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Dear Jaya

It was a pleasure to meet with you and the ABC Four Corners crew during your recent visit to Tassal to discuss sustainable salmon farming in Tasmania.

As you are aware, Tassal provided extensive access to our facilities to assist in the production of your program. Only operational issues including biosecurity, food safety and occupational health and safety considerations restricted access in certain areas. We note also that ABC Four Corners alerted Tassal about its inability to film interviews and other discussions while on our feed barge due to occupational health and safety considerations.

As discussed, Tassal takes a pro-active approach to disclosure as part of our core values and corporate principles.

A number of matters were not fully discussed during the interview and I undertook to follow up and review our position on them.

As the market leader and largest producer in the Australian salmon industry and having recently been benchmarked as the world's top salmon farming company in corporate, social and environmental reporting, we have an unwavering commitment to continue our work with our stakeholders, staff and partners to achieve further improvements in sustainability and responsible farming.

Therefore, I now provide the relevant additional information in this letter that deals with those matters not fully covered in the interview.

### **Food labelling**

During the interview, Caro Meldrum-Hanna asked about the supplement astaxanthin used in our fish feed for fish consumption and ultimately fish health and growth.

My response confirmed that Tassal did not believe that it was necessary to include all of our fish feed ingredient details on our food labelling given that astaxanthin is a minor additive in our fish feed

formulation for fish consumption and has been approved by the relevant regulatory authorities as safe for both fish and humans at the minor levels contained in our fish feed formulation.

Tassal's labelling complies with Food Standards Australia and New Zealand (FSANZ) requirements. It is not a FSANZ food labelling requirement to include ingredients relating to animal and fish feed. Any ingredients that are added or in contact with our product post harvesting are detailed in the ingredients section on all our packaging.

Astaxanthin is an important nutrient for salmon as well as providing colour to both wild and farmed salmon. In salmon, astaxanthin is important for fish health, growth and survival, it is an anti-oxidant that protects essential fats from degrading and also works to support the salmon's immune system.

I should have added that our food label (packaging) provides a link to the Tassal web site where interested consumers can find this level of detail on our website about astaxanthin in our feed: [www.tassal.com.au/sustainability/our-salmon](http://www.tassal.com.au/sustainability/our-salmon).

This has been the case since Tassal first published its updated website in 2013. We are also aware that our feed supplier, Skretting, sent you detailed information about the use of astaxanthin in salmon farming.

Further, it is worth noting that Skretting utilises astaxanthin in all its fish feed. Skretting is a major fish feed supplier to all of the Tasmanian salmon industry, in varying amounts and in different percentages of fish feed supplied for the industry. Other large feed suppliers similarly have astaxanthin in all their fish feed. Therefore, each producer in the Tasmanian salmon industry that receives fish feed has astaxanthin in their fish feed.

## **Halal and Kosher Certification**

During the interview, Caro Meldrum-Hanna asked whether it was inappropriate to certify our salmon products as Halal and Kosher because of the use of porcine blood meal in our feed.

I advised that Tassal had been transparent with all certification bodies about our production process and had been certified for Halal and Kosher status.

To ensure an open and transparent process, given the issues raised by Four Corners, Tassal contacted relevant certification bodies in Australia to confirm that our certification remained valid. I am pleased to advise Four Corners that our Halal and Kosher certification remains valid and that both Kosher Australia and Halal Certification Authority Australia have confirmed that we comply with all their requirements.

In relation to our Halal certification, Tassal products comply with all feed, harvesting and processing requirements of the certification. More specifically for our Australian products, recent confirmation of certification is supported by;

- The feed for our salmon complies with our certification requirements as confirmed by the feed provider;
- Continuation of current practice, that mirrors generally accepted global practices, of withdrawal from feed prior to harvest of our salmon for a minimum of three days to ensure the gut content is clear and mirrors global practices; and
- The post-harvest practice of ‘gutting’ is done without cutting or breaching the gut lining/cavity.

We understand that requirements for Halal in the UAE are different, however, we do not supply products to the UAE.

In relation to our Kosher certification, salmon is a Kosher fish and therefore, a wide range of Tassal salmon products are Kosher certified. A list of all products certified can be found at [www.kosher.org.au](http://www.kosher.org.au).

Tassal products that carry the Kosher certified logo continue to comply with harvesting and processing requirements as certified by Kosher Australia.

Once again, it is important to understand that all of the ingredients in our production process have been approved by the relevant Australian regulatory authorities as safe for the fish and safe for human consumption.

### **Our Relationship with WWF-Australia**

Prior to our partnership, Tassal had already been part of a broader dialogue with WWF about seafood sustainability. Our partnership evolved from these discussions with the ambitious publically stated objective of Tassal achieving ASC (Aquaculture Stewardship Council) certification across all its operations by 2015.

During the interview, Caro Meldrum-Hanna asked why Tassal had not disclosed that it had paid WWF monies under its partnership agreement to assist with capability building and environmental research projects.

It was also asked whether Tassal had made any other payments to WWF. It was suggested that such payments may generate a perception that Tassal had 'bought' WWF support. Any claim that Tassal has ‘bought’ such support is refuted absolutely.

I said that Tassal would be pleased to disclose the payments and the nature of the work undertaken by WWF as part of our partnership. Tassal paid WWF \$250,000 in the financial year ended 30 June 2016 for services and conservation projects. You should also be aware, that Tassal has disclosed the project work undertaken by WWF in our sustainability report on our web site: [www.tassal.com.au/wp-content/uploads/2016/05/Tassal-Sustainability-Report-2015.pdf](http://www.tassal.com.au/wp-content/uploads/2016/05/Tassal-Sustainability-Report-2015.pdf).

I also said I was unaware of any additional payments from Tassal to WWF. I have since checked our records and can confirm that no additional payments outside our partnership agreement have been made to WWF.

Following a discussion with WWF, Tassal has agreed to be fully transparent about all of these payments on our web site. You should also note that WWF has previously released details on the payments from Tassal under our partnership agreement and Tassal had previously approved the disclosure of this in WWF Australia's Business Partners Reports, which are available online.

Tassal celebrates its partnership with WWF. Many other companies have similar arrangements with WWF and other environment groups.

On this last point, Caro Meldrum-Hanna also asked whether the partnership between Tassal and WWF was exclusive and whether other companies could undertake a similar arrangement. It was suggested that Tassal was blocking other companies from being partners with WWF.

As discussed, Tassal has exclusivity clauses with WWF for specific research work for Tassal but there is nothing stopping other companies from undertaking partnership arrangements with WWF.

### **Aquaculture Stewardship Council (ASC) Certification**

During the interview, Tassal also disclosed that it paid for the annual auditing functions to achieve ASC certification of our production processes. This fee is paid to an independent auditor, not ASC, and is similar to paying auditors to scrutinise the accuracy of company financial accounts.

The ASC is an independent organisation and operates a third party certification and labelling programme. This means that the ASC is the standard holder, but farms must be audited to determine whether they are eligible to become certified by an independent certification and assessment body (CAB).

Auditors, and the CABs that employ them are assessed and monitored by the Accreditation Services International to ensure they have the skills and processes in place to undertake independent assessments to evaluate whether farms meet the standard.

The annual auditing costs associated with ASC certification is \$125,000. The additional \$125,000 that was mentioned during the interview relates to internal Tassal resource costs associated with meeting the standard and the audit process - this amount is not paid to ASC or ASC auditors - but it is a cost that is required to be borne by Tassal.

Again, any claim that Tassal has 'bought' such certification is refuted absolutely.

## **Dover Bay Mussels**

During the interview, Caro Meldrum-Hanna asked why Tassal had acquired the Dover Bay Mussel lease and whether it had 'bought' the silence of its previous owner, Mr Warwick Hastwell, in respect of the Senate Inquiry in 2015 that looked into industry criticisms of sustainable salmon farming practices in Tasmania.

I noted that Tassal had investigated claims by Mr Hastwell that Tassal net cleaning in Dover Bay had allegedly damaged his mussel lease and that no evidence of this was found.

I also noted that there is a confidentiality clause in the sale agreement that prevents Tassal or Mr Hastwell talking about the details of the transaction but at no point did we deter Mr Hastwell from appearing before the Senate Inquiry. Indeed, Mr Hastell acted at his own discretion in relation to the Senate hearing and made a submission to the inquiry

## **Macquarie Harbour**

During the interview, Caro Meldrum-Hanna asked about the sustainability of salmon farming in Macquarie Harbour and what science base was available to support ongoing salmon farming on leases in that waterway. She noted claims that fish were suffocating and reports of significant salmon deaths on some leases in Macquarie Harbour.

Macquarie Harbour is a large estuary where saline ocean waters mix with freshwaters and the water column in the harbour is typically three-layered: fresh, marine, and intermediate. It historically has low oxygen in the bottom waters, low biodiversity and the dark colour of the water is typical of waterways throughout the southwest of Tasmania and is caused by naturally occurring tannins in the water.

In response, I noted that Tassal was always within the stocking densities set in our license conditions for Macquarie Harbour and that Tassal voluntarily adjusts and lowers its stocking density if there are adverse conditions in the waterway, as we did in response to heat stress conditions last summer. This allowed our fish to comfortably access oxygenated water during this time period.

I also noted that during the heat stress last summer, salmon were lethargic but that overall fish health was excellent in Tassal pens in Macquarie Harbour and that survival rates were higher there than in Tassal leases in other parts of the State.

Finally, I noted CSIRO advice that the forthcoming summer was going to be wetter and windier than the previous hot and dry summer conditions and that this might improve salmon farming conditions in Macquarie Harbour. Subsequent to the interview, CSIRO have again confirmed that it is unlikely that Tasmania would see water temperatures as high this summer as they were last summer.

Our monitoring shows recharge of dissolved oxygen levels at our leases in Macquarie Harbour but I agreed that there could be a repeat of fish deaths on some leases in Macquarie Harbour in future, if there was a renewed extreme weather conditions. This is due to the behaviour of other sites, as some sites are more prone to inversion events.

Caro Meldrum-Hanna noted alleged claims that the forthcoming summer could be the 'worst on record' and asked whether the EPA had directed Tassal to put in place a Mass Mortality Plan for the waterway. It was suggested that some people may interpret the request to develop Mass Mortality Plans as a sign that salmon farming in Macquarie Harbour is not sustainable.

Mass mortality planning is necessary for any farming operation as these plans are necessary for business continuity. Mass mortality plans are not only developed because of environmental events, but also for the incursion of exotic disease or emerging diseases regardless of the likelihood.

I was not across all the details of the Environmental Protection Agency (EPA) correspondence during the interview as it was a matter handled by my operations and sustainability team. However, I have now checked and can advise that the EPA asked all the growers in Macquarie Harbour to develop a Mass Mortality Plan for Macquarie Harbour. This work was undertaken as an Industry and is being coordinated by the Tasmanian Salmon Growers Association (TSGA). This work has been ongoing and a draft Mass Mortality Plan was completed and lodged with the EPA on 29th June 2016.

I can also confirm that Tassal had, as part of our normal risk management planning over the last two years been preparing Mass Mortality Plans for all of its lease sites in Tasmania. We regard this as a work in process that will be continually updated - both from Macquarie Harbour and for all our South East leases.

Preparation of Mass Mortality Plans should not be interpreted as a sign that there is an imminent adverse event expected but a sign of prudent long term planning by Tassal. I am pleased to advise you that Tassal is currently working with industry and the TSGA to finalise the draft Mass Mortality Plan for the EPA to assist them with contingency planning. Again a draft plan was submitted for review by the EPA on 29th June 2016.

## **Okehampton Bay**

During the interview, Caro Meldrum-Hanna asked why the proposed Tassal salmon farming development in a Okehampton Bay was causing community concern and referred to 2002 baseline data that was used to suggest salmon farming was not suitable.

I acknowledged that there were some community concerns about development in Okehampton Bay but also noted that there was strong support from members of the local community, our employees that live there and both work there and away in Macquarie Harbour, and the local council for the development.

I noted that 2002 baseline data was available and had been reviewed and that more recent Tassal monitoring and contemporary salmon farming practices and management techniques confirmed Okehampton Bay was suitable for salmon farming.

I said that Tassal would publicly release the results of its monitoring data in Okehampton Bay to provide comfort to those who have concerns about the sustainability of salmon farming in the Okehampton lease.

Tassal is also committed to do a repeat of the baseline survey in line with more modern science methods and to monitor any future change through a broad scale type monitoring program.

It should be noted that the Tassal lease is already an active mussel farm and is 600 metres offshore and that measures have been planned to minimise any impact on local amenity.

Caro Meldrum-Hanna also asked about community and media speculation that Tassal was planning to use a marine lease in Mercury Passage for salmon farming. I confirmed that Tassal considered that option several years ago but ruled it out and I am pleased to confirm in writing that Tassal does not have any future plans to acquire, sub-lease or use a marine lease for salmon farming in Mercury Passage, this has also been detailed on our website.

### **Selective Breeding Program**

Tassal's Selective Breeding Program was discussed with Linda Sams. Tassal breeds their salmon for Tasmanian conditions through their selective breeding program. Details on this program can be found in our sustainability reports. This program is based on traditional breeding principles and Tassal does not farm GMO salmon.

### **Environmental Conditions**

During ABC Four Corners visit it was noted by the film crew travelling to the farm where filming occurred that the water was green in colouration. This was also noted on underwater footage that was taken during your visit.

There has been high rainfall in the South East of Tasmania in the weeks leading up to the ABC Four Corners filming and this does affect water visibility and colouration. This a normal occurrence for this area of the State when large amounts of rainfall pulse fresh water down the river systems and this mixes with oceanic waters. These conditions are characteristic of brackish or estuarine channels.

We also understand that a wide range of footage has been obtained by Four Corners during your visit in Tasmania and from your visit to North America. As different companies and regions have different policies, standards and environmental conditions, and in order to avoid misrepresenting any company or its operations or geographical area, can you please ensure that all footage used is clearly

defined or identified as to which company or company's operations, region or country is being shown so as to ensure that viewers are not misled based on visual representation.

I trust that this additional information addresses the matters raised in the interview. I would be pleased to respond to any further requests from Four Corners for additional information.

### **False & Misleading Allegations**

With the benefit of the extensive access and the lengthy interview we have afforded to Four Corners coupled with the supplementary information contained in this letter, and consistent with ethical journalistic principles, we expect the Four Corners to present its program:

- (a) in a fair and balanced manner;
- (b) in an accurate manner, ensuring that all the facts are right and have been checked or otherwise verified; and
- (c) with impartiality and independence and without unjustifiably supporting, or being unduly influenced by, any particular special interests whether political, corporate, environmental or social.

In the interests of these principles, we kindly request that, if required by us, a copy of the supplementary information contained in this letter arising from the interview will be placed on the website of the ABC Four Corners Program immediately following the airing of your program and for this to be mentioned by the presenter at or near the end of your program.

Given that my interview ran for one and three quarter hours, we are concerned that not all of my answers will be fully covered in your 45 minute program. We therefore will place a copy of this letter on our website to ensure that key information is publicly available and we would be happy for a transcript of the entire interview to also be made available to the public.

Tassal will monitor the final program when aired and will consider appropriate legal action in relation to any false or misleading allegations and any aspect that is viewed as defamation in respect of myself, being the CEO and MD of Tassal.

I confirm that:

- we have a recording of the full interview conducted; and
- our recording may be used by us for verification purposes.

As one of the largest employers in Tasmania and a market leader in the Australian salmon industry with an ongoing commitment to leading sustainable and responsible farming and reporting, Tassal takes its corporate, social and environmental responsibilities seriously at all times and is well aware of the expectations of the various communities and the many employees and other stakeholders in the



salmon industry and Tasmania, generally, and their belief in and reliance on Tasmanian salmon industry.

Kind Regards,



Mark A. Ryan  
Managing Director & CEO