

Before the Expert Fast-track Panel

FTAA-2511-1150

Under the Fast-track Approvals Act 2024 (**FTAA**)

And

In the Matter of an application for approvals by **MCCALLUM BROTHERS LIMITED** for the Te Ākau Bream Bay Sand Extraction Project located at Te Ākau Bream Bay, Northland

Statement of Evidence from Shayne Elstob on behalf of McCallum Brothers Limited in Response to Invited Comments

(Corporate - Operations)

12 August 2026

Jeremy Brabant

Barrister

Level 7, 50 Albert Street, Auckland Central
PO Box 1502, Shortland Street, Auckland 1140

M: 021 494 506

E: jeremy@brabant.co.nz

Introduction

1. My name is Shayne Michael Elstob.
2. I am the Chief Operating Officer of the McCallum Group. I hold a Bachelor of Science with Honours majoring in Marine Biology and Zoology at James Cook University in Queensland. I also hold a Post Graduate Diploma in Business that was completed at Auckland University.
3. In my earlier career, I worked in both research and commercial aquaculture and technical research positions in Australia and New Zealand for 10 years. My experience includes extensive field dive survey work and benthic and fish sampling techniques on the Great Barrier Reef and in northern New Zealand. My research experience includes being involved in or managing aquaculture research projects on Redclaw crayfish, Tiger prawns, Paua, Geoducks, Seahorses, Whitebait, Flat oysters and Pacific oysters.
4. I have a significant level of boat operating experience having had to operate large 14m commercial vessels on aquaculture facilities and in other research or commercial facilities.
5. While Operations Manager at McCallum Bros. Ltd (**MBL**) I was responsible for obtaining and maintaining New Zealand Concrete Plant Certification for MBL's own concrete plant. This included oversight of all production, testing and auditing functions of the concrete plant.
6. In 2018 I returned to the McCallum Group as Chief Operating Officer and continue in that role today. My role encompasses governance of the Group interests which include coastal shipping, sand extraction, trucking, quarrying and aquaculture. In the last 8 years I have acquired an extensive personal knowledge of the sand supply and concrete industries in Auckland and throughout the upper North Island
7. Of relevance to this proposal, I was heavily involved in all Pakiri sand extraction resource consent applications and this Bream Bay application. I was involved in almost all field work for the Inshore, Midshore and Offshore Pakiri applications plus all hearing proceedings and Environment Court

appearances. For the Bream Bay proposal I was directly involved in all field work and in the review of all Assessments of Effects associated with the application currently before you.

8. As an employee of the McCallum Group, I cannot provide independent expert evidence. Nonetheless, I confirm (acknowledging this is not a hearing before the Environment Court), that:
 - a. I have read and am familiar with the Environment Court's Code of Conduct for Expert Witnesses as specified in the Environment Court's Practice Note 2023 (Code); and
 - b. Any reports and other relevant documents referred to as authored by me:
 - i. Are within my area of expertise (except where I state that I rely upon the technical reports of other expert witnesses provided in support of the application);
 - ii. Have been prepared in accordance with the Code; and
 - c. I have not omitted to consider any material facts known to me that might alter or detract from the opinions expressed.

9. I have reviewed all the material lodged in support of MBL's application.

Scope of Evidence

10. This evidence is provided as part of MBL's response to comments received from other parties in regard to the Te Akau Bream Bay Sand Extraction Project (**Project**).
11. This statement sets out my response to a series of comments or allegations from submitting parties on the below matters:
 - a. The joint comments from Allied Concrete Ltd and Brookby Quarries Ltd presented as an appendix to the statement provided by Bream Bay Guardians. That joint comment at paragraph 63 suggests that the information provided in Figures 3 and 4 of the Concrete

Suitability Report from Mr Paul Donoghue are not representative of the PAP7 and manufactured sand produced by Brookby Quarries Ltd.

- b. The request by Department of Conservation (**DOC**) for a condition related to extraction not being repeated along the same track line within a 12 month period. This specifically relates to the Special conditions for the Wildlife Authority application.
- c. A request by DoC to monitor for stony corals while undertaking extraction operations. This relates to section 5.1(c) in the Special conditions for the Wildlife Authority Application.
- d. Allegations from a number of parties in their submissions that relate to MBL's compliance and alleged breaches of conditions of consents in relation to now expired Pakiri sand extraction consents including:
 - i. Endangered Species Foundation in Section 6 and 8.
 - ii. Bream Bay Guardians at paragraphs 2.15, 7.3, 7.4, 7.7 and 7.17.
 - iii. Ocean Beach Residents Association on Page 2.
 - iv. Ruakākā Reserve Board on Page 10 and 11.
 - v. Bream Bay Coastal Care Trust at Paragraphs 5.25 and 5.26.
 - vi. Langs Cove Residents Association at Section 7 and 8.
 - vii. Waipū Boat & Fishing Club on Page 3.

Samples of Manufactured Sand and PAP

12. The Bream Bay Guardians have provided comments, which include as an un-numbered appendix, commentary from Allied Concrete Ltd and Brookby Quarries Ltd (**the joint comments**). The joint comments mostly relate to aspects of the quality or performance of a manufactured sand that Brookby Quarries Ltd (**BQ**) produces and Allied Concrete Ltd (**ACL**) uses to manufacture concrete. The statement refers to a series of paragraphs in the Concrete Suitability Statement (Attachment 20) provided by Mr Paul

Donoghue of which one relates to the source of the aggregate, the aggregate grading curves (Figure 3) and photos (Figure 4) shown in Mr Paul Donoghue's report. The statements regarding this from ACL and BQ's joint comments I refer to are below.

Paragraph 63 – The Manufactured Sand process developed at Brookby was undertaken in house using our own technical advice and input on the required specification from ACL. This is not a process that was promoted by Mimico. In short, the paragraph does not describe or show any understanding of how Brookby's manufacturing sand process works and therefore this statement is completely incorrect. Brookby has confirmed that it has not been approached by Mr. Donoghue at any time to confirm his understanding and statements made in this paragraph relating to Manufactured Sand nor has he visited the site to understand the process. Neither Brookby nor ACL have been requested by Mr. Donoghue to provide samples of the product and can confirm that the samples shown in Figure 4 are not representative of Brookby Pap 7 or Brookby Manufactured Sand.

Paragraph 64 - That manufactured sand has been successfully used in the Auckland market for the past 12 months with the volumes exceeding 110,000 tonnes. The information relating to the grading curve and other information on its specification as stated in this paragraph is not accurate and simply not true.

13. In their joint statement BQ and ACL dispute that the photos of Brookby quarry products and the grading curves depicted in Mr Paul Donoghue's report are representative of their products. They support this claim by saying that Mr Paul Donoghue had never contacted Brookby quarry to obtain samples.
14. In the preparation of the Te Akau Bream Bay application, MBL understood it needed to include an assessment of the alternative sand options available to the market against Bream Bay sand, particularly in regard to concrete. MBL was aware that this assessment would not be complete without including an assessment of manufactured sand as a supply option to the

market. At the time, trials were being undertaken using manufactured sand by several Auckland concrete manufacturers.

15. As described in paragraph 30 and 31 of his reply to comments received dated 5 August, 2026, Mr Paul Donoghue did try to obtain information and product samples from Brookby Quarry but no response was provided to that approach. On the basis that Mr Paul Donoghue would not be able to secure samples or any information on BQ products, MBL undertook its own enquiries to obtain samples of the manufactured sand and PAP7. I managed that process. MBL obtained these through its own contacts and customers in the concrete industry, many of which both BQ and MBL supply.
16. Obtaining samples of the BQ PAP7 is very straightforward as it is relatively common in the market and MBL carts BQ aggregates including PAP7 for several of its own customers. I took the photo of PAP7 shown in Figure 3 and worked with Mr Donoghue to generate the grading curve in Figure 4. They are representative of the Brookby quarry PAP7 product at the time the report was written.
17. At the same time, Brookby manufactured sand samples were obtained from several of MBL's existing customer base that were undertaking trials of the BQ manufactured sand. These were obtained from several different concrete manufacturers. Grading curves were undertaken of each sample and the average grading of all samples is what is shown in Mr Paul Donoghue's report. I will add that the product from all sources was consistent and within the expected tolerances of a sand or aggregate produced from a quarry. For the same reasons expressed above in paragraph 16, in relation to PAP7 I am also certain that the product photos and grading curve provided by Mr Paul Donoghue is representative of the Brookby manufactured sand at the time his report was finalised.
18. Mr Donoghue notes that BQ have not provided any grading curves of their own in support of their statement above so no conclusions can be drawn that the current manufactured sand or PAP7 product has changed since Mr Paul Donoghue's statement (Attachment 20) was finalised in June of 2025, or if so how.

Repeat Extraction Limits

19. In its response to MBL's proposed Wildlife Authority Special Conditions, DOC has recommended a new condition in Schedule 3, Paragraph 5.1 that relates to aspects of the Cup Coral Management Plan (**CCMP**) and what it must include. Paragraph 5.1 (c) has been proposed by DOC as a new sub-condition and states the CCMP must include:

- a. *Details of how incidental killing of protected corals will be detected and assessed outside of annual monitoring periods,*
- b. *extraction should not be permitted in the same location at less than a 12 monthly period. This is stated as Condition 9 and is repeated below for ease of reference:*

20. DOC has also suggested the addition of the following condition:

9 Extraction Track Reuse

The Approval Holder must not commence or undertake sand extraction within the same extraction track for a minimum period of at least 12 months following completion of prior extraction in that track.

21. In principle, the proposed extraction track reuse condition by DOC to not return to the same point for a minimum period of at least twelve months is already met within the SEOP at both volume stages. The Sand Extraction Operations Plan (SEOP) (Attachment 27) is the key document that outlines the methodologies and processes applicable to all MBL employees and contractors involved in vessel-based sand extraction operations for the Te Ākau Bream Bay sand proposal site. MBL have adopted measures within the SEOP to minimise the effects whilst operating the vessel the *William Fraser* at the Te Ākau Bream Bay proposal site. Of particular note, is the Sand Extraction Rotation Methodology in Section 2.5.2. The principal purpose of this methodology is to spread extraction out as best as practicable to maximise the return period over the same extracted track. This achieves several goals:

- a. Minimises the potential for the formation of large, repeated tracks or trenches being created to depths greater than the surrounding seabed level.
- b. At a benthic ecology level, this maximises the amount of time before an extraction track is repeated in the same location, thereby providing the longest recovery period for the benthos between extraction events.

22. If the SEOP is followed at both stages of extraction then, subject to what I say in paragraph 24 below, there will be no significant extraction from over the same track at a return period of less than a year. This can be best demonstrated by:

- a. At the first stage of extraction for 150,000 cubic metres per annum the return period before extraction would return to the same point in 20 months.
- b. At the second stage of extraction for 250,000 cubic metres (should the Sand Extraction Monitoring Report permit the step up to the greater volume) the return period to the same extraction track would be just over one year.

23. The Panel will recall at question 1 (a and b) of Appendix 1 in Minute 4, RFI 1, there was a question as to how MBL chose the maximum extraction volume limits of 150,000 and 250,000 cubic metres. The key driver of this was for benthic ecological reasons as outlined by Mr Simon West (paragraphs 15-23 in his response to Minute 4, RFI 1 dated 14 May 2026). In short, to provide sufficient time for recovery of the seafloor and at least one year before the return of the extraction vessel to the same extraction track (paragraph 18).

24. Nevertheless, the practical limitations of dredging in an open coastal environment in a 68m long vessel could mean that at times one extraction track could overlap or partly overlap for short distances and at random intervals with a previous track within a 12 month period. As an example, in a strong easterly wind with a moderate swell <2 m (the *William Fraser* is capable of extracting in up to a 2m swell) the vessel tracks slightly sideways

when extracting. There are several reasons for this, but the key ones are the windage on the vessel where the swell pushes the barge sideways and the drag-arm provides a pivot point while extracting. All of this means that the vessel may move slightly to the left or right as the autopilot corrects for the constantly shifting movement of the vessel (it is important to emphasise that these corrections are in real time using GPS to bring the vessel back to its intended track - in other words, the vessel is not set on a compass bearing and simply left to run). This could mean one track could partly overlap for short distances from time to time with a track of several months earlier as the vessel nudges off-course and then corrects. However, this will be minimal and the extent of any overlaps will be reported on as part of the quarterly extraction reports required from MBL as per Condition 35.

25. In the opinion of MBL, the special condition 9 in the Wildlife Approval Conditions that DOC has proposed is overly prescriptive and impractical. However, a modified resource consent condition (Condition 24) would achieve the outcome being sought by DOC. The following addition to Condition 24 is recommended and is included in the updated Attachment 26 – Recommended Resource Consent Conditions, attached to the evidence of Mr Hay:

The Consent Holder must operate the William Fraser in a way that avoids or, if that is not practicably possible on any occasion, minimises any overlapping of an extraction track created within the previous 12 months.

Monitoring for Stony Corals whilst Undertaking Sand Extraction Operations

26. In its response to MBL's proposed Wildlife Authority Special Conditions, DOC has recommended a new condition in Schedule 3, Paragraph 5.1 that relates to aspects of the Cup Coral Management Plan (CCMP) and what it must include. Paragraph 5.1 (c) has been proposed as a new sub-condition and states the CCMP must include:

- a. Details of how incidental killing of protected corals will be detected and assessed outside of annual monitoring periods,*

27. This condition reads as requiring MBL to determine a method to detect and assess mortality of stony corals (alive and dead) whilst undertaking sand extraction operations. From an MBL perspective that means either determining impacts at the seafloor or within the operating system on the *William Fraser*.
28. This proposed special condition is impractical at the seabed level and both impractical and unsafe on board the vessel.
29. Undertaking an assessment on the seabed would require some method of analysing the seafloor at the time of or immediately after extraction. Due to the small size of stony corals and their cryptic nature it is not anticipated that any visual camera technique would find them. Due to the depth constraints diving is difficult and impractical. To date, neither camera nor diving techniques have found any stony corals in Bream Bay or Pakiri. I know of no effective or practical method that would be able to determine mortality impacts on stony corals at the time of or immediately after extraction.
30. The second option of undertaking an assessment on board the vessel would be equally difficult. There are only two areas where this could be undertaken.
- a. The screen deck; and
 - b. Where the discharge of oversize material occurs through the moon pool.
31. The screen deck sits approximately 6m above the vessels deck height and sees approximately 450 litres of sand slurry passing over it per second (based on the pump operating at 75% of maximum capacity). The sand slurry is passing over the screen rapidly and in very high volume and in comparison, the stony corals are small at less than 10mm in size. I cannot see that we would be able to identify any stony corals passing over the screen deck whilst the vessel is actively extracting. To do so would be neither practicable nor safe. In reality, positioning a person on the screen deck whilst actively extracting sand would pose a significant health and

safety issue for the company and likely breach Maritime New Zealand regulations and the Health and Safety in the Workplace Act.

32. The second point relates to the discharge of the oversize material which passes through the Port for'ard moon pool at hull height (sub 2m below water surface level). I can't see a practical or safe way to collect material from the discharge based on the large volumes passing through the oversize pipe to 2m under the surface. It would require trying to catch material underneath the hull of the vessel as it is moving.
33. For the reasons described above I do not consider that MBL could practically implement any method to assess incidental killing of stony corals outside of monitoring periods.

Claims of Breaches of Consent, Environmental Damage of past Consents and Poor Dredging Practice

34. Several comments have raised a range of concerns in regard to historic sand extraction at Pakiri and drawn conclusions that MBL is not capable of operating a compliant sand extraction consent in Te Akau Bream Bay. MBL refutes these claims. These assertions include allegations of non-compliance, regulatory mismanagement, inadequate conditions of consent, significant environmental damage and not declaring historic enforcement action to the Ministry for Environment (**MfE**) when applying its Fast Track application.

Alleged Historic non-compliance

35. The parties raising these concerns are listed earlier in this statement. All parties have asserted in their comments that MBL operated its now expired Pakiri inshore and offshore consents poorly and there was significant non-compliance in their operation.
36. Endangered Species Foundation at Section 6 and 8, Bream Bay Guardians at paragraphs 2.15, 7.3 and 7.4, Ocean Beach Residents Association on page 2, Waipu Cove Reserve Board at paragraphs 5.25 and 5.26 and Lang Cove

Residents Association in Section 8 allege that the sand extraction consents operated by MBL were not complied with. No facts are presented by any of the parties that demonstrate that this was the case.

37. MBL refutes the claims but does agree that several conditions in the Temporary Offshore Consent were challenging to maintain. As an example, one condition of consent required a 30-day rolling average extraction volume limit under Condition 17 of the Temporary Offshore Consent CST60420477 and DIS60420479. In practice, calculating the rolling average accurately on a daily basis proved complex. Extracting one day early in one instance resulted in a formal warning from Auckland Council on 12 June 2024 in relation to Condition 17 and no enforcement action was taken by the Council. It is worth noting that MBL has proposed a monthly calendar extraction volume limit (Condition 23) for Bream Bay where the reporting of sand extraction volumes and locations are required to be reported to the Council on a quarterly basis under Condition 35. So the risk of a calculation error is highly unlikely for the Bream Bay proposal.
38. Other claimed compliance issues related to the operation of extraction consents that used old technology on vessels used prior to the *William Fraser*. For example, the reported trenches that occurred in the previous offshore consent at Pakiri that have been highlighted by several submitters as a breach of the now expired Pakiri Offshore consent had three main causes:
 - a. The extraction head used on the older vessel the *Coastal Carrier* was a single 300mm diameter angled pipe (Figure 1) rather than a purpose-built trailing 1.6m wide suction drag head. This left a narrower and deeper extraction track of approximately 0.3m deep by 0.6m wide whereas the *William Fraser* leaves a well-documented 1.6m wide by 0.1m deep extraction track. Pictures of both drag heads are below as Figure 1 and Figure 2 for comparison purposes.
 - b. Until September, 2021 MBL operated the Pakiri Offshore Consent under licence to Kaipara Ltd which held the Pakiri offshore coastal permits until they were transferred to MBL on 8 September 2021.

That sand extraction permit did not impose any restriction on where, within the consented extraction areas, sand was extracted or on the pattern of dredge tracks adopted. Consequently, in the offshore consented area MBL tended to concentrate extraction in the 28-32m water depth which best suited the limitations of operating the *Coastal Carrier*. Repeated extraction over the same area led to the trenches being formed. This effect on the seabed was unknown by anyone until December of 2018.

- c. An exacerbating factor in the creation of the trenches was that, due to its weight and narrow profile, the drag pipe tended to want to fall into and follow the path of previous extraction tracks. Having done so, the tracks became deeper, increasing and perpetuating the problem. Again, no one was aware that this was occurring until the trenches were discovered in December of 2018, by which time trenches in excess of 2m had been created.



Figure 1: Coastal Carrier Draghead



Figure 2: William Fraser Draghead

39. The proposed Conditions of Consent and Management Plans for the Project are comprehensive and have been worked through with Northland Regional Council (NRC), DOC and mana whenua groups. They are much more comprehensive and detailed than previous sand extraction consents held at Pakiri and fill gaps identified in the review and operation of these consents. Importantly, they have been developed further during consultation to ensure that they are not only able to be complied with but to account for concerns raised or via recommendations given by NRC, DOC, mana whenua groups and local community groups.

Alleged Regulatory Mismanagement

40. Submissions from the Endangered Species Foundation in Section 6 and Bream Bay Guardians in paragraphs 7.3 and 7.4, state that the Auckland Council did not manage the operation of any of the previous Pakiri consents appropriately or enforce alleged breaches of consents. It is worth noting that all of these claims are an opinion from the submitting parties that is based on their interpretation of various consent conditions or perceived lack of action from a regulator. Ultimately, it isn't MBL's place to comment on how a regulator performs but I understand many of the groups lobbied Auckland Council on various matters that they claimed amounted to a

breach of consent. The fact of the matter is that, in all but two cases no action was taken as there was no breach of consent. In two cases, a warning was issued by Auckland Council for mistakes made as a result of inaccurate records maintained by MBL. Both were a result of human error by staff in MBL's head office.

41. The Bream Bay proposal has far more comprehensive and thorough proposed conditions of consent and management plans than previous consents. MBL will comply with those conditions and plans.

Significant Environmental Damage

42. Comments from the Endangered Species Foundation traverse a number of topics including further trenches being at risk of occurring, beach erosion being possible, erosional links to shore, bird nesting concerns and concerns over marine mammals, marine reptiles and benthic ecology responses to sand extraction. There are no material facts provided to support these claims. I defer to the effects assessments of the Application (Attachments 8-21), evidence responses to Minutes 4 (RFI 1), 5 (RFI 2), 6 (RFI 3), and all evidence submitted in response to comments received where MBL's experts deal with those aspects.

MBL Declaration of no Enforcement History

43. Section 8 of the Langs Cove Residents Association (**LCRA**) states that MBL was negligent in its original Fast Track Act application as it stated that it had no history of any prosecution or enforcement action. LCRA goes on to state this does not meet the good faith disclosure obligation of an applicant under the Fast Track Approvals Act.
44. To this date, MBL has not been subject to enforcement action of any kind, let alone prosecuted, for non-compliance with any consent held by the Company, or in fact in respect of any consent held across the McCallum Group or any of the regulatory controls to which the Group is subject.
45. At the time of the Fast Track Application being applied for, MBL had also not had any enforcement action taken against it, across any of the resource

consents it holds, despite the claims of the LCRA. Post the Fast Track Application for Sand Extraction being submitted and subsequently accepted by the Ministry for Environment it did have two formal warnings by Auckland Council. An investigation in regard to alleged breaches of the Wildlife Act was also undertaken by DOC but no enforcement action or warning resulted from that investigation. For completeness, to my knowledge neither the applicant nor any company director, trustee, partner, or anyone else involved with the application has been convicted of any offence under the Wildlife Act 1953 or has charges pending pursuant to that Act.

46. The claims of these parties that MBL failed to disclose any prosecution or enforcement action to the MfE in its original FTAA application are incorrect.



Shayne Michael Elstob

12 August 2026