



Fill in the application and email it to us at [salmongrant@sanford.co.nz](mailto:salmongrant@sanford.co.nz)

The success of your application will depend on how well you meet the eligibility criteria below, and on merit when compared to other applications.

Please note that if the fund receives more requests than money is available, not all applications will be successful. Funding is not guaranteed through meeting the criteria.

### Am I eligible?

You can apply to the Sanford 10 cents a Fish Fund if your project meets the following criteria:

- The project is focused on the wellbeing of people and communities of Stewart Island and Bluff
- The project is community-led (i.e. not led by government departments and local authorities)
- The project will be funded for up to 3 consecutive years.

### What do we mean by wellbeing?

This fund is dedicated to growing positive wellbeing for the people and their communities of Stewart Island and Bluff and includes projects where people work together to promote fun, happiness, pride, care and safety. It is for sport, art, culture and good health.



## How will my application be assessed?

Your application will be assessed on:

- The extent to which the wellbeing of the people and communities of Stewart Island and Bluff will benefit
- The extent to which the project engages volunteers, the community and other stakeholders in the delivery, success or enjoyment of the project
- The likelihood of success – demonstrating the required skills and capability to deliver the project and providing a reasonable and realistic project budget.

## Key dates

- **1 February** Fund opens – round one
- **15 March at 5pm** Last day to submit applications
- **April** Round one decisions announced
- **1 October** Fund opens – round two
- **15 November** Last day to submit applications
- **December Round Two** decisions announced



[TITLE]

The purpose of this fund is for projects that encourage positive wellbeing of the people and communities of Stewart Island and Bluff – where people work together to promote fun, happiness, pride, care

Applications are called for in  
March and November each year.

## This is your Guide to Applying to Sanford's '10 cents a Salmon' Fund

### Disclaimer

We've made every effort to ensure that this guide is clear and accurate, the information it contains is general guidance and does not constitute legal advice. In the event of any uncertainty please ask email us [salmonfund@sanford.co.nz](mailto:salmonfund@sanford.co.nz). We welcome your questions.

### About this guide

This guide is for individuals or groups who are requesting funding from the Sanford's '10 cents a Salmon' Fund (the fund). It outlines your eligibility and assessment criteria, provides an overview of the application and funding processes, and sets out the information you will be asked to supply.

### How can I contact Sanford?

You are welcome to contact us if you have any queries related to the fund.

Please email [salmonfund@sanford.co.nz](mailto:salmonfund@sanford.co.nz) or ring us in Bluff at (03) 212 8047.

### Is my project eligible for a grant?

Projects must meet all of the criteria listed below to be eligible to apply.

Eligibility	
1	The project is for the positive wellbeing of the people and communities of Stewart Island and Bluff
2	The project is community-led (i.e not part of a government or council project)
3	The project is for not more than three years

The applicant can be an individual, a group of people or a club or Association. There must be one person in the applicant group that has authority to enter into a funding agreement with Sanford (sign the deed for transferring the money).

### What are some examples of positive wellbeing that this fund might pay for?

This fund is dedicated to growing positive wellbeing for the people and their communities of Stewart Island and Bluff and includes projects where people work together to promote fun, happiness, pride, care and safety. It is for sport, art, culture and good health. It is not for environmental projects.

## How much money can I apply for?

Small grants are available for individuals or groups requesting less than \$10,000

There are also large grants for individuals or groups requesting more than \$10,000

Both application forms are available by emailing [salmonfund@sanford.co.nz](mailto:salmonfund@sanford.co.nz)

## How is your application assessed?

All eligible applications are assessed by a Decision Making Panel that consists of local Stewart Island and Bluff leaders.

The Panel will make their decisions on who is awarded funding based on meeting the assessment criteria (does it encourage social wellbeing of people and communities) and the merit of your project compared with other applications.

Applications will be assessed on the information provided in the application.

## Frequently Asked Questions

**What if my project activities can't be completed within 3 years?** The activities you are seeking funding for must be completed within 3 years. Applicants are welcome to reapply to the fund at the end of this period.

**What if I am not part of an official group?** Individuals and groups of people can apply to the fund.

**Who can't apply?** Government departments and local authorities are not eligible to apply to the fund.

**If I work for Sanford can I apply?** Absolutely. Stewart Island and Bluff are small communities and we understand that many people have a connection to Sanford.

### What can I use the grant money for?

Grants can be used towards activities that are focused on wellbeing of people and the communities of Bluff and Stewart Island.

This includes costs associated with training (including health and safety) where it is included as a component of a project that includes other 'on-ground' activities.

Funding for salaries and contractors is also eligible but applicants must demonstrate in the application form why these roles are vital to the completion of the project

### What does the grant not cover?

Retrospective costs (which is costs you have already spent); Reimbursement of time for voluntary labour; Activities that individuals, organisations or councils are required to do by law; Proposals that are designed to generate personal or commercial profit; The development of an activity for which public use will be restricted by copyright or patent; Debt repayment or the refinancing of loans; Participation in statutory processes or litigation; Venture capital; Single person academic scholarships; Local and central government charges and fees.

**Who decides if the application will be successful?** A Decision Making Panel of six people will make the decision. The Panel is made up of:

- Two representatives from the Stewart Island community
- One Bluff community representative
- One representative from Awarua Rūnanga
- One representative from the Sanford Big Glory Bay salmon farm
- One representative from Sanford Bluff processing plant

#### **Do I need to provide a detailed budget?**

The Decision Making Panel will use the budget information provided in your application to determine whether they think your proposed costs are reasonable and realistic for the proposed activities.

Your budget should provide a detailed breakdown of all estimated project-related costs (expenditure) for the full duration of the project.

You should provide enough information for the Decision Makers to fully understand how the requested funding will be used.

#### **Do I need to be registered for GST?**

Applicants do not need to be registered for GST to apply for funding. However, funding is a taxable activity. If your organisation is conducting a taxable activity and its annual income exceeds \$60,000 or more per annum, it must be registered for GST in accordance with GST legislation.

For more information, see [www.ird.govt.nz/gst](http://www.ird.govt.nz/gst) or phone the Inland Revenue Department on 0800 377 776.

#### **Do I need to include GST in my budget?**

If you are registered for GST, you will need to provide all costs as GST exclusive.

If you are not registered for GST, you will need to use GST inclusive costs in your budget.

#### **Health and Safety**

Sanford is committed to best practice health and safety and adhering to the requirements of the Health and Safety at Work Act 2015 (*HSWA*). Therefore, it is important that you / your organisation has the necessary health and safety policies, resources and expertise to safely undertake and complete your project.

All applicants who are approved for funding will be required to have a project-specific Health and Safety Plan in place that is suitable to support the safe delivery of the project.

Guidance on the HSWA, including resources to assist in the development of Health and Safety Plans, can be obtained from WorkSafe New Zealand: <https://worksafe.govt.nz/managinghealth-and-safety/>.

You may include costs associated with health and safety as part of your application.

#### Next steps, if you are a successful applicant

If your application is successful, you will receive an offer of funding letter from the Decision Making Panel in June. The Panel will confirm how much money you were granted.

In July, Sanford's Industry Liaison Manager will work with you to refine and confirm your project details and agree to the terms and conditions of a Deed of Grant.

You will need to agree with and sign the Deed of Grant to confirm the funding terms and your acceptance. Sanford and the Panel is committed to making this process as easy as possible for people.

#### When will I receive my funding?

The funding decisions are made in March and November each year, based on fish numbers processed in Bluff the previous year.

For small, under \$10,000 grants you will be awarded all the funds up-front. You are asked to provide a short report at the completion of your project with a picture. Doing this will ensure that next time you ask for money, you have more chance of being successful.

For large grants, over \$10,000 and multi-year grants, the money will be paid in instalments. The first instalment will be made once the Deed of Grant has been signed. This is an upfront payment of 50% of the grant approved for year 1 of the project. Funding will then be paid in instalments throughout the project, which will be every 6 months or sooner if you have fully used the previous grant instalment.

Please note that the standard payment schedule and the percentage of the upfront payment can vary depending on your project and the size of the grant awarded – this will be negotiated, agreed by both parties and set out in the Deed of Grant.

Successful applicants of large and multi-year grants will be required to provide the Decision Making Panel with one project progress update per year. Recipients of Grants who do not provide an update, will not be eligible for another grant.

For large projects at least 10% of the funding approved for the final project year will be retained and paid upon completion of the project once evidence of full grant expenditure has been provided and the final project report has been submitted.



23 May 2018

Dear Jon,

**RE: Sanford Limited's Big Glory Bay Salmon Farm – Change of Conditions Application**

In November 2017 I advised that Sanford had lodged an application to change the conditions on seven of our salmon farm consents in Big Glory Bay, Stewart Island.

You will recall that we are not asking for more water space, instead we want to make better use of our existing consented areas to grow more salmon. The attached flyer explains our application.

At the time of lodging the application last year we asked Environment Southland to hold back notification while we consulted with the local communities of Stewart Island, Bluff and Invercargill. I am pleased to report back that we undertook a comprehensive community engagement process including hosting eight community drop in sessions, and an aquaculture weekend and open day in Big Glory Bay that was supported by more than 120 people. We have also talked to community boards, community groups and of course Ngai Tahu.

We have had encouraging and very positive feedback about our plans.

Yesterday Environment Southland confirmed that our application will be publically notified on Thursday, 24 May 2018. Our application will then be open for public submissions.

Please do not hesitate to contact me or any of my staff if you have questions.

Sincerely,

**Volker Kuntzsch**  
Chief Executive, Sanford Limited

For more information on the Sanford Big Glory Bay consent application please contact:  
Alison Undorf-Lay | [aundorf-lay@sanford.co.nz](mailto:aundorf-lay@sanford.co.nz) | 027 293 7795



# WORKING SMARTER ON OUR BIG GLORY BAY SALMON FARM

We plan to better use more of our existing consented space to grow more salmon in Big Glory Bay, in an environmentally friendly way. We care about what you think, and won't be going ahead until we have consulted with you and the rest of the community. Here are the simple facts about our proposal.



## IN SUMMARY

- No reduction to public access.
- No increased threat to wildlife.
- Independent monitoring to meet consent conditions.
- More jobs in Bluff and Stewart Island.

## WHERE WE ARE IN THE RESOURCE CONSENT PROCESS

LODGE APPLICATION	Environment Southland	<input checked="" type="checkbox"/>
COUNCIL SUBMISSIONS	Anyone can be involved	<input type="checkbox"/>
PUBLIC HEARING	Anyone can be involved	<input type="checkbox"/>
COUNCIL DECISION		<input type="checkbox"/>

## COME AND CHAT

If you have any questions about our proposal, come and see us, or call. We're happy to discuss it with you.

### SOUTH SEA HOTEL, OBAN

- Wed 31 January, 1 & 2 February: Noon – 6pm
- Fri 16 & 17 February: Noon – 6pm

### ANCHORAGE CAFE, BLUFF

- Sun 4 & 5 February: 2pm – 6pm

### THE AUCTION HOUSE CAFE, 20 DON STREET, INVERCARGILL

- Wed 7 February: 2pm – 6pm

### BIG GLORY BAY FARM OPEN DAY

- Sat 10 March: 10am – 3pm. Transport from Oban.

### CONTACT

- Ali Undorf-Lay  
Sanford Limited  
027 293 7795  
aundorf-lay@sanford.co.nz

# SIMPLE FACTS



## THE FARM

Sanford has farmed in Big Glory Bay for 25 years. Our farm operates on three sites at one time: juvenile (smolt), maturing (grower) and female adults (brood). We regularly move the farm site to follow the seabed.



## THE SALMON

We rear the salmon at our Kaitangata and Waitaki fresh water hatcheries, and put them into the farm when they reach 25g. We protect the fish with bird-safe netting, and harvest them after 16-24 months of growth.



## PROCESSING

All salmon are processed in Bluff, and we will continue to invest in our facilities. We sell 75% of the product fresh within New Zealand at supermarkets and restaurants. We use almost every part of the fish, including skin and bones.



## FEEDING

We use a high-quality feed, produced in Australia. We will use a binder to limit the impact of uneaten food on the sea floor. Underwater cameras help prevent overfeeding, and let us check that our fish are healthy and lively.



## PEOPLE

We employ four people in the hatchery, 23 on-water in Stewart Island and 58 in our salmon processing plant in Bluff. Our local activity has already created about 35 full-time roles for other businesses. This proposal will add more permanent full-time positions in Southland.



## ENVIRONMENT

We'll continue farming responsibly and sustainably, and we are internationally certified as Best Practice Aquaculture. Annual independent scientific audits include the surrounding water quality and seabed and we report the results to the Council.

## ABOUT THE FARM

- Big Glory Bay is recognised as an ideal area for aquaculture.
- The exceptional, cool, clean ocean water grows beautiful, healthy fish.
- We depend on clean, healthy water to produce exceptional quality salmon.
- We plan to use 21% of the consented space we currently farm, to make smarter use of the Bay's opportunities. We are not applying for new space.
- Our salmon pens currently use 0.18% of the Bay's 1,100ha (about two rugby fields). We plan to increase our use to just under 0.28% of the Bay's total area.
- The new independent scientific model reflects global best practice, and confirms our increased production won't harm the Bay's ecology.
- We follow best practice stocking densities and animal welfare to ensure the fish are healthy and lively.
- We're the only country in the world to be awarded the Monterrey Bay "Green Tick" for sustainable salmon production.
- Our farm is surrounded by natural wildlife, and we strive to respect and protect their place in the ocean.



## HOW WILL OUR PROPOSAL AFFECT THE ENVIRONMENT?

### SCIENTIFIC

- The existing nitrogen model is now almost 40 years old.
- The new model includes wave, current, tide and wind actions, and has been calibrated against 25 years of real-world experience.

### WATER QUALITY

- There will be no discernible difference in the Bay's water quality.
- The impact of our production on the water and seabed is independently monitored and reported on.

### VISUAL

- The difference in pen size won't stand out.
- We are not planning any additional buildings or barges.

### NITROGEN

- Fish need protein to grow. Protein contains nitrogen.
- The council limits how much nitrogen can be put into the water. This limit determines how much feed can be used, and thus salmon numbers.
- We are applying to increase the Bay's total nitrogen cap without adversely affecting its natural ability to maintain its own health.







SANFORD

A public guide to Sanford's

# BIG GLORY BAY RESOURCE CONSENTS CHANGE OF CONDITIONS APPLICATION

## OUR PLANS FOR THE FUTURE OF BIG GLORY BAY

In November 2017 Sanford applied to Environment Southland to update the consent conditions for seven of our approved Big Glory Bay ocean salmon sites. We're not asking for more water space. Instead we want to make better use of our existing consented areas to grow more salmon.

We have asked for this application to be publicly notified.

This document explains what we're planning, the impacts of those plans, and how we'll continue to protect Big Glory Bay's beautiful, healthy environment for future generations.

MAY 2018

## FARMING IN BIG GLORY BAY

Big Glory Bay was home to the first ocean-based salmon farming trials in New Zealand. Their success led to the start of commercial salmon farming in the 1980s. Eight salmon farm licenses (now referred to as resource consents) were issued. Big Glory Bay is also home to more than 20 mussel farm consents.

Sanford began farming salmon in the Bay in the 1990s with the purchase of Big Glory Bay Seafood, which owned five of the eight

original salmon farm consents. Since then we've also converted two of our Greenshell mussel consents to salmon, which gives us more flexibility to move the salmon farms between our different sites and 'rest' the sea floor (much as a land-based farmer leaves pastures fallow).

Sanford's existing consented salmon farming locations are shown in Figure 1. At the moment only three of the sites are actively farmed.

## HOW OUR LICENCES WORK

The three salmon farm sites are:

- **Smolt** – holding pens for small salmon from our freshwater hatcheries
- **Grower** – where mature salmon grow to full market weight, about 4 kg
- **Brood** – stud fish held for breeding

Each site is a series of rectangular floating mesh pens linked by walkways. The size of the pens and their mesh are matched to the size of the fish they hold.

We move our active farm sites around the different licenced sites to rest the sea floor and allow it to recover. We use particular sites for two years and then rest them for five years.

The pens are much smaller than the licenced area, so we can also move farms within the licence area rather than to a different site.

We monitor the sea bed's health under each farm, and at points 50 and 100 metres beyond the site. Independent scientific assessors report on the state of Big Glory Bay's marine environment, including our farms, to Environment Southland.

## CURRENT CONSENT CONDITIONS

Fish need protein to grow. Protein contains nitrogen. Some of the nitrogen the salmon release falls to the sea floor, so the amount of nitrogen we use needs to be kept to appropriate levels.

In 1980s, marine scientists set a 'nitrogen feed cap' for the whole of Big Glory Bay (known as the Bay's 'carrying capacity') at 483 tonnes per year. This was allocated proportionally to each individual farm site.

Sanford's total nitrogen allowance for the Bay is now 443 tonnes per

year following the recent agreement with one of the other consent holders in the Bay. One other Big Glory Bay salmon farm licence holder has a nitrogen allowance of 40 tonnes per year.

Our consents let us allocate our total nitrogen allowance across our different salmon farm sites. The consent is clear that we can only do this '*provided significant adverse effects on the seabed are avoided, and other effects can be remedied or mitigated*'.

Steve, one of our farm crew, talks about salmon at the Sanford Community Day in March 2018



- SITES MODELLED FOR INCREASED NITROGEN
- OTHER SANFORD SALMON SITES (IN FALLOW)



FIGURE 1: SANFORD'S SALMON-FARMING PRESENCE IN BIG GLORY BAY

## SUSTAINABLY FARMING MORE SALMON

The current nitrogen allowance was calculated nearly 40 years ago using the best computer modelling capabilities and environmental information available. Since then a lot has changed:

- Understanding of environmental processes
- Salmon feed ingredients and performance
- Farm management practices
- Computer modelling capability

As a result, we employed international scientists to reassess the nitrogen carrying capacity of the Bay. They used an internationally accepted computer model that used the Bay's actual tide, current, wind and wave data to predict how the farm would perform. To check the model's accuracy, they then compared the new computer model's predictions with the last 25 years of actual monitoring data. The new model closely matched the real world data.

That gave us confidence in the model, so we asked the scientists to see

how the model coped with different salmon stocking densities at three of our sites: 246, 320 and 339, shown in red in **Figure 1**.

It showed Sanford could increase our nitrogen use with no noticeable effects on Big Glory Bay's environment and health. That means we can grow more fish while ensuring sustainability.

Based on the results from the new, more accurate model, we applied to Environment Southland for a variation of our consent conditions. We are not seeking any new space – just to use our existing sites more efficiently. We have proposed higher, sustainable nitrogen allowances for the sites we have modelled, while also increasing the total nitrogen cap for Big Glory Bay to 659 tonnes per year – an increase of 176 tonnes.

Environment Southland will decide the new nitrogen cap after their own robust independent assessment of the science and submissions from the public.

## WHAT ELSE WILL CHANGE?

We've also proposed explicit environmental standards and new more exacting requirements for annual independent monitoring for all our existing salmon farm consents. It is in our interest to manage the environment for a long-term sustainable future.

Together these changes will give Big Glory Bay's environment better protection, and be more specific than the current requirement for no 'significant adverse effects'. The proposed changes require us to:

- Measure both the sea floor and the water column above it
- Ensure there's no accelerated risk of algal blooms

- Ensure chlorophyll-a levels always allow enough light for photosynthesis
- Set a minimum level for dissolved oxygen concentrations to ensure the health of fish, underwater plants and ocean invertebrates
- Limit total organic carbon deposits on the sea floor beneath the farm
- Ensure solid waste deposits don't spread more than 100m from the licence boundary.



The Sanford grower farm before it was moved closer to the mouth of Big Glory Bay.

# MORE FLEXIBILITY – BETTER SUSTAINABILITY

The ability to move our total nitrogen allowance between our salmon farms helps us manage for sustainable production. To maintain this flexibility, we want to continue sharing the new nitrogen allocation between all our sites, as long as:

- Environment Southland is satisfied our model shows that we're complying with the environmental bottom line standards

- Regular monitoring confirms our on-going compliance
- The total nitrogen allowance in Big Glory Bay never exceeds the new maximum decided by Environment Southland

The variation also gives other marine farmers the option to give us written permission to use their nitrogen allowances, provided we meet all the required environmental targets.

# OUR MANAGEMENT PLAN

As a publicly-listed company and good neighbour of the Stewart Island community, Sanford has an obligation to be open and transparent. We've also proposed a Big Glory Bay Salmon Farm Environmental Management Plan. It will bring together all of our existing continuous improvement and environmental management initiatives into one

clear, publicly-available document. We'll keep it up-to-date and have it reviewed every three years.

The Sanford consent was notified on 24 May 2018, and is open for public submissions.

# WHERE WE ARE IN THE PROCESS



# Sanford Limited

We have plans for our Big Glory Bay farm  
that we are keen to share with you.

## Monday, 29 January

6.30pm at the Stewart Island Community Centre, and you are most welcome to  
join us for dinner afterwards 7.30pm at the South Seas Hotel  
Hosted by Greg Johansson, Sanford Chief Operations Officer

RSVP Ali Undorf-Lay | [aundorf-lay@sanford.co.nz](mailto:aundorf-lay@sanford.co.nz) | 027 293 7795





