

## Alissa Sluys

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**Subject:** FW: Far North Holdings - Opuia Maritime Servicing Area (FNDC ref RC2200220 and NRC ref APP040976.01.01)

**From:** Aileen Simister <[Aileen@bayplan.co.nz](mailto:Aileen@bayplan.co.nz)>

**Sent:** Wednesday, April 15, 2020 1:21 PM

**To:** 'alister@setconsulting.co.nz' <[alister@setconsulting.co.nz](mailto:alister@setconsulting.co.nz)>

**Cc:** Jeff Kemp <[Jeff@bayplan.co.nz](mailto:Jeff@bayplan.co.nz)>; Chris Galbraith <[Chris@fnhl.co.nz](mailto:Chris@fnhl.co.nz)>; Aimee Page <[aimee@fnhl.co.nz](mailto:aimee@fnhl.co.nz)>

**Subject:** Far North Holdings - Opuia Maritime Servicing Area (FNDC ref RC2200220 and NRC ref APP040976.01.01)

Dear Alister,

### **S92(1) REQUEST FOR FURTHER INFORMATION BY NORTHLAND REGIONAL AND FAR NORTH DISTRICT COUNCILS FOR FAR NORTH HOLDINGS LIMITED, OPUA**

File: APP.040976.01.01 (NRC) and RC2200220 (FNDC)

We are now in a position to respond to your request for further information which I have set out below according to the numbered points in your letter.

#### 1 Notification

An omission on our part, yes we expect, and therefore request, joint public notification.

#### 2 EIA Report

We have asked ME Consulting to review the applicability of their findings and attach their response.

#### 3 Relationships between Commercial and Public Areas

Our client has provided the following clarification:

The Commercial area is that defined within the boundaries of the perimeter fence. Inside relates to commercial area and the outside the public areas. The risks associated with the activities on both areas are in the main mitigated by the fence and the mechanisms that provide access to each. While there is a clear need to demarcate these areas of differing use we wish to provide for public use across the commercial defined area to allow ease of access to the recreational/public facilities. This access is provided so that users of the public space elements, for the purposes of accessing dinghies, unloading stores/provisions, people accessing recreational vessels via the jetty, can traverse the commercial areas in their vehicles, park and unload/load and then return to the parking area on the end of Baffin Street. They will be provided with a gate access to the public facilities. Access in to the site is via the main boatyard entry gate which has an automated boom gate. People wishing to access for the above purposes will be provided with access via the boatyard office, access can be pre-arranged at any time during work hours and will be conditioned by length of time so the area can be managed safely and not congested with vehicles. Non vehicle access is via the cycle/walkway as it is now.

#### 4 Cycle Trail

Our client has consulted MBIE and has confirmed that their requirements can be met.

#### 5 Seal Extension

Our client does not propose any seal extension on what is leased Crown Land. Most of the activities are already operating in Opuia and the oyster farming activities are seasonal. Public use of the existing parking area will diminish when the new Cycleway terminus at Colenso Triangle becomes operational.

#### 6 MEA

We agree that the seabed zoning is an anomaly and the application states that it has no standing, without delving into the intricacies of MACA and de-registering of seabed titles etc. Our experience in dealing with future use of reclamations has generally been to assume that the adjacent zoning would be extended and this was also assumed

for the MEA notation. If that approach is not accepted then the hardstand on top of the reclamation requires consent as not complying with rules in section 12.7. As the zone rules most relevant to the activities on the reclaimed area are noise and stormwater which are assessed to be restricted discretionary and controlled respectively the setback from the CMA would also be restricted discretionary.

According to the Expected Outcomes in [12.7.2.4](#) the main purpose of the CMA setback rule is to allow for future esplanade reserves or other forms of protection “*except in locations where the type of activity or historic patterns demand otherwise*”. In accordance with the response to 3 above and other discussion within the application we would submit that this proposal is a ‘type of activity’ which is inconsistent with any type of esplanade protection.

Please contact Jeff or myself if you wish to discuss,

Regards

Aileen

Aileen Simister

Consultant Planner

Bay of Islands Planning Limited

## Memo

To: Jeff Kemp  
From: Greg Akehurst, Director Market Economics  
Date: ~~2<sup>nd</sup> April 2020~~ February  
Re: EIA of Opuia Hardstand Extension: Update

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### Introduction

The purpose of this memo is to provide an update of the original Economic Impact Assessment on the development of an alternative location for the Maritime construction and servicing sector and the Aquaculture sector to carry out their activities. This report was prepared for the Oyster Farm Operators and Total Marine Services Ltd, in support of their application to build a purpose-built boat ramp, berthing and laydown area for the marine servicing sector.

As I understand it, the application [currently](#) before Council is [for](#) the creation of a new hardstand area, an extension of what was known as Ashby's Boatyard to the south of the main Opuia hardstand and marina area.

While the original report was carried out for a different location and proposal, the fundamental aspects that drive the findings in [this](#) report are the same for the original proposal and for this proposal. In the memo below, I have re-examined the original report and findings and updated where more recent information has shown this to be necessary. I also comment briefly on the continued veracity of the original report and the degree to which it can still be relied upon and touch on the Construction Sector effects in general terms, that had been excluded from the original reporting.

### Key Findings

While the [official statistics on employment show](#) ~~re-appears to have been~~ a slight softening of overall employment and activity in the areas immediately surrounding the Opuia Marina and hardstand area, [activity appears to have altered with potentially fewer employees based in Opuia but more activity occurring via contract or short term contract for boats on the expanded marina. Therefore,](#) the key findings presented in the original report hold true. That is, that the Oyster industry and the Marine Servicing Industry based in the Bay of Islands are significant contributors to the District economy and are likely to be more and more reliant on easy access to berthing and product transfer areas unencumbered by the recreational marine sector activity associated with the expanded Opuia Marina. [In addition, the new tourism venture \(Steam boat Minerva\) facilitated by the development will enhance visitor expenditure in the Bay, sustaining jobs and incomes.](#)



## Original Report

In the original report, I assessed that the economic footprint of the Total Marine Group was equivalent to approximately 45% of the Opuia Marine Employment, or 25% of the Far North District Marine sector employment. Its potential relocation would cause a significant drop in the capability of the sector in Opuia and in the Far North District overall. In addition, my research into the Oyster Industry highlighted that an expanded industry (70ha was modelled) would generate approximately 1,000 tonnes of oysters annually. The evidence given in the hearing indicated that this would be worth approximately \$12m on the export market<sup>1</sup>. In 2017 the industry operated 55ha and employed 35 people directly producing 700tonnes annually. [All of the oyster product comes ashore at Opuia. At present the barges compete with recreational craft to land the harvest at the boat ramp. This is not ideal for health and safety reasons \(large chiller trucks mixing with the public and securing the chill chain for the oysters\). The only other alternative – discontinued now, is to land the oysters at the Opuia wharf. However, this is not safe or practical either as the oyster barges have very low freeboard and the 7m lift \(at low tides\) via hiab to get the oysters up to the trucks is dangerous. The barges are susceptible to wakes meaning tying up at the wharf can only happen at high tide making transfers very inefficient. The original report found that the only realistic option to support the Oyster industry in the Bay was to provide some form of hard edge to the water that is removed from access by the general public.](#) The impact of losing the ability to land the harvest for employment in the Bay of Islands is significant. In addition, the original report found that the flow on effects increased the direct effects by between 1.38 and 1.76 times<sup>2</sup>.

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The Marine servicing sector required the hard edge berthing area and layout to continue their servicing of structures in the Marine environment (wharves, seawalls, beacons, marinas and so on). At the time, the turnover of the Total Marine Group supported approximately 35 workers and sustained direct contributions to GDP within the region of approximately \$4.9m annually. Importantly, their presence in Opuia facilitates career pathways for local workers in a sector not tied to tourism, or farming, thereby broadening the economic base of the District.

Once the flow on effects of the direct activity are taken into account (i.e. all the other services and inputs required by TMG to carry out its operations), the total contribution rises to approximately \$10.2m annually across Northland Region, sustaining over 70 jobs.

These are the economic effects that are at risk if it is not possible to provide both industries with an area to operate within that is removed from general public access. Security and Health and Safety mean that it is not possible to operate from more general wharf spaces.

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<sup>1</sup> Evidence of Ben Warren, Consent Hearing, 29/03/2017

<sup>2</sup> Based on a 2010 Enveco Report on the Economic Impacts of Oyster Farming. I note that little recent data exists.



## Updates

There is nothing that I am aware of in the intervening 2 years that might cause me to alter my original opinion (that consent should be granted). Both the Oyster Industry and the Marine Servicing Sector remain important for the Far North District, both as direct exporters (Oysters) and to facilitate the highly marine focused tourism sector and coastal development (Marine Servicing sector).

However, it is clear that since 2016/17 there have been a few changes in other activity levels in and around Opuā. [The official statistics show there](#) has been a slight decline in Marine sector focused businesses and employment and in the Retail sector overall since 2017. [However, this is not substantiated by on the ground discussions with Far North Holdings – who are monitoring activity. They have observed strengthening of marine sector activity with a number of businesses expanding to take advantage of the additional marina capacity \(more boats able to stay in the marina means more work for the marine focused industries\). This may be due to a greater number of mobile operators, basing themselves outside of Opuā but travelling in for work. However, on the ground reports are that activity for many of the businesses located within the marina have increased.](#)

[With respect to the marine servicing sector, that is engineering businesses engaged in marine construction and servicing marine infrastructure such as wharves and jetties, activity in Opuā has increased. When the original report was being prepared, TMS were in the middle of building the extension to the Opuā Marina. At the time they had 35 staff fully engaged at Opuā – a mix of office staff and engineers carrying out the build. Since that work is now complete TMS have repositioned staff to other projects around the North Island, whilst maintaining a base in Opuā. IT the intervening time, other marine engineering operators have been engaged and are operating on a range of projects across Northland meaning they basing themselves at Opuā. These include ;STF, Halletts, Bellinghams and United Civil. I am informed that STF Contracting have a 1 year contract that has the potential to generate additional work and so are looking for a permanent base in Opuā. These activities need to carry out their operations away from the general public. They require a hard edge to moor barges at a layout area and ability to either have a permanent crane or ability to use a mobile crane to load and unload very large piles in safety. The proposed hardstand extension is a highly appropriate solution to meet these needs.](#)

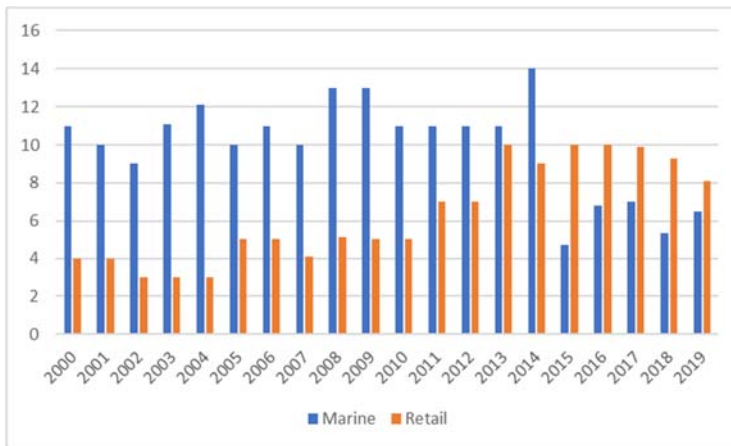
[The work carried out by the marine servicing sector is not limited to Far North District. As I understand it Far North District has around 77 structures \(wharves, jetties and other infrastructure\) that require maintenance along with a large number of private jetties and other marine structures. Based out of Opuā allows the marine servicing businesses to meet marine needs across the entire Region. The businesses purchase materials and services from businesses across the wider Northland Region and workers engaged spend money regionally – not just within the District. The effects described in the original report are regional effects and that still holds with the changed proposal.](#)

[Finally, by facilitating the development of the steam vessel Minerva, the proposal helps to facilitate a new tourism venture that links to the cycle trail and with obvious links to the steam train activity based](#)

[in Kawakawa. This will become a strong regional level attraction offering new activities to visitors to the Bay of Islands and forming part of the rationale to travel to Northland at all.](#)

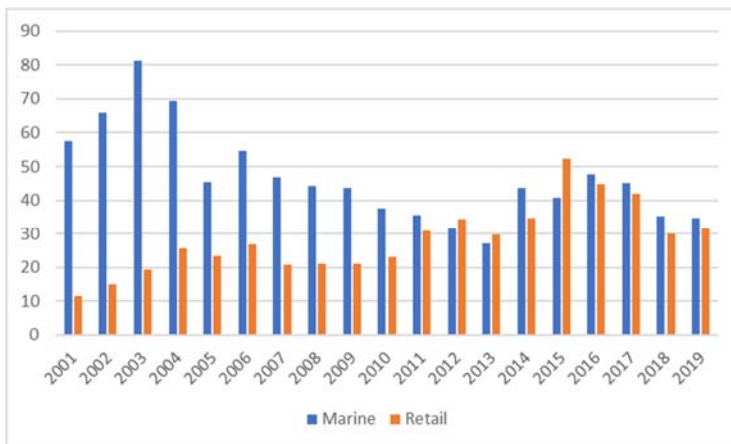
However, over the past 20 years, retailing has more than doubled in employment terms while the Marine sector (boat building and shipbuilding and repairs) has more than halved (Figures 1 and 2). This makes it more important (from an economic perspective) than before that the application is granted to allow the Marine Servicing and Oyster Industries to flourish in a tight economy.

Figure 1: Opuia and Surrounds Businesses, 2000 – 2019 (Geo Units)



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Figure 2: Opuia and Surrounds Employment in Marine and Retail Sectors, 2001 – 2019 (MECs)



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## Construction Sector

In the original report I made no mention of the effects a development such as this has on the construction sector. ~~It~~ is true that the reclamation, dredging, and construction of the proposed hardstand and marine edge structures (e.g. dock edges, 20m wide ramp for marine contractors) will only generate construction sector activity for a limited period of time. However, this is not to diminish the effects on the construction sector and Far North District employment and activity. By its very nature the construction sector is made up of a series of overlapping construction projects, where any one single project may not last a significant period of time, however the combination of projects over time help to ensure that there is a robust and sustainable sector. This means that it is very important that the construction effects associated with this proposed development are not overlooked in the decision making process.

At this stage the costs associated with the proposal are not able to be quantified, nor want business will be responsible for delivering the development. However, construction sector impacts are usually high and regional. The sector relies heavily on regionally provided materials and services to build. This means the impacts are regionally spread and likely to be significant to the businesses that provide them.

## Conclusions


Based on my re-assessment of the original Economic Impact report<sup>3</sup> that applied to a different location upstream from the current proposal, I have found that the approaches and data upon which that report was based remain sound and appropriate 2 years on. Both the marine service sector and the oyster farming sector ~~sectors that~~ will benefit from the proposed development of a dedicated hardstand and ramp area. These sectors are ~~are~~ economically significant for both Far North District and Northland Region. In the original report, I estimated that the marine services sector directly impacted the Northland Region by approximately \$10m. Given the lack of alternatives in terms of layout and hard edge areas for the marine servicing sector to carry out its operations, this is the portion that is most at risk. This figure is significant locally and regionally, given that Northland has a low GDP per capita value (35% below the national average). This figure is likely to be larger today – given the overall expansion in marine activity over the past 3 years.

Also, as described in the original report, the Oyster Farming industry does not have an alternative landing option to the proposed development. While the sector has seen some amalgamation in recent years, there is significant potential to grow this sector. A secure landing facility is fundamental to this growth.

The additional costs imposed on both sectors, should the facility not be developed are such that relocation of one if not both sectors is a real possibility. IN the context of the New Zealand Coastal

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<sup>3</sup> “Opua Marine Servicing and Oyster Landing Facility: Economic Impacts”, M.E, 1<sup>st</sup> May 2017.



Policy Statement, which controls reclamation and declamation – the proposed development meets the criteria for granting of consent, in that there are no practicable alternative methods of providing these activities and the reclamation will provide significant regional or national benefit.

In addition, the construction effects discussed in general terms above, further strengthen the economic arguments to proceed with the proposal.

For these reasons, I stand by my original conclusions and recommend that the consent be granted on the basis that the economic effects of doing so are regionally significant and are important for building economic resilience in the Northland economy.

Greg Akehurst

03/02/2020