

FTA#209: Application for listed project under the Fast-track Approvals Bill – Makarewa Hatchery for Schedule 2A

Date submitted to secretariat:	7 June 2024
Security level:	In-Confidence
To:	David TAPSELL, Chair – Fast-track Projects Advisory Group

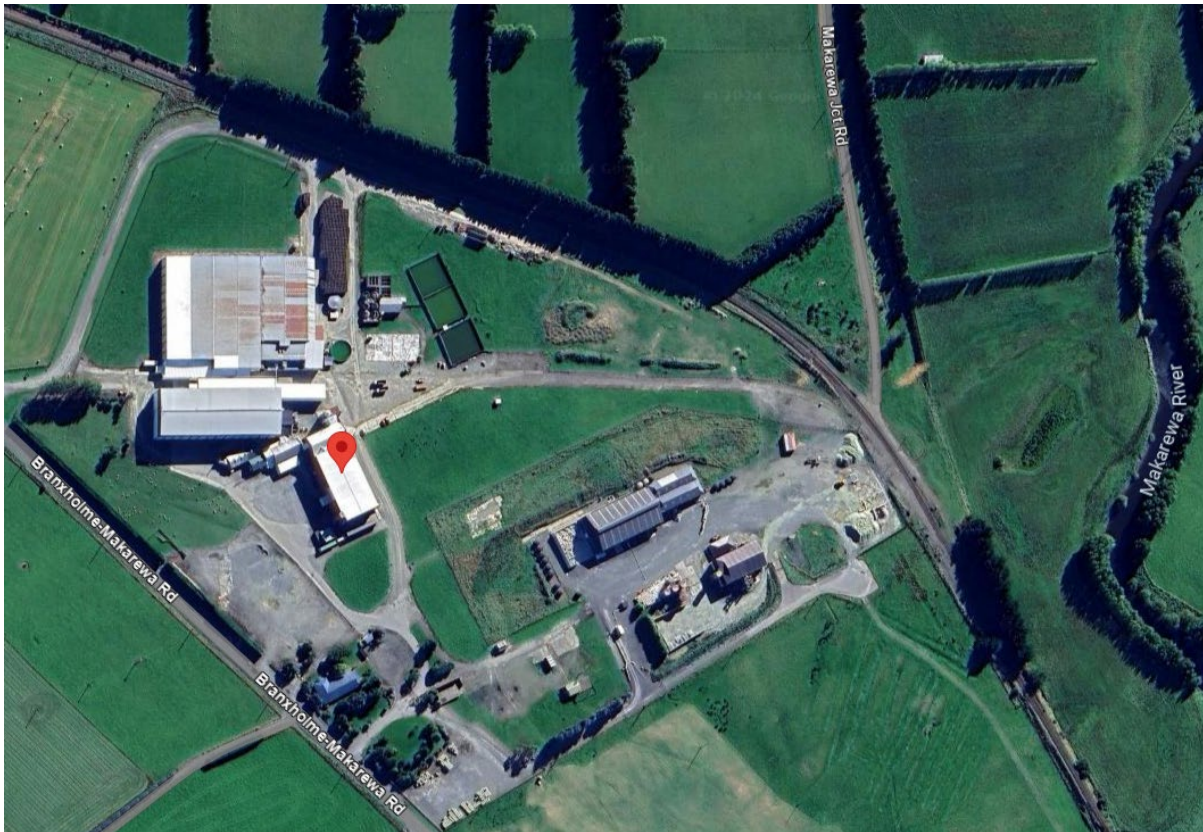
Number of attachments: #	<p>Attachments:</p> <ol style="list-style-type: none"> 1. Application documents for Makarewa Hatchery Project 2. Feedback from Ministry for Primary Industries
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Applicant	Sector	Region	Identified in a priority/strategy?
Sanford Ltd	Aquaculture	Southland	Yes

Ministry for the Environment contacts

Position	Name	Mobile	1 st contact
Principal Authors	Ben Bunting, Anna Galvin		
Manager	Stephanie Frame	s 9(2)(a)	✓
Director	Ilana Miller	s 9(2)(a)	

Project location



Key messages

1. The Makarewa Hatchery project is to construct and operate a land-based recirculating water salmon hatchery on a 24-hectare former abattoir site at 226 Branholme-Makarewa Road, 14km north of Invercargill City in the Southland Region.
2. The hatchery would be used for producing eggs and growing smolt prior to release into Sanford's existing marine farms in Big Glory Bay, Stewart Island and, subject to securing approvals under the Fast-track Approvals Act, new open ocean marine farms Project East (FTA181) and Project South (FTA 201).
3. The hatchery will enable Sanford to reduce its dependency on 'run of the river' hatcheries and create a fully contained controlled environment for growing smolt in tanks using recirculated water. It will increase biomass capacity by 700 per cent, increase the annual production of Big Glory Bay by 10.5 per cent and deliver other cost efficiencies.
4. The project will require consents under the Resource Management Act 1991 (RMA) for:
 - a. Buildings and infrastructure (including a wastewater pipeline)
 - b. Undertaking an intensive farming activity in an industrial zone
 - c. Storage of hazardous substances
 - d. Disturbing contaminated soil
 - e. Taking and using water from and to the Makarewa River.
5. As a land-based fish farm the project will require a fish farm license issued by the Ministry for Primary Industries under the Freshwater Fish Farming Regulations 1983.
6. A trade waste permit under the Invercargill Trade Waste Bylaw 2017 will also be required for the discharge of treated wastewater into the waste network via a new pipeline.

7. The project site, a former abattoir, is on private freehold land under a single title. The applicant states it holds a lease agreement with the landowner to establish and operate the project.
8. The applicant has lodged resource consent application some aspects of the project such as for a wastewater pipeline and applied for a trade waste permit.
9. We have undertaken an initial (Stage 1) analysis of the application, and this is provided in Table A.
10. We consider the applicant **has** provided sufficient information to consider the project for inclusion on Schedule 2A (although we note it could still be included on Schedule 2B based on the information provided).
11. The project does not trigger the ineligibility criteria in clause 18 of the Fast-track Approvals Bill (the Bill).
12. Advice on PSGE development priorities and Māori development is provided in Table A. Table A also includes the relevant PSGEs or Māori groups and the settlement mechanisms, that will/may be impacted by the project and whether the project is low, medium or high impact on Treaty settlement/s and other relevant arrangements. Appendix 1 provides further detail on how this advice should be considered and our approach to analysis.

Signature



Ray Salter
Principal Analyst – Listed Projects

Table A: Stage 1 initial assessment of project eligibility and Treaty settlement assessment and advice¹

Project details	Project description	Approvals sought	Consultation undertaken	Does the project trigger the ineligibility criteria [clause 18]?				Discretionary ground to decline [clause 21(2)]	Eligibility [clause 17]	
				Treaty settlement land, Māori customary land, customary marine title, customary rights, aquaculture settlement area, or prevented by RMA clauses [clauses 18(a-e, g)]	Access arrangement under CMA where a permit can't be granted, or is listed in items 1-11, 14 [clauses 18(f,h)]	Activity on a national reserve under Reserves Act which requires approval under that Act [clause 18(i)]	Prohibited activity under EEZA or regulations under that Act, decommissioning-related activities, offshore renewable energy progressing ahead of permitting legislation [clause 18(j-l)]		Is the project eligible [clause 17(2)]	Would the project have significant regional or national benefits [clause 17(3)]
High level summary			Y	N	N	N	N			
<p>Schedule requested 2A</p> <p>Project Name Makarewa Hatchery</p> <p>Applicants Sanford Ltd</p> <p>Company directors David William MAIR Robert Arnold MCLEOD Craig Raniera ELLISON William John STROWGER Thomas MCCLURG</p> <p>Location 226 Branxholme-Makarewa Road, Invercargill, Southland</p> <p>Land Status Private freehold land. The applicant holds a lease agreement with the landowner to establish and</p>	<p>The Makarewa Hatchery project is to construct and operate a land-based salmon hatchery on a 24-hectare former meat processing site at 226 Branxholme-Makarewa Road, Invercargill.</p> <p>The salmon hatchery would be used for producing eggs and growing smolt prior to release into Sanford's existing marine farms in Big Glory Bay.</p>	<p>The applicant seeks approval under the:</p> <ul style="list-style-type: none"> Resource Management Act 1991 Freshwater Fisheries Regulations 1983 	<p>The applicant has engaged with local councils (Southland Regional, Southland District and Invercargill City).</p> <p>The applicant has engaged with Te Rununga o Ngai Tahu and Paptipu Rununga.</p>	No	No	No	No	<p>The project, or any part of it, is inconsistent with a relevant Treaty settlement, the NHNP Act, the Marine and Coastal Area (Takutai Moana) Act 2011, a Mana Whakahono ā Rohe, or a joint management agreement</p> <p>No - this project does not appear to be ineligible according to the information provided in the application.</p> <p>It is more appropriate to deal with the application under another Act</p> <p>No - it is more efficient and timelier to deal with this application under the Fast-track legislation.</p> <p>The project may have significant adverse effects on the environment</p> <p>Yes – the applicant has provided details on the effects taken from technical work commissioned specific to the project to inform an AEE.</p> <p>The applicant has a poor compliance history under the relevant legislation</p> <p>Yes – Canterbury Regional Council issued an abatement notice in 2019 in relation to a thaw water</p>	<p>Whether access to the fast-track process will enable the project to be processed in a more timely and cost-efficient way than under normal processes</p> <p>Yes - the Fast-track process will enable the project to be processed in a more efficient and timelier way than existing processes.</p> <p>The impact referring this project will have on the efficient operation of the fast-track process</p> <p>Low impact - the project does not appear to be overly complex and uses an existing site.</p> <p>Whether the application contains sufficient information to inform the referral decision</p>	<p>The project has been identified as a priority project in a central government, local government, or sector plan or strategy (for example, in a general policy statement or spatial strategy) or central government infrastructure priority list</p> <p>Yes – developing new salmon hatchery capacity to support open ocean aquaculture is a key priority identified in the NZ Government Aquaculture Strategy (2021) and its Investment Roadmap (2023). The Southland 'Just Transition' Plan notes open ocean aquaculture as an emerging opportunity.</p> <p>The project will deliver regionally or nationally significant infrastructure</p> <p>Yes – nationally and regionally significant aquaculture infrastructure.</p> <p>The project will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment</p> <p>No</p> <p>The project will deliver significant economic benefits</p> <p>Yes - through export revenue, local employment and wider flow on benefits to related services/industries. The project will enable growth in ocean open aquaculture and related services/industries.</p> <p>The project will support primary industries, including aquaculture</p> <p>Yes – this is an aquaculture project</p> <p>The project will support development of natural resources, including minerals and petroleum</p> <p>No</p> <p>The project will support climate change mitigation, including the reduction or removal of greenhouse gas emissions</p>

¹ **Disclaimer:** Given time and scope constraints, the initial assessment is solely based on information provided by applicants. There may be additional relevant information which has not been provided to MfE.

operate the project.								<p>discharge from Sanford's Timaru processing plant.</p> <p>The project involves an activity that would occur on land that the Minister for Treaty of Waitangi Negotiations considers necessary for Treaty settlement purposes</p> <p>No</p> <p>The project includes an activity that is a prohibited activity under the RMA</p> <p>No</p>	<p>Yes - we consider the applicant has provided sufficient information to consider the project for inclusion on Schedule 2A.</p>	<p>Yes – the hatchery would remove reliance on 'run of the river' hatcheries and enable increased production on a single footprint.</p> <p>The project will support adaptation, resilience, and recovery from natural hazards</p> <p>Yes – the hatchery would improve resilience of the salmon farming industry through controlled smolt production and remove reliance on 'run of the river' hatcheries.</p> <p>The project will address significant environmental issues</p> <p>Yes – the applicant has indicated that it will address environmental issues identified in the AEE for this proposal.</p> <p>The project is consistent with local or regional planning documents, including spatial strategies</p> <p>Yes – the project is consistent with the Southland Regional Policy Statement, proposed Southland Water and Land Plan, Southland Regional Water Plan and Invercargill City District Plan.</p>
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PSGE Settlement Priorities and Māori Development assessment –

Note - given the time and scope constraints of this advice, some assumptions have been made and engagement has only been undertaken in limited circumstances. Given this, the advice may not be comprehensive and is not intended to reflect the views of relevant Post Settlement Governance Entities or other groups (unless specifically noted). In limited circumstances where engagement has been able to occur, it has most likely not been comprehensive due to the timeframes available.

Advice on Māori development and PSGE settlement priorities includes information relating to:

- where projects align explicitly with PSGE or iwi strategic objectives/vision/other strategic documents.
- where projects contribute towards addressing historical or systemic inequities faced by Māori. This would be undertaken through an equity assessment; and/or are being led by or in partnership with a Māori entity or business;

to relevant provisions in Treaty settlements, Joint Management Agreements outside of settlement; Mana Whakahono ā Rohe; Iwi Environment Management plans; implications for groups yet to settle their historical Treaty of Waitangi claims; and implications arising under the Marine and Coastal Area (Takutai Moana) Act 2011 and Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019.

Ineligible projects - based on the considerations at cl18(a–e) of the Fast Track Approvals Bill (version as at introduction)	This project does not appear to be ineligible according to the information provided in the application.
Affected Māori group/s	The applicant has identified Ngāi Tahu (the iwi authority), and Papatipu Rūnanga of Awarua, Hokonui, Waihopai and Ōraka-Aparime as the groups with interests in the area. Information from Te Kāhui Māngai ² confirms the proposed project location as being within the area of interest for Te Rūnanga o Ngāi Tahu as provided in Ngāi Tahu Claims Settlement Act 1998, and the Papatipu Rūnanga as provided in the Te Runanga o Ngai Tahu (Declaration of Membership) Order 2001.
Has the applicant consulted with those Māori groups?	<p>Yes, the applicant states that the plans for the project have been shared with Te Runanga o Ngāi Tahu as part of Southland regional economic development working groups. The applicant also states that there has been ongoing engagement with Te Rūnanga o Awarua via Te Ao Mārama Incorporated.</p> <p>There is no evidence that engagement has been undertaken within the wider region in regard to the other Papatipu Rūnanga of Hokonui, Waihopai and Ōraka-Aparima.</p>
Impact/s of the project on Māori development and PSGE settlement priorities and related matters	<p><u>Impacts on PSGE settlement priorities and Māori development</u></p> <p>There is no information in the application to suggest that this application is made by or on behalf of a Māori organisation, or that the project will have a direct benefit in terms of Māori development. In the time available, officials have identified the following relevant plans and documents:</p> <ul style="list-style-type: none"> • Ngai Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 (Murihiku represent the four Rūnanga Papatipu o Murihiku; Te Rūnanga o Awarua, Te Rūnanga o Oraka/Aparima, Te Rūnanga o Hokonui and, Te Rūnaka o Waihōpai).¹ Of relevance to this application is the Aquaculture and Marine Farm policy in this document. • Ngāi Tahu's document, Ngāi Tahu 2025 states the aspiration is that "Te Rūnanga o Ngāi Tahu fully participates in the decision-making processes of resource management agencies" and that "Te Rūnanga o Ngāi Tahu is actively managing a number of sites, resources and areas either in joint partnership with another agency or as the sole manager". <p>It is not possible to confirm that this project does or does not align with the policies or documents mentioned above, given the lack of information on the content and character of the discussions with the affected Māori groups and the need for a full analysis of the plan/document to be undertaken (or provided with the application, if this has happened) in conjunction with the relevant iwi before any firm conclusions can be reached. There is also no indication in the application that the project is led by or in partnership with a Māori entity or business.</p> <p><u>Impact on Treaty settlements and other relevant arrangements</u></p> <p>Ngāi Tahu Claims Settlement Act 1998</p>

² Management Plan Review — Rakiura Titi Islands (rakiuratitiislands.nz)

	<p><i>Statutory acknowledgements for the Ōreti River</i></p> <p>The applicant has identified the statutory acknowledgement for the nearby Ōreti River (schedule 50). The project site is close to the Makarewa River which eventually flows into the Ōreti River.</p> <p>Generally, a statutory acknowledgement by the Crown of a 'statement of association' between the iwi and an identified area. A council must have regard to the statutory acknowledgement when deciding whether the iwi is an 'affected person' for the purposes of notification decisions under the Resource Management Act 1991 (the RMA). The same applies to the Environment Court when considering participation in hearings under s274 of the RMA. A council must send summaries of applications for resource consents to the iwi. The PSGE (or any member of the iwi) may, as evidence of the association with a statutory area, cite the statutory acknowledgement in submissions that are made to a consent authority, the Environment Court or the Environmental Protection Authority. The Environment Court must also have regard to a statutory acknowledgement in considering appeals on applications for archaeological authorities under the Heritage New Zealand Pouhere Taonga Act 2014.</p> <p>An impact of listing this project under Schedule 2 Part A is that the Ministers will not have to exercise their 'referral discretion' including considering the Treaty settlement impacts through that process, nor will they have the benefit of the clause 13 report. There is a requirement on the expert panel to invite comment from the PSGE on the application (noting this is an automatic right to participate, which is currently discretionary under the statutory acknowledgement).</p> <p>Listing this project, and the fast-track process generally, will not provide equivalent weight to the statutory acknowledgement, which may limit the influence of the iwi compared to the usual consenting regime. For example, under the RMA process, if a PSGE is notified due to the statutory acknowledgement, the PSGE has the right to make a submission, attend a hearing, appeal to the Environment Court, and appeal to the High Court and higher courts. The fast-track process does not provide those same rights to the PSGE (particularly the potential right to make a submission and then participate in a hearing and appeal). For Schedule 2 Part A projects there is a requirement on the expert panel to invite comment from the PSGE on the application (noting this is an automatic right to participate, which is currently discretionary under the statutory acknowledgement). The same applies to archaeological authorities, as the Environment Court will not hear appeals in the same way as occurs under the Heritage New Zealand Pouhere Taonga Act 2014.</p> <p>Other matters</p> <p>In the time available, officials have not identified any other impacts for Treaty settlements, the Marine and Coastal Area (Takutai Moana) Act 2011 (noting the project area is not in the common marine and coastal area), groups yet-to-settle their historical claims (noting that all historical Treaty settlements in the Ngāi Tahu takiwā have been completed), Joint Management Agreements outside of settlement or Mana Whakahono ā Rohe, or a relevant iwi management plan.</p>
<p>Is the project considered low, medium or high impact (based on assessment criteria above)</p>	<p>From the information available officials consider this project is likely to be of medium impact based on the criteria above. This is due to the unknown views of the Te Rūnanga o Ngāi Tahu and the relevant Papatipu Rūnanga and the statutory acknowledgement mentioned.</p> <p>An impact of listing this project under Schedule 2 Part A is that the Ministers will not have to exercise their 'referral discretion' including considering the Treaty settlement impacts through that process, nor will they have the benefit of the clause 13 report. For Part A projects, there is a requirement on the expert panel to invite comment from the PSGE on the application.</p>
<p>Has the Ministry for the Environment undertaken engagement?</p>	<p>Officials consider engagement would be beneficial to confirm the position the affected groups have on this project but were unable to undertake this in the time available.</p>

Appendix One: Approach and considerations for Treaty settlement advice on listed project applications advice in Table A

1. Ministers have advised the Advisory Group should receive advice from officials on “Māori development and PSGE settlement priorities” relevant to each application. Note this differs from section 13 requirements of the current Fast Track Consenting Bill that ‘Ministers must consider Treaty settlements and other obligations report’ as these reports will not be in existence at the time, although matters identified in section 13 (2)(a)-(j) will be considered as part of official's analysis.
2. We have interpreted “Māori development” and “PSGE priorities” to mean primarily projects that:
 - a. align explicitly with PSGE or iwi strategic objectives/vision/other strategic documents; and/or
 - b. contribute towards addressing historical or systemic inequities faced by Māori. This would be undertaken through an equity assessment; and/or
 - c. the project is being led by or in partnership with a Māori entity or business.
3. Given the time constraints and limited engagement this advice cannot be considered as comprehensive and does not intend to reflect their views and should not be read as such.
4. Engagement with PSGEs and other relevant groups has been considered based on potential high-risk factors including, but not limited to, if:
 - a. a project will take place on or effect any taonga or areas of significance that are protected by Treaty settlement arrangements.
 - b. a project will have a substantive and/or ongoing environment impact on any taonga or areas of significance.
 - c. a project will include a consenting arrangement that will require a significant take, or be ongoing for an extended period, in relation to a taonga or area of significance, or in regions where PSGEs have specific planning mechanisms in place.
 - d. PSGEs or other Māori entities have previously strongly contested the project or a similar type of project, particularly where court action has been taken.
 - e. The project is clearly in conflict with or undermines PSGE priorities.
 - f. Engagement would be required to maintain and uphold the Te Tiriti Crown relationship.
5. In limited circumstances where engagement occurs, it has been brief. Where engagement has been undertaken it is reflected in our analysis but should not be taken to mean that our Treaty Partners endorse our advice.