

From: [Peter Bender](#)
To: [Ford, Wes \(EPA\)](#)
Cc: [REDACTED]
Subject: HUON RESPONSE TO LETTER REGARDING MH DRAFT BIOMASS DETERMINATION OF MARCH 2018
Date: Friday, 6 April 2018 1:57:00 PM

Dear Wes,

I refer to your letter of 5 March 2018 which is described as the 'draft biomass determination for the period from 1 June 2018 until 31 May 2020'.

As you are aware, Macquarie Harbour (MH) is currently experiencing considerable stress as a result of ongoing seasonal low dissolved oxygen (DO) levels and the occurrence of Pilchard Orthomyxovirus (**POMV**) in the 2017 YC. Huon has repeatedly expressed its concern that:

- (a) increased salmonid biomass in MH has contributed to low DO levels; and
- (b) low DO levels have a detrimental impact on the health of fish, on the wider ecosystem in MH and the sustainability of operations in the Harbour.

Huon is supportive of the Government's efforts to provide certainty in respect of biomass limits for the next three years. However, the limit proposed in your letter simply reflects the current stock in MH rather than a level that is sustainable having regard to environmental and biosecurity considerations. Huon has consistently maintained that rigorous science must guide decision making as it relates to salmonid farming in MH.

While it is unclear, it seems that the intended total maximum permissible biomass across MH for the period from 1 June 2018 until 31 May 2020 is approximately 10,000 tonnes. This is higher than Huon believes is prudent based on our interpretation of environmental data, the Institute of Marine and Antarctic Studies (**IMAS**) report dated February 2018 and the recent verbal briefing by IMAS to stakeholders regarding initial results from the January 2018 monitoring. Huon recommends that a more conservative harbour wide limit in the vicinity of the 6,000 tonnes should be adopted until a greater level of confidence in the ability of MH to sustain operations can be confirmed. Huon remains concerned that the lag between availability of scientific results and inappropriate decision making by the Environmental Protection Authority (EPA) is likely to be a significant contributor to the cumulative deterioration in environmental conditions that is likely to result in lower biomass decisions than would have otherwise been necessary. The failure to make an appropriate decision in this determination may well result in the need to completely fallow the harbour for a period. Not only is this risking the environment (including endangered species), it also has the potential to have significant negative social and economic consequences.

2 PROCESS

Your letter is not a DRAFT biomass determination. To ensure we are afforded natural justice, we expect provision of the DRAFT biomass determination referable to the relevant Management Control under the *Macquarie Harbour Marine Farming Development Plan October 2005 (Marine Plan)*, prior to being issued with the Final biomass determination. This has been the process followed previously.

We request confirmation as to the process and timeframe for the provision of the proposed draft biomass determination for the period 1 June 2018 until 31 May 2020 as foreshadowed in your letter.

Huon's interests will be directly affected by the biomass determination, so must be afforded a meaningful right to be heard. In this respect please advise the timeframe for the provision of a draft biomass determination and invitation for submissions, and confirmation that we will be advised as to what information you will be considering and be given the opportunity to review and make submissions with respect to that information.

2.1 Smolt entry

Your letter does not provide for the intended smolt entry levels or how such levels will be

determined. The letter does not provide any information pertaining to its omission. Huon seeks to understand why smolt entry has been omitted as part of the determination.

2.2 Lease 266 and future determination for Tassal leases

Huon acknowledges that your letter allocates an equal tonnage per hectare for all three operators. However, once again this is qualified for lease 266. While the lease is included in the allocation for Tassal, it is not available for stocking. This in essence allows Tassal to have a higher stocking density on its other leases which is likely to have negative environmental and biosecurity consequences. You indicate in your letter that *“The Franklin lease (266) is, however, in better condition than in the Oct 2016 survey”* and that *“At this stage, I expect to include the Franklin lease area in YC2018 biomass determinations”*. Results from the Jan 2018 IMAS survey presented recently show a marginal improvement in benthic conditions at the Tassal Franklin lease (266) compared with Oct 2016 and with significantly lower species diversity and abundance compared with earlier 2016 and 2015 surveys. This is despite having been fallowed for an extended period.

There needs to be transparency in respect of the process for determining the availability of lease 266 in YC 2018 biomass determinations and we request that the EPA:

- (a) Provide detail of the benthic controls that will be used to assess and monitor the health of the lease;
- (b) Involve all three operators in the determination of the availability for re-stocking of lease 266; and
- (c) ensure that all operators are afforded an opportunity to provide comments on the re-stocking of that lease. Huon requests the opportunity to participate in and provide input into the process.

This will guarantee probity and independence in the process and ensure the operators have confidence in the regulation of operations at MH. Any decision made outside such a process would be of considerable concern to Huon.

2.3 Waste capture systems

Your letter acknowledges that no further allocation will be afforded to operators for the use of ‘Waste Capture Systems’. The Waste Capture System was originally proposed to allow Tassal to have a significantly higher allocation of biomass than the other marine farmers in MH. On 6 June 2017 you determined the maximum permissible biomass that could be stocked within the combined lease 214, 219 and 266 held by Tassal, would be 13 tonnes per hectare. However, that was increased to 28 tonnes per hectare for Tassal’s leases with the implementation of a Waste Capture System and resulted in a biomass per hectare in the order of 50 tonnes per hectare on leases 214 and 219 as a result of lease 266 not being available due to environmental non-compliance.

Huon has concerns about the impacts of the use of the liners themselves, the holding of wastes within the water column at depths adjacent to fish stocks, the extraction of waste and the treatment of effluent on-board the vessel within the Harbour. In this regard, we have raised the legality of employing the Waste Capture Systems in MH in the absence of further State and Federal approvals.

3 MAXIMUM BIOMASS AND STOCKING DENSITY

It seems to be your practice that biomass determinations are made pursuant to Management Control 3.3.1 (stocking density) and / or 3.3.5 (Maximum permissible biomass) of the *Macquarie Harbour Marine Farming Development Plan October 2005 (Marine Plan)*.

As outlined above, we assume that your letter is foreshadowing the provision of a Draft biomass determination to be provided to the operators. To ensure certainty, consistency and transparency for the operators and in order to meet the requirements of the Marine Plan, we assume it will provide both a maximum permissible biomass AND a stocking

density.

3.1 Maximum permissible biomass

Your letter provides no discernible maximum biomass for MH. The letter foreshadows a per hectare limit for leaseholders but does not provide a maximum across all leases. Considering the ongoing uncertainty regarding lease 266, we require clarification on the maximum limit harbour-wide. The best we can discern is that the limit would be approximately 10,000 tonnes

As you are also aware, Management Control 3.3.7 requires you to specify the methodology / formula by which compliance with 3.3.5 can be achieved. We trust this will be outlined in the Draft determination.

3.2 Stocking density

Your letter does not provide a maximum permissible stocking density of finfish to be held within the respective lease areas (i.e. tonnes per hectare). There is scope under the intended decision for companies to increase production in MH over the next three years by manipulating timing of smolt intake and harvest timing. Given the deteriorating environmental and biosecurity conditions in the harbour, it is vital that you place restrictions on stocking density.

In the absence of a maximum permissible stocking density, Huon's practice has been to determine its stocking density based on the effective net volume, not the actual net volume. This means that where dissolved oxygen levels fall to levels that are sub-optimal for salmonid welfare, the net is stocked to a level that allows for safe stocking.

4 EFFECTIVE MANAGEMENT OF MACQUARIE HARBOUR

As outlined above, Huon maintains its concern in respect of the effective regulation of finfish farming in MH. Huon will continue to manage its farming operations in what we believe to be a safe and sustainable manner regardless of total permissible biomass allocation.

4.1 Biosecurity

Our biggest concern, particularly given the recent POMV outbreak, is a lack of consideration of biosecurity and the well-recognised interrelationship between environmental conditions, fish health and biosecurity.

Huon's view is that the existing environmental conditions coupled with mixing of year classes (as well as overstocking) in MH by other operators has been the cause of the POMV outbreak in the 2017 YC over the last 6-7 months. The considerable mortality experienced due to POMV has been a major factor in reaching the current stocking levels. The potential for a mass mortality event due to low DO or fish disease is clearly an environmental consideration. Further, Huon remains concerned that a complete fallow of MH may be required in order to effectively manage POMV back to low levels.

Failing to provide any direction with regard to multiple year class stocking in light of the recent POMV outbreak is contrary to the intent of the referral on which the Federal Environment Minister determined that the proposed expansion was not a controlled action provided it was undertaken in the manner set out in the decision. I refer to the covering letter of 27 June 2012 from then Departmental Secretary Kim Evans to the referral documentation EPBC decision 2012/6406 which refers to "A key element of the amendment is to provide for year class separation of stock...".

Huon has proposed a comprehensive framework which focuses specifically on ensuring integrated fish health and biosecurity considerations into the regulatory framework by explicitly and comprehensively incorporating fish health and biosecurity advice. We have provided this to the EPA / DPIPW as part of the proposed Salmon Plan as detailed in both our Discussion Document (<https://www.huonaqua.com.au/wp->

content/uploads/2017/08/Huon-Aquaculture-Salmonid-Industry-Discussion-Paper.pdf) and Huon's response to the Tasmanian Government's Salmon Plan (Appendix A).

We cannot see how it is possible to consider the environmental conditions of MH without a consideration of biosecurity issues. A failure to take into consideration biosecurity issues is a failure to take into consideration a relevant matter under the *Marine Farming Planning Act 1995*. The EPA should not be making biomass determinations without regard to biosecurity considerations.

4.2 Environmental conditions

Your letter provides no indication of how the EPA intends to ensure adaptive management of MH. It is unclear which benthic controls (for example bebbiatoa, benthic in-fauna, physico-chemical factors) will be used and what would trigger a re-evaluation of the biomass determination. Such a mechanism should be provided for in the draft determination.

Despite, a recommendation from the IMAS research project "Understanding the ecology of Dorveillid polychaetes in MH" (FRDC 2014/038 - 2016) that one species of dorveillid worm in particular would be a useful indicator of unacceptable impact, there is no mention of dorveillid worms being re-instated as a compliance criteria.

Huon has consistently maintained that rigorous science must guide decision making as it relates to salmonid farming in MH.

5 CONCLUSION

Huon re-states its major concerns below:

- (a) In general there has been a major deterioration in environmental conditions and fish health in the period since mid-2016
- (b) Mixing of year classes – in our view that it has been the cause of the recent POMV outbreak in 2017 YC and must not be allowed in future;
- (c) Lack of clarity regarding the whole of Harbour maximum permissible biomass limit;
- (d) Failure to set stocking densities for respective leaseholders;
- (e) Uncertainty regarding lease 266 and the process by which the EPA will consider its availability for re-stocking. Further the lease should not be included in the calculation of the maximum permissible biomass for Tassal;
- (f) Uncertainty regarding the impact of the use of the Waste Capture System;
- (g) Failure to have regard to biosecurity in considering an appropriate biomass limits.
- (h) Potential for a harbour-wide fallow if appropriate biosecurity and environmental conditions are not implemented as a matter of urgency and which includes year class separation and a biomass of around 6,000 tonnes.

We would welcome the opportunity to meet with you and discuss this further.

Peter



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