

MEMORANDUM OF UNDERSTANDING

PARTIES: Department of Conservation (DOC)

The New Zealand King Salmon Company Limited (NZKSCo)

WHEREAS:

- A. **The New Zealand King Salmon Company Limited (NZKSCo)**, owns and operates a salmon farm in Ruakaka Bay, Queen Charlotte Sound, pursuant to a Marine Farming Act 1971 licence (MFL 1) which will expire in November 2003 and a coastal permit issued under the Resource Management Act 1991 which will expire in May 2003.
- B. **On expiry** of the coastal permit, NZKSCo will need to obtain a new coastal permit under the Resource Management Act to authorise its continued occupation of the coastal marine area and undertake its salmon farming operation.
- C. **The Marlborough District Council** is preparing the Proposed Marlborough Sounds Resource Management Plan which will govern the grant of the coastal permit.
- D. **The Department of Conservation (DOC)** has lodged a Reference which (inter alia) seeks that the renewal of the salmon farm registered under Marine Farm Licence Number 1 (MFL 1) at Ruakaka Bay, Queen Charlotte Sound be zoned as a "discretionary" activity in the proposed Marlborough Sounds Resource Management Plan (the Plan).
- E. NZKSCo, the owners of MFL 1, wish to retain the "controlled activity" status provided for under the plan for the renewal of their approvals and have further lodged a reference opposing prohibited activity status for marine farms in some areas of the Marlborough Sounds.
- F. **Both parties** have entered negotiations with the purpose of resolving these issues prior to the hearing of the References.
- G. **Neither party** wishes to progress its reference in the Environment Court if a private treaty between the parties can be agreed.
- H. NZKSCo acknowledges the preference of DOC to remove the marine farm from Ruakaka Bay and NZKSCo will, in conjunction with DOC, seek to obtain an alternative location as set out in this agreement.

S 9(2)(a)

It is therefore **agreed** between the parties that:

- 1 DOC will not pursue its reference in regard to Ruakaka Bay at the Environment Court hearings which are due to be heard in December 1998, and
- 2 NZKSCo will withdraw its reference objections to the designated "prohibited zone" status in the Proposed Marlborough Sounds Resource Management Plan.
- 3 NZKSCo will undertake a comprehensive investigation of alternative salmon farming sites, in close collaboration with DOC, within five years of this agreement.
- 4 Provided a suitable site is located which offers NZKSCo no significant commercial or biological disadvantage over the Ruakaka Bay site then:
 - 4.1 At the next review of the Plan (or earlier by way of a plan change if agreed between the parties) NZKSCo will apply to the Marlborough District Council to have the new site included in the Plan as an area in which marine farm is a "controlled activity", and for a coastal permit for the new site in substitution for its existing Ruakaka Bay licence.
 - 4.2 In recognition of NZKSCo's intention to transfer MFL 1 from Ruakaka Bay, DOC will support this application should the identified new site be acceptable to DOC for salmon farming.
 - 4.3 If the new site is approved then NZKSCo will move the MFL 1 farm to the new site within 24 months of all consents being obtained and will surrender from all permits to the Ruakaka Bay site upon relocation of the MFL 1 farm.
- 5 In the meantime, in an effort to minimise the visual and benthic adverse effects of MFL 1 while it continues to be located at Ruakaka Bay, NZKSCo will ensure that:
 - All barges located at MFL 1 are painted in environmental compatible colours;
 - White coloured netting is progressively replaced by environmental compatible colour netting, provided such change matches or exceeds the performance of existing netting and is economically acceptable to NZKSCo.
 - Other mitigating measures are adapted where practical to reduce the visual impact of walkways, gantries and other visible structures.
 - Ancillary equipment will only be moored at the site when that equipment is currently in use.
 - Only extruded pellets will be fed at the site or such feed types that may be developed provided their benthic impact is no greater than extruded feed.
 - Feeding will be by way of controlled (adaptive feeds) in conjunction with feedback computer technology including under water cameras.
 - An annual benthic survey will be undertaken at the site.

6 NZKSCo will undertake to seek to include details of this Memorandum of Understanding as conditions of consent at the next extension in term or renewal of MFL 1, as the case may require.

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The New Zealand King Salmon Company Ltd

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Department of Conservation

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