

Response ID ANON-URZ4-5FQH-9

Submitted to Fast-track approval applications
Submitted on 2024-05-03 13:47:47

Submitter details

Is this application for section 2a or 2b?

2A

1 Submitter name

Individual or organisation name:
Sanford Limited

2 Contact person

Contact person name:
Alison Undorf-Lay

3 What is your job title

Job title:
Industry Liaison Manager

4 What is your contact email address?

Email:

s 9(2)(a)

5 What is your phone number?

Phone number:

s 9(2)(a)

6 What is your postal address?

Postal address:

22 Jellicoe Street, Freemans Bay, Auckland, 1011, New-Zealand

7 Is your address for service different from your postal address?

No

Organisation:

Contact person:

Phone number:

Email address:

Job title:

Please enter your service address:

Section 1: Project location

Site address or location

Add the address or describe the location:

The location of the site(s) is commercially sensitive, however may be able to be provided separately subject to appropriate confidentiality arrangements. Similarly the Record(s) of Title may be able to be provided subject to appropriate confidentiality arrangements.

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Do you have a current copy of the relevant Record(s) of Title?

No

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Who are the registered legal land owner(s)?

Please write your answer here:

Private landowners.

Detail the nature of the applicant's legal interest (if any) in the land on which the project will occur

Please write your answer here:

Sanford is the lessee of the site(s).

Section 2: Project details

What is the project name?

Please write your answer here:

Sanford Second Greenshell Mussel Spat Hatchery

What is the project summary?

Please write your answer here:

This second mussel spat hatchery will be Sanford's second large-scale bivalve hatchery purpose built to deliver selectively bred Greenshell mussel spat to the New Zealand mussel farming industry. The facility will have the capacity to support 20,000+ green weight tonnes (GWT) per annum of crop at harvest (20% of current NZ-wide production) and is of regional and national significance.

The project provides an important contribution to the long-term capability of aquaculture, including meeting New Zealand's objective under the Aquaculture Strategy of increasing its production to **s 9(2)(b)(ii)** by 2035.

What are the project details?

Please write your answer here:

Project: Sanford is proposing to develop a second mussel spat hatchery to increase production, improve crop performance (growth rates) and spread geographic risk including reducing the reliance on wild catch spat.

Objective: The second mussel spat hatchery will make a major contribution to regional and national aquaculture industry growth by replicating the success and learnings of the SPATNZ Nelson hatchery in the design and construction of a large-scale second commercial mussel hatchery at an entirely new location. The second hatchery will spread risk and increase the industry's ability to survive through major disruptions.

Hatcheries provide a scalable source of reliable spat grown in a contained and controlled environment. Hatcheries allow the industry to both sustain and increase their on-water production at marine farms without relying on the uncertain wild spat supply. It also enables selective breeding which:

1. Enhances crop performance (e.g. more than doubling the kg per longline per year from a Marlborough mussel farm compared to the predominant wild spat source);
2. Reduces the grow out time, in some cases halving it;
3. Manages challenges such as warming oceans, diseases or ocean acidification; and
4. Allows long-term development of different strains for specialised products and improved quality through selective breeding.

This project is key to the long-term viability and growth of New Zealand's mussel production, and enables more efficient farming of existing waterspace. As such it will deliver significant regional benefits to rural New Zealand as well as national benefits.

Activities

Sanford is seeking to fast track all consents and other approvals required to construct and operate the second hatchery, including:

- land use consent for undertaking an intensive farming activity;
- land use consent for the buildings;
- land use consent for hazardous substances storage;
- resource consent to disturb soil in accordance with the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health;
- water permit to take and use water for 35 years;

- creation of on-site water storage;
- land use consents and coastal permit for the construction of pipelines;
- discharge consent; and
- fish farm licences.

Describe the staging of the project, including the nature and timing of the staging

Please write your answer here:

Stage 1 (2025): Complete the development of an investment proposal and/or capex application. Finalise site(s) selection.

Stage 2 (2025): Obtain consents including the grant of a portable test hatchery to confirm the suitability of the site, and coastal waters.

Stage 3 (2026-2027): Operate test hatchery on the proposed site(s), make a decision on which site to develop and undertake a full facility concept design followed by detailed design (subject to the site geotechnical attributes), recruit and train staff at Sanford's SPATNZ hatchery in Nelson.

Stage 4 (2027-2028): Build and fit-out of the hatchery, including staff and technicians trained at SPATNZ.

Stage 5 (2028 onwards): Operation and production begins at the second mussel spat hatchery.

What are the details of the regime under which approval is being sought?

Please write your answer here:

Resource Management Act 1991
Freshwater Fisheries Regulations 1983
Conservation Act 1987 (if necessary)

If you seeking approval under the Resource Management Act, who are the relevant local authorities?

Please write your answer here:

The relevant local authorities depend which of the selected sites is developed, which may be able to be disclosed subject to appropriate confidentiality arrangements.

What applications have you already made for approvals on the same or a similar project?

Please write your answer here:

Sanford has already successfully developed New Zealand's first commercial scale mussel hatchery in Nelson, through its subsidiary SPATNZ. This would be a similar project.

Sanford is in the process of building a fully contained freshwater hatchery for King salmon smolt production in Southland, this is a similar project.

Information regarding both these hatchery projects can be provided on request.

Is approval required for the project by someone other than the applicant?

No

Please explain your answer here:

N/A

If the approval(s) are granted, when do you anticipate construction activities will begin, and be completed?

Please write your answer here:

Beginning (2025): Upon grant of land use and water take/discharge consents, Sanford will undertake construction of:

- (a) a trial portable hatchery and preliminary intake/discharge. Then, springboarding off these learnings;
- (b) design and build a full-scale hatchery and land-based nursery.

Completion (2028): It is anticipated that full construction and fit-out of the hatchery and land-based nursery will be complete, and the second hatchery enters production.

Milestones:

Milestone One (2025)

- Investment secured
- Site secured

Milestone Two (2025-2026)

- Consents obtained
- Test hatchery completed and preliminary intake/discharge installed

Milestone Three (2026)

- Commence operating test hatchery on proposed site(s)
- Concept design for large scale hatchery and nursery
- Detailed design for large scale hatchery and nursery
- Additional consents obtained (via fast track)
- Commence recruiting and training staff at Sanford's SPATNZ hatchery in Nelson.

Milestone Four (2027 – 2028)

- Commence site works and building
- Commence fitout.
- Complete buildings and fitout
- Commence commercial production

Funding: Sanford is a publicly listed New Zealand company with an extensive suite of funding arrangements including lease, lease to buy, joint venture ownership and 100% company owned.

Sanford's first mussel hatchery was funded via a PGP Partnership (50:50 funding between government and Sanford) and carries with it an obligation to actively seek investment to expand to meet New Zealand's demand for mussel spat. Sanford anticipates (and already has) strong interest from others in the mussel industry to co-invest in a second hatchery.

Section 3: Consultation

Who are the persons affected by the project?

Please write your answer here:

Consultation has started. However, due to the commercial sensitivity of the project highlighting those we have consulted with will disclose the area(s), and has been withheld at this stage.

Detail all consultation undertaken with the persons referred to above. Include a statement explaining how engagement has informed the project.

Please write your answer here:

Consultation has started. However, due to the commercial sensitivity of the project highlighting those we have consulted with will disclose the area, and has been withheld at this stage.

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Describe any processes already undertaken under the Public Works Act 1981 in relation to the land or any part of the land on which the project will occur:

Please write your answer here:

N/A

Section 4: Iwi authorities and Treaty settlements

What treaty settlements apply to the geographical location of the project?

Please write your answer here:

Due to the commercial sensitivity of the project highlighting whether and what treaty settlements apply has been withheld at this stage.

Are there any Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 principles or provisions that are relevant to the project?

No

If yes, what are they?:

Are there any identified parcels of Māori land within the project area, marae, and identified wāhi tapu?

No

If yes, what are they?:

Is the project proposed on any land returned under a Treaty settlement or any identified Māori land described in the ineligibility criteria?

No

Has the applicant has secured the relevant landowners' consent?

Yes

Is the project proposed in any customary marine title area, protected customary rights area, or aquaculture settlement area declared under s 12 of the Māori Commercial Aquaculture Claims Settlement Act 2004 or identified within an individual iwi settlement?

No

If yes, what are they?:

Has there been an assessment of any effects of the activity on the exercise of a protected customary right?

No

If yes, please explain:

Upload your assessment if necessary:

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Section 5: Adverse effects

What are the anticipated and known adverse effects of the project on the environment?

Please describe:

Sanford has ten years' experience in operating a Greenshell mussel hatchery at SPATNZ. Sanford is confident that, at the second hatchery site, all adverse effects can be appropriately managed such that they align with the expectations of the RMA and the relevant statutory planning documents.

In summary:

There will be minimal to no adverse effects associated with the land use aspects of the project, it will be primary production activity in a rural zone.

The effects of buildings and associated activity (such as landscape, traffic and noise) will be managed, e.g. design measures such as colour, height and screening will be able to be implemented to manage any potential adverse visual effects.

The effects associated with abstraction and discharge of seawater will be less than minor as systems are able to be put in place to manage this aspect of the project. Seawater discharge, including nitrogen, will be diluted to background levels with a reasonable mixing zone and have negligible biological impact. In relation to the water take and discharge, an ecological assessment will be undertaken to ensure the project will have no more than minor ecological effects.

Overall, Sanford is confident that the environmental effects of the second mussel hatchery can be managed in a manner which aligns with the expectations of the RMA and all regional and district planning documents which apply to this area, resulting in a no more than minor overall effects assessment.

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Section 6: National policy statements and national environmental standards

What is the general assessment of the project in relation to any relevant national policy statement (including the New Zealand Coastal Policy Statement) and national environmental standard?

Please write your answer here:

This project will meet the requirements associated with the national policy statements and national environmental standards.

In relation to the NZCPS, this includes:

- Contributing to the NZCPS Objective 6 by enabling people and communities to provide for their social, economic, and cultural wellbeing.
- Achieving NZCPS Policy 8 by recognising the significant contribution of aquaculture to the social, economic and cultural wellbeing of people and communities.
- Equally meeting the "protection" provisions of the NZCPS, namely Objectives 1 and 2 and Policies 3, 11, 13 and 15.
- Taking account of the principles of the Treaty of Waitangi through appropriate assessment of cultural values and tangata whenua involvement in the process (Objective 3 and Policy 2).

Other requirements will be addressed as necessary.

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Section 7: Eligibility

Will access to the fast-track process enable the project to be processed in a more timely and cost-efficient way than under normal processes?

Yes

Please explain your answer here:

Sanford has significant experience in (re)consenting marine farm projects across New Zealand and its experience has shown the many nuances and difficulties and associated time and escalating costs under the standard RMA process.

As a project the second hatchery build will require multiple consents, while none are complex there is significant efficiency to be gained (and cost savings) if these processes can be streamlined and fast tracked.

There is no doubt that the second mussel hatchery will enhance aquaculture significantly in New Zealand and that will deliver significant economic benefits to the region and country more widely, the second mussel spat hatchery will have significant regional and national benefits. As such, it is an ideal candidate for the fast-track process so that it can be processed in a more timely and cost-efficient way. In particular, the fast-track process will ensure that the project has:

- A significantly accelerated consenting process, allowing the project to proceed to development and construction faster and more efficiently;
- Stimulated the economic growth projections more quickly, with the effect of creating 19 full time employee jobs on site and 445 direct FTE in farming and processing the additional mussel product, and stimulating the relevant local economies faster; and
- Ensured costs of the project development are capped and maintained at reasonable levels due to its expediency.

What is the impact referring this project will have on the efficient operation of the fast-track process?

Please write your answer here:

The purpose of the Fast-Track Approvals Bill 2024 is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits in a streamlined manner. It seeks to accelerate approvals for projects that contribute to the overall well-being and growth of communities.

Enabling the second mussel spat hatchery to proceed under the accelerated process strongly aligns with the purpose and efficient operation of the fast-track process. The project clearly meets the requirements of the Bill for eligibility and referring the project will speed up the delivery of a significant aquaculture project for the benefit of South Island and New Zealand more widely.

The project will assist to increase the long-term capability of aquaculture to meet New Zealand's objective under the Aquaculture Strategy of increasing its production to \$3 billion by 2035. The project reduces risk by decreasing reliance on wild caught spat and spreading risk by building a second mussel hatchery.

In addition, Sanford has a proven track record and international reputation in developing and operating successful marine farms and associated facilities across Aotearoa. Sanford is already well advanced in selecting a second hatchery site and is poised to begin its pre-development work for the project. Sanford and/or partners can invest quickly once consent is granted. There can be confidence in Sanford's ability to deliver the 2nd Greenshell Mussel Hatchery through the Fast Track process.

Has the project been identified as a priority project in a:

Central government plan or strategy

Please explain your answer here:

This project will contribute to:

The New Zealand Aquaculture Strategy - to enable aquaculture to be a **s 9(2)(b)(ii)** industry by 2035 and be a more significant part of a lower emissions economy. The project will increase the volume of high value mussel products available to the global market.

The New Zealand Aquaculture Strategy identifies that New Zealand's aquaculture industry is well placed to help meet growing international and domestic demand for sustainable and ethically produced seafood. The second mussel spat hatchery will build industry confidence by increasing the supply and resilience of mussel spat, increasing production on existing farms and by providing farmers with the ability to selectively breed specific traits (such as resilience gains to a changing environment; temperature, pH, diseases and pests; farming and processing efficiency gains: better survival, feed conversion, uniform size). Hatchery spat will also add value in terms of faster growth rate, of market-desired traits such as colour, extract concentrations enable New Zealand mussel farmers to seafood exports to make a pivotal contribution to GDP, and help ensure that existing water space is better used.

Increasing hatchery production to increase spat retention, resilience, and value is one of three strategic objectives of the New Zealand Greenshell Mussel Spat Strategy (AQNZ 2020). For more than five years Sanford has actively collaborated with the Government and science industry in identifying and scoping the opportunities and challenges/solutions for delivering a resilient aquaculture industry.

Will the project deliver regionally or nationally significant infrastructure?

National significant infrastructure

Please explain your answer here:

The infrastructure associated with the second mussel spat hatchery will deliver significant regional and national benefits. Currently, there is only one commercial mussel spat hatchery - at SPATNZ in Nelson, which is owned by Sanford which is producing at capacity.

The second hatchery will provide significant support to the regional and national aquaculture industry in that it represents substantial growth in overall mussel production and protects the existing industry against failure of wild spat supply.

As a result, the hatchery will also deliver significant economic benefits to the region and country by way of GDP growth through the significantly increased production in the short and longer term and flow on employment and other benefits. The revenue generated is expected to be more than **s 9(2)(b)(ii)** in exports per annum at full development.

Will the project:

contribute to a well-functioning urban environment

Please explain your answer here:

The second mussel spat hatchery will contribute to employment (SPATNZ has 21 FTEs), however the wealth generation in the region will largely come from increased onwater production at farms, processing and support industries. Well-functioning urban environments include those in which there is wide and varied access to employment for communities.

Will the project deliver significant economic benefits?

Yes

Please explain your answer here:

The second mussel spat hatchery will provide:

- a sustainable, healthy food resource;
- export revenue;
- increased employment in mussel farming and processing, and in supporting industries; and
- the employment and wages it would inject into the economy by both permanent staff and the wide use of local contractors.

The revenue generated is expected to be more than \$86 million in exports per annum at full development. This is significant at a regional and national level. Also at a national level, the project will contribute to realising the potential of aquaculture to be a **s 9(2)(b)(ii)** industry by 2035.

Will the project support primary industries, including aquaculture?

Yes

Please explain your answer here:

The mussel industry has consented water space available to double production but is constrained by spat supply, such that many farms are not used to their authorised capacity.

Farming of selectively bred mussels could provide another 40 to 80% increase in farm productivity relative to wild-caught spat. Hatchery production is therefore essential for growth in the aquaculture industry as it will enable the industry to increase production and scale while still delivering high quality seafood with a low environmental impact. It is clear from the information outlined earlier in this application that the second mussel spat hatchery will provide significant support for the aquaculture industry and that it has regional and national significance in this respect.

Will the project support development of natural resources, including minerals and petroleum?

No

Please explain your answer here:

Will the project support climate change mitigation, including the reduction or removal of greenhouse gas emissions?

Yes

Please explain your answer here:

Sustainability is at the heart of Sanford's business and its sustainability agenda focuses on six performance outcomes, aligned with our operational processes and long term vision. This includes a commitment to supporting New Zealand's climate change response by setting meaningful targets and actively reducing our energy consumption and emission of greenhouse gases and introducing low carbon solutions within our value chain where practicable.

This project will support climate change mitigation by increasing production of climate-change resilient mussels for farming. It will reduce greenhouse gas

emissions by increasing the production of mussels which have a carbon footprint among the lowest of all animal proteins and comparable to terrestrial crops. Mussels have the lowest carbon footprint of all the species in Sanford's seafood basket.

Will the project support adaptation, resilience, and recovery from natural hazards?

Yes

Please explain your answer here:

This project will support risk mitigation by spreading the production across two mussel spat hatchery sites and ensuring that production can be maintained should issues occur in the one location (such as an earthquake, major flooding or water contamination). Selective breeding can develop breeds that are more resilient to natural hazards such as marine heat waves, ocean acidification and disease.

Will the project address significant environmental issues?

Yes

Please explain your answer here:

New Zealand seafood products, and their low emissions footprint, are well placed to establish themselves as a climate-friendly source of nutrition for the global community. Mussels have a carbon footprint among the lowest of any animal protein on the planet.

Mussels play an important role in helping protect the coastal environment. Mussels can play a critical role in helping coastal systems persist in the face of climate change. Mussel farms have been shown to be some of the most biodiverse areas remaining on our coasts (New Zealand Aquaculture Strategy p11).

Is the project consistent with local or regional planning documents, including spatial strategies?

Yes

Please explain your answer here:

This project will meet and be consistent with all local planning requirements.

Anything else?

Please write your answer here:

Does the project includes an activity which would make it ineligible?

No

If yes, please explain:

Section 8: Climate change and natural hazards

Will the project be affected by climate change and natural hazards?

Yes

If yes, please explain:

This project will be subject to climate change and natural hazards. A second mussel spat hatchery will ensure the current risk of only one hatchery will be mitigated should hazards occur.

Section 9: Track record

Please add a summary of all compliance and/or enforcement actions taken against the applicant by any entity with enforcement powers under the Acts referred to in the Bill, and the outcome of those actions.

Please write your answer here:

Local authority: Canterbury Regional Council

Compliance / Enforcement Action and Outcome: Canterbury Regional Council issued an abatement notice for CRC030315 in relation to fish thaw water discharge from Sanford's Timaru fish processing plant in 2019. Sanford complied with the notice and no further action was taken by Canterbury Regional Council.

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Declaration

Do you acknowledge your submission will be published on environment.govt.nz if required

Yes

By typing your name in the field below you are electronically signing this application form and certifying the information given in this application is true and correct.

Please write your name here:

Alison Undorf-Lay

Important notes