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Hananui Aquaculture Project
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Attention: Panel

Dear Chair and Commissioners

Reference: Hananui Aquaculture Project – Response to Minute 4

Appendix 1 to Minute 4 of the Expert Panel dated 8 April 2026 comprises questions and requests for additional information from the Panel relating to the conditions Ngāi Tahu Seafood (**NTS**) has proposed to apply to any approval (resource consent) the Panel might grant for the Hananui Aquaculture Project. This letter provides NTS's answers to those questions and requests.

For convenience we repeat below each question in Appendix 1 to Minute 4 and then provide a response. At the conclusion of this letter we provide a suggestion on a process the Panel might adopt to further advance its consideration of the proposed conditions.

[1] Please provide an updated Interpretation section with clear definitions for the following terms – entanglement; suitably qualified and experienced person (SQEP); exclusive occupation; preferential occupation; extreme environmental conditions; cardinal marks; special marks; best practicable measures; single year class farms (and others where necessary).

NTS proposes to add the following definitions under a heading titled 'Interpretation' at the beginning of the conditions, as these are terms that appear multiple times throughout the conditions:

Entanglement refers to an incident where a seabird, shark or marine mammal becomes trapped or constrained by ropes, nets, lines or structures associated with the marine farm to the extent that direct human intervention is required to free the individual or individuals.

SQEP means a suitably qualified and experienced professional. The qualifications and experience of the relevant SQEP shall be set out in the related document or otherwise provided to the Consent Authority upon request.

Other terms that the panel has requested be defined only appear in relation to specific conditions. NTS proposes that the following definitions are added:

Following Conditions 7-9 (Occupation) –

Exclusive occupation [of the coastal marine area] restricts access to the person(s) or company with the right to occupy unless that occupier grants permission for others to have access.

Preferential occupation [of the coastal marine area] allows the use of an area by the general public except in circumstances where the person with the occupation right wants to use the area.

Following Condition 17 –

Cardinal mark is an aid to navigation with four quadrant marks (north, east, south and west) that indicates the mariner should pass to the named side of the mark (e.g. pass north of a north mark)

Special mark is an aid to navigation indicating a special area or feature. It is yellow and its topmark is an 'X'.

These definitions have come from Maritime New Zealand's Marine Farming Guidelines (2018) but will need to be confirmed with the Environment Southland Harbourmaster.

Following Condition 28 –

Single year class farming involves the introduction of a single generation (year-class) of fish to a marine farm and their growth from smolt to harvest weight, followed by a fallowing period before restocking of the farm.

A definition for 'extreme environmental conditions' is not proposed as there is only one instance of that term being used, which is in Condition 11(a), and it is essentially defined by the text that follows it in the condition.

A definition for 'best practicable measures' is not proposed. This term arises in one location, in Condition 27, which states:

- The consent holder shall ensure that the marine farms are operated so that*
- a. best practicable measures are implemented to minimise feed loss from the pens;*
 - b. Fish feeding behaviour and feed loss are monitored during feeding; and...*

This condition had previously been drafted as "...so that a. Overfeeding of fish at the marine farms is avoided". The condition was re-drafted to the above following pre-application feedback from Environment Southland and Ministry for Primary Industries that the issue to be managed is feed loss, not overfeeding of fish. Upon reflection, NTS considers that the condition can be simplified and proposes the following:

- The consent holder shall ensure that the marine farms are operated so that*
- a. feed loss from the pens is minimised;*

b. Fish feeding behaviour and feed loss are monitored during feeding; and...

Therefore, there is no need for a definition for 'best practicable measures'.

Stantec has advised NTS that no other terms arising in the conditions would be usefully or meaningfully defined.

Where terms requiring definitions are also used in Draft Management Plans or in conditions proposing the development of Management Plans, Adaptive Management Plans or Reports, those terms should be clearly defined in Interpretation sections in those documents, with the conditions requiring this.

NTS proposes that the definitions for 'entanglement' and 'single year class farming' be added to the definitions sections of the Seabird Management Plan and the Shark Management Plan and that the definition for 'suitably qualified and experienced person (SQEP)' be added to the definitions section of the Marine Mammal Management Plan. NTS proposes that these updates are made along with any other updates that result from responding to this Minute and from responding to comments from invited parties, as a comprehensive update as set out at the end of this letter.

[2] It would be helpful if the full list of Reports, Management Plans, Amendment and Review Processes (including their acronyms) contained in the Proposed Conditions were identified in Condition 2 for clarity and wayfinding purposes. Please provide this, or if the Applicant does not think this is necessary, explain why.

NTS considers that it would be unusual to list the related documents in the body of the consent condition and that doing so would make the condition unwieldy. It would prefer that an advice note is added below condition 2 as follows:

Advice Note: *The documents subject to the certification process that is set out in condition 2 are the Marine Mammal Management Plan, the Seabird Management Plan, the Shark Management Plan, the Biosecurity Management Plan, the Stage Progression Report, the Adaptive Management Plan, the Baseline Monitoring Plan, the Environmental Monitoring and Management Plan and the Farm Movement Plan.*

It is noted that this list will need to be updated if the proposed approach to plans as set out in response to some of the Panel's questions below are adopted. NTS will attend to this in the redraft of the conditions.

[3] In condition 2(b)(i), it is unclear what the term "sets out actions and procedures" envisages. For clear, effective and certain effects management to be undertaken through Management Plans (especially where adaptive management is proposed), "measurable performance standards" are the key tool alongside precise management procedures. Please consider this matter and provide rationale for why a different approach is favoured, or if the above is agreed, how and when consequential consideration to all conditions and Management Plans that address Effects Management, including Adaptive Management Thresholds and Triggers will occur.

Reference: Hananui Aquaculture Project – Response to Minute 4

NTS is not 100% clear on what the Panel is asking for here. It is noted that management plans and adaptive management are different effects management responses. While management plans can be part of adaptive management regimes, that is not always the case. For example, in the Hananui proposal the EMMP is part of an adaptive management response, while the marine species and biosecurity management plans are not. Further, where management plans are part of adaptive management regimes the conditions relating to management plans need to be read alongside the other relevant conditions to understand the full adaptive management proposal.

Within the overall set of conditions proposed for the Hananui Aquaculture Project, Condition 2 describes the process to be followed when management plans and other documents, including updates to the plans and documents, are submitted for certification. It applies to management plans and documents that form part of the adaptive management regime, as well as those that do not (which is the majority of the proposed management plans).

Clause (b) of condition 2 describes the matters that Environment Southland needs to certify. The approach that is set out in condition 2 (b) is consistent with the specific conditions applying to each individual plan. That is, the specific conditions state objectives for each document and also state content requirements, see for example conditions 54 and 55 relating to the Biosecurity Management Plan. NTS also considers that the approach taken in condition 2 (b) is consistent with common practice for management plan conditions. That is, certification by the consent authority should be limited to whether the management plan:

1. Sets out the actions, procedures or methods that will be implemented to ensure the outcome (or objective) established in the consent conditions will be met; and
2. Includes the information required by consent conditions.

This said, NTS can re-draft clause 2 (b) (i), if this is important to the Panel. Potential alternative drafting could be:

...The document shall be provided to Manager Resource Management, Environment Southland for certification that it:

i. ~~sets out actions and procedures that will achieve the objectives of the document~~ contains methods and procedures that will achieve the document's objectives established in consent conditions

[4] Outline what happens if a resubmitted document provided under Proposed Condition 2(e) is still not certified by Environment Southland?

If a resubmitted document is not certified by Environment Southland, conditions 2(b) to 2(e) would apply again. NTS proposes the following changes to condition 2 to make this clear:

- a. ...
- b. *The document shall be provided to Manager Resource Management, Environment Southland for certification that it:*

- i. *contains methods and procedures that will achieve the document's objectives established in consent conditions;*
- ii. *contains the information required to be included in the document by consent conditions.*
- c. *Environment Southland may take such advice from suitably qualified persons as it considers necessary to satisfy itself that the document submitted for certification achieves the requirement of the relevant condition(s);*
- d. *Should the document, in the opinion of the consent authority, achieve the criteria identified in the applicable consent conditions, the consent authority shall notify the consent holder accordingly and the consent holder may commence activities consistent with the document on receipt of written confirmation (certification) from Manager, Resource Management, Environment Southland;*
- e. *Should the document, in the opinion of the consent authority, not achieve the criteria identified in the applicable consent conditions, then the consent authority shall notify the consent holder providing reasons why it will not certify the document.*
- f. *If the consent holder receives written notice from the consent authority in accordance with clause (e) that certification of a document will not be provided, the consent holder may re-submit the document following review of the consent authority's reasons, and with any necessary amendments, and request certification again. Conditions 2 (b) to 2 (e) would apply to a re-submitted document and the process shall be repeated until the Manager, Resource Management, Environment Southland is able to certify that the document achieves the criteria in the applicable consent conditions;*

[5] Provide an explanation for why the Maritime Construction Safety Management Plan described in Conditions 12 to 17 has not been provided as a final (or at least a draft) proposed Management Plan with the Application so it can be assessed as part of the Panel's consideration of appropriate effects management.

A Maritime Construction Safety Management Plan (MCSMP) has not been submitted with the application because its preparation is dependent on the completion of the peer reviewed Engineering Design Report required under Condition 11, and the preparation of the associated construction methodology. Both elements will need to be carefully considered in the development of the MCSMP.

While the HAP includes front end engineering undertaken by DSA Ocean, this work was intended to support technology evaluation and confirm the overall feasibility, including overall safety, of farming operations at Hananui, rather than to define detailed construction methodologies or safety procedures. The front end assessment focused on whether farm infrastructure could safely operate under the site's metocean conditions including consideration of extreme wind, wave, and current conditions. This work confirmed that the site does not require complex or bespoke engineering solutions and that suitable, commercially available infrastructure is readily available from multiple suppliers.

The peer reviewed Engineering Design Report, required under proposed consent condition 11, is a substantial and detailed piece of work and is a prerequisite to preparing a robust MCSMP. Its preparation will require finalisation of detailed design criteria and component specifications, additional site specific investigations such as sediment depth profiling and further ADCP measurements. To obtain this information will require specialised vessels and equipment, involve significant cost, and is expected to take up to year to complete.

The Engineering Design Report, will also need to ensure alignment with insurer requirements, manufacturer specifications, and applicable and current design standards and industry practices and technical standards. Some of these inputs cannot be confirmed until consent is granted and commercial arrangements with insurers, suppliers, and contractors are established. Once the Engineering Design Report is completed, NTS will be able to tender the installation and construction activities, at which point construction methodologies and safety procedures, vessel types and specifications, installation sequences, timeframes, and contractor responsibilities will be defined. Only then will the level of operational detail required to meet the requirements of Condition 14 and prepare a meaningful MCSMP be available.

Preparing the Engineering Design Report and MCSMP after approvals are granted is therefore logical and appropriate from both an efficiency and cost perspective. If design requirements were to change as a result of the consent decision making process, both documents would need to be updated and re certified if prepared in advance. Given the expected timeframe between consent being granted and construction commencing at Hananui, any MCSMP prepared now would be likely to become outdated, require substantial revision, and need re certification prior to use. In addition, construction safety planning will be influenced by operational and commercial decisions, including the engagement of specialist contractors with the relevant capability and capacity, which cannot be confirmed until consent is in place and the engineering design is finalised. This approach is consistent with the conditions framework applied to comparable projects, including the Blue Endeavour consent. The approach is supported by NTS' expert navigational risk advisor, Geraint Bermingham (Navigatus Consulting Ltd), who states in the Navigational Risk Assessment (Appendix L, section 10.2.2) that:

It is not appropriate to develop a MCSMP prior to the completion of the detailed design of the marine farms and associated construction methodology and is not recommended as being required as part of the application.

Further it is noted that the Regional Harbourmaster reviewed the Navigational Risk Assessment and did not raise any matters of relevance to the MCSMP and the timing of its preparation.

[6] Would it be practicable to include a maximum timeframe when the various exemptions proposed under proposed Condition 21 might apply? If so, provide some maximum timeframes. If not, please explain why not.

Condition 21 requires nets, ropes and mooring lines to be kept under tension. However, it provides exemptions from this requirement for maintenance activities and supervised operational activities. Condition 22 then requires any loosening of nets, ropes and mooring lines during maintenance activities and supervised operational activities to be undertaken in accordance with measures specified in relevant management plans.

NTS does not consider that it is practicable or appropriate to specify maximum timeframes for the exemptions proposed under Condition 21. The duration of maintenance and operational activities cannot be reliably predefined, as they are inherently dependent on the nature and extent of the work required. This may range from routine maintenance to urgent responses to damage arising from extreme weather events, equipment failure, or unforeseen incidents. The time required to safely

complete such activities will vary depending on factors including weather conditions, staff availability, vessel capacity and suitability, and the condition of equipment at the time. Imposing fixed time limits through a consent condition could have unintended consequences by creating pressure to complete activities within arbitrary timeframes, potentially compromising health and safety obligations, operational decision making, and employment responsibilities.

Risk management during exemptions is addressed through operational controls set out in the Seabird, Shark and Marine Mammal Management Plans. This approach also enables operational learnings and safety measures to be incorporated and updated through the regular review processes for those plans.

[7] Please outline how the phrase used in proposed Condition 23 (and elsewhere), namely “as far as practicable and otherwise minimise”, should be properly interpreted and applied by a consent authority. In answering this question, Resource Management Act case law on the use of such terms in conditions should be explored, specifically in terms of whether such provisos are appropriate or not in the particular circumstances of this Application.

Condition 23 underwent various iterations and revisions during the previous application process. In this FTAA application NTS decided to not re-litigate the outcome of that earlier process and adopted the most recent version of the condition. However, NTS appreciates the Panel’s comment and agrees that there are interpretation challenges with the wording as included in the application. Completely avoiding marine species investigating the sea pens and attempting to access fish is not possible and therefore should not be required under the consent conditions unless qualified by the term ‘as far as practicable’. Going further than this and specifying in the condition the exact management techniques to be employed is not appropriate as it is unduly restrictive, would prevent more effective techniques being used over time, and is better dealt with at a management plan level.

NTS therefore proposes that the condition is replaced with the following:

Sea pens shall be constructed and operated to minimise the ability of marine mammals, sharks and diving birds to access dead fish from the bottom of the sea pens.

This wording removes the provisos and also is more aligned with the draft marine species management plans, for example the MMMP requires the following management techniques:

using nets with a ‘false’ bottom separated from the outer net to catch dead fish and remove them from the reach of marine species swimming underneath the nets, or a mortality-collection system that would hold / contain dead fish.

Similarly, please explain how the phrase in Condition 24, namely “as near as practicable to its condition prior to the exercise of this consent”, can be fairly interpreted if this is not tested against a pre-development established ecological baseline?

As noted in responses contained elsewhere in this letter (including associated attachments) NTS and its technical advisers are confident that the existing ecological conditions at the site are well understood. NTS understands that compliance with Condition 24 would be assessed by Environment Southland with reference to the information provided in the substantive application. Inclusion of the term ‘as near as

practicable' reflects the advice from Cawthron provided as part of the response to Minute 3 that some seabed indicators return to a condition that is functionally equivalent to reference conditions but may not exactly replicate pre-development conditions.

[8] Condition 24 refers to removal of marine farm and associated structures, along with restoration. However, there doesn't appear to be a requirement for a closure plan to be developed. Why has this not been proposed, given the potential adverse effects that could arise from such an activity? If the Panel was minded to impose a list of minimum requirements for any closure plan, what should that list comprise?

NTS considers that the conditions proposed in the application are consistent with relevant conditions in other similar resource consents. As an example, condition 107 for Blue Endeavour requires that:

The consent holder shall, at its expense, remove all structures associated with the activity authorised by this resource consent and provide written confirmation of the removal to the Compliance Manager, within three months of any of the following events occurring:

(a) The term of the resource consent(s) has expired and the consent holder has not lodged an application to renew the consent for those structures, or if such an application has been lodged the consent has been refused and all rights of appeal exhausted; or

(b) The resource consent has been surrendered by the consent holder or cancelled by the Council; or

(c) The structures in the opinion of the Compliance Manager are redundant or derelict.

Likewise, the Pare Hauraki Kaimoana consent does not require a Closure Plan to be submitted. Therefore, NTS considers that it is not standard practice to require a specific closure plan to be prepared.

Further NTS notes that the activities that will occur when the farm is closed, such as the removal of nets, pens and barges and the lifting of mooring systems, are all activities that may occur for various reasons, at different times as part of the operation of the marine farm. In such instances the relevant requirements of the management plans would apply. These include provisions in the marine species plans, the Biosecurity Management Plan and the Maritime Construction Safety Management Plan. The requirements of these plans would apply to activities during the farm's closure as they would to similar activities taking place during the farm's operation.

For these reasons, NTS does not consider that it is necessary to impose the additional requirement for a Closure Plan.

However, if the Panel does not agree that the existing management plans sufficiently address the issues that would need to be considered at closure and is minded to include a requirement for a Closure Plan in the conditions, the following is recommended as the minimum requirement for that Plan:

- Contact details for the person(s) responsible for the management of the final farm closure and associated removal of structures;

- The actions and methods that will be implemented to manage the potential risks and effects during the final farm closure and associated removal of structures, relating to:
 - Safety risks within the marine environment to staff and contractors at the marine farm and to mariners;
 - Marine mammals, seabirds and sharks;
 - Risks associated with the spread of any marine pest(s) and/or pathogens; and
- The procedures for monitoring and reporting on marine mammal, seabird and shark interactions and incidents during the final farm closure and associated removal of structures.

[9] Please explain why the Marine Mammal, Seabirds, Sharks and Biosecurity Management Plan conditions contained in proposed Conditions 31 to 58 do not reference and work forward from the drafts of the management plans provided as part of the Application (ie Appendices U to Y)? If they should do, please provide amended wording. Please also consider how the Baseline Monitoring Plan and Report (BLMP) should feed into the development and review of these plans, and whether that needs to be expressly provided for in the conditions.

NTS agrees that the final management plans should ‘work forward’ from the draft management plans provided with the application. In this regard it is recommended that condition 2 (b) is amended as follows:

- b. *The document shall be provided to Manager Resource Management, Environment Southland for certification that it:*
 - i. *contains methods and procedures that will achieve the document’s objectives established in consent conditions;*
 - ii. *contains the information required to be included in the document by consent conditions; and*
 - iii. *is in general accordance with the draft management plans that formed part of the Consent Holder’s FTAA Substantive Application, except as amended to:*
 - A. *respond to new information not available at the time the resource consent was granted, including, but not limited to, information arising from monitoring; or*
 - B. *align the management plans with consent conditions; or*
 - C. *align with new or updated national instruments or updated best practice guidance; or*
 - D. *incorporate comments made by Environment Southland, the Department of Conservation, Ministry for Primary Industries or representatives of Ngā Rūnanga ki Murihiku.*

Advice from NTS’ marine fauna experts is that the results of seabed and water column baseline monitoring will not inform the development and review of the Marine Mammal, Seabirds, and Sharks management plans as seabed enrichment and water column changes at the level anticipated as a result of the proposed marine farming will not affect marine fauna.

The draft Marine Mammal Management Plan (MMMP) contains recommendations for baseline (pre-construction) monitoring of dolphins and whales. The results of that monitoring will inform the development and review of the final MMMP as explained in section 2.1 of the draft MMMP and as

implicit in Conditions 33 and 34. The baseline monitoring proposed could be included within the BLMP (see answer to Question 18 below) and then allow the results of that to inform the MMMP. Depending on the Panel's response to the answer to Question 18 below, updated consent conditions to provide for this could be provided by NTS.

As explained in the response to Question 16, pre-construction monitoring of seabirds and sharks is not proposed in the respective management plans. Pre-construction monitoring for biosecurity is not proposed in the Biosecurity Management Plan.

[10] Adaptive management is proposed in the draft Seabird Management Plans and includes provision of triggers for response in the event of incidences (including deaths) to Threatened, At Risk or non-threatened species. These triggers are not included in the conditions (in comparison to the triggers in Appendix C for seabed and water column effects). Please provide the rationale for this difference in approach. It would also be helpful to have further explanation as to the rationale for these triggers for both marine mammals and seabirds, which appear to be at odds with conditions 31a and 38a, which specifies avoidance of effects on Threatened and At Risk species.

The terms 'adaptive management' and 'managed adaptively' have been used in the Seabird Management Plan and Shark Management Plan. However, the authors of those plans, and the author of the Marine Mammal Management Plan, have confirmed that an 'adaptive management' regime, as proposed for seabed and water column effects, is not proposed, nor necessary, for managing marine fauna effects. The management plans set out what is more aligned with what can be described as a 'monitoring and response' approach. What is proposed for the management of effects on marine fauna is consistent with the Government's Open Ocean Guidelines for seabirds and marine mammals¹ and have been accepted by key stakeholders. NTS proposes to update the Seabird Management Plan and Shark Management Plan to amend the terminology used to avoid confusion. NTS proposes that these updates are made along with any other updates that result from responding to this Minute and from responding to comments from invited parties, as a comprehensive update.

The 'triggers' in the draft Seabird Management Plan (section 6.5.1) and the draft Marine Mammal Management Plan (section 1.7) are indicators or thresholds for undertaking a review of management responses and relate to specific events involving individual seabirds and marine mammals. Proposed conditions 31a and 38a serve the purpose of aligning the operation of the HAP with Policy 11 of the

¹ *Best practices and technologies available to minimise and mitigate the interactions between finfish open ocean aquaculture and seabirds* (October 2021) and *Best practices and technologies available to minimise and mitigate the interactions between finfish open ocean aquaculture and marine mammals* (October 2021).

NZCPS, the consent holder must avoid adverse effects on certain species (at the species rather than individual level), and is supported by the Department of Conservation.

[11] Proposed Condition 66 seems unclear, uncertain and not capable of compliance monitoring as the requirements do not reference a predevelopment Baseline position. Please provide a proposal to make this condition more effective, or reasoning for why the current wording is sufficient.

NTS proposes the following changes to Condition 66:

The Consent Holder shall ensure that the marine farming activities authorised by this consent do not cause:

- (a) adverse effects on the existing ecosystem function of biogenic habitat (bryozoan-sponge reefs and bushy bryozoan thickets);*
- (b) ~~a reduction in dissolved oxygen concentrations that is harmful to aquatic fauna; and the mean dissolved oxygen concentration 300 m in the predominant current direction from the outside edge of the sea pens to fall below 5 mg/L for two successive months;~~*
- (c) ~~a measurable increase in the frequency or magnitude of harmful algal blooms. Chlorophyll-a concentrations 800 m in the predominant current direction from the outside edge of the sea pens to be greater than 3.5 µg/L for two successive months; and~~*
- (d) total nitrogen concentrations 800 m in the predominant current direction from the outside edge of the sea pens to be more than 50 µg/L above the highest concentration measured at reference sites on the same day for two successive months).*

Note:

“Ecosystem function” in clause (a) refers to the role of habitat-forming taxa in providing structure, supporting biodiversity, and maintaining overall habitat condition.

Details of sampling methodologies for determining compliance with (b) – (d) above are contained in the EMMP required by Conditions 74 – 79.

Changes to the water quality nutrient limits have introduced comparison with reference sites for total nitrogen, which will provide the ‘without development’ environment sought in the Panel’s query. Chlorophyll-a and dissolved oxygen are set as absolute limits based on available national and international guidelines for avoiding adverse water column effects. Reference to ‘existing’ ecosystem function has been added to Condition 66(a) to reference the current pre-development position.

With reference to Condition 66(a) advice from the seabed technical experts is that the setting of numerical limits for effects in biogenic habitat is not possible at this stage (and is not possible ahead of development for any project like the Hananui Aquaculture Project in a novel environment). In considering the Panel’s request, Stantec has reviewed consents issued to New Zealand King Salmon (for Blue Endeavour and for high flow inshore marine farm sites) and to Pare Hauraki Kaimoana (for marine farming in the Coromandel Marine Farming Zone). None of the issued consents for these projects include numerical biogenic habitat limits, including the inshore New Zealand King Salmon sites where marine farming and monitoring of nearby reef habitat has occurred for at least 10 years. This is consistent with the expert advice NTS has received that setting defensible numerical limits for effects on biogenic habitat at this point is not possible. NTS also notes that the management of effects on biogenic habitat and the proposed compliance condition were the subject of comprehensive consultation with

Reference: Hananui Aquaculture Project – Response to Minute 4

Environment Southland (including the council's compliance staff) and the council did not raise concerns about implementing the condition. NTS therefore respectfully suggests that Condition 66(a) should stand as proposed.

[12] As currently written, the adaptive management regime (Conditions 67 to 83) relates specifically to seabed and water column effects and not to other fauna that may be impacted by construction and/or operation of the marine farm, namely marine mammals, seabirds, sharks or wild fish. Please provide the rationale for this difference in approach. If this condition is proposed to be widened, please provide an updated condition.

The proposed adaptive management regime relates specifically to seabed and water column effects and not to marine fauna and therefore Conditions 67 to 83 have not been widened to address marine fauna. Please refer to the response to Question 10 which explains the difference in approach.

[13] Condition 68 refers to Environmental Quality Standards (EQSs) in the header but then refers to Adaptive Management Triggers (AMTs) in condition text in reference to Appendix C. However, Appendix C-1 refers to AMTs, while Table C-1 and C-2 refer to EQSs. Please provide an explanation for how the EQSs and AMTs are related.

As lodged, the conditions and Appendix C use EQS and AMT interchangeably. It is acknowledged that this has the potential to cause confusion. The conditions and Appendix C to the conditions should use AMTs in all instances.

[14] Table C-1 refers to "farm management response actions as outlined in the adaptive management plan". There does not appear to be a requirement for the preparation of an adaptive management plan nor is there a description in the conditions of farm management response plans (although it is noted that there are actions within some of the draft Management Plans). If this information exists outside of the draft management plans, please detail where, otherwise please provide an explanation for why it has been omitted.

Please see the applicant's response to Minute 3 from the Hearing Panel for an explanation of where in the consent conditions included in the substantive application preparation of an adaptive management plan was required. Please see also the answer to Question 20 of Minute 4 below, which would strengthen the adaptive management approach.

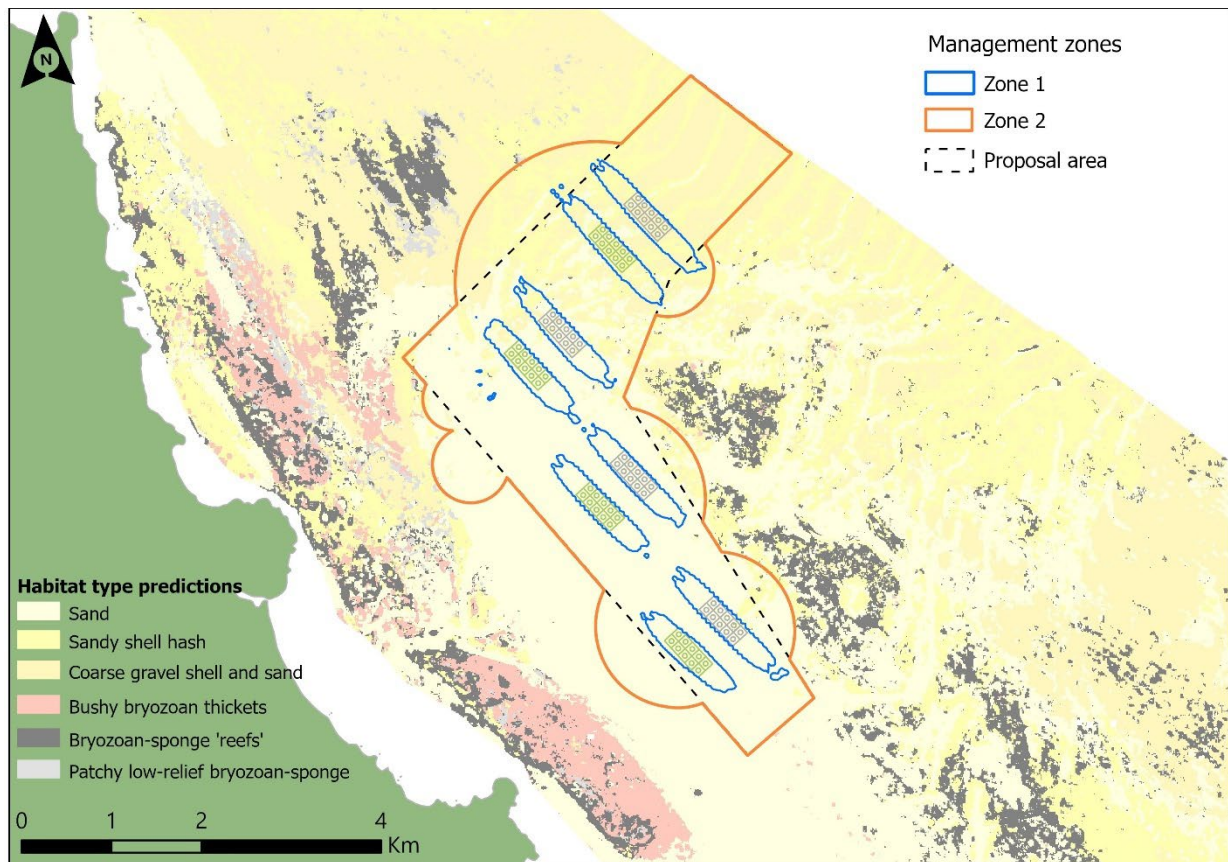
The approach adopted for the substantive application is consistent with the approach previously adopted in Marlborough, for both the inshore salmon farming sites and the recently consented offshore site (Blue Endeavour) and also aligns with the approach outlined in the Government's *Best practice guidelines for benthic and water quality monitoring of open ocean finfish culture in New Zealand* (December 2021). In each of those cases the preparation of an adaptive management plan was forecast in the consent conditions (or in the case of the guidelines was forecast to be addressed in consent conditions for any given project) but only required to be undertaken once consent had been granted. The applicant acknowledges that Pare Hauraki Kaimoana took a different approach and provided a draft environmental monitoring plan that included an indication of farm management responses to exceedance of adaptive management trigger values. However, the consent conditions for

that project still required the preparation of an Environmental Monitoring and Response Plan after the grant of consent and its submission to the regional council for certification.

NTS acknowledges that requirements for the adaptive management plan could be clearer in the proposed consent conditions. As part of the response to Questions 18 and 19 of Minute 4 (see below) NTS has identified that a draft Seabed and Water Column EMMP (that would incorporate requirements for baseline or pre-development monitoring) could be provided. Within that draft document, if the Panel wishes, NTS could provide further elaboration of adaptive management measures and provide proposed updated wording to consent conditions to clarify the adaptive management approach.

[15] Table C-1 and C-2 (Appendix C) appear to present AMTs for Stage 1 only (as indicated by Figure 1 of that Appendix). Given that modelling was undertaken for Stage 2, please advise why EQZs and AMTs have not been presented for Stage 2 rather than Stage 1, being the full development level and therefore more conservative? If it is proposed to now include EQZs and AMTs for Stage 2, please amend the conditions accordingly.

The applicant's intention in developing Appendix C was that the AMTs would apply to both stages. This can be achieved by including the following figure to outline the Stage 2 zones:



Linked to the answer to Question 20 of Minute 4 (below) if the material contained in Appendix C of the consent conditions is confirmed as applying from the commencement of the consent (rather than being

Reference: Hananui Aquaculture Project – Response to Minute 4

'draft') NTS requests that an additional condition is included to allow for a 'footprint mapping' exercise. This recognises that the Stage 1 and Stage 2 Environmental Quality Zones have been proposed based on modelling and may need to be adjusted once marine farming has commenced and actual enrichment monitoring has been undertaken. This was the approach adopted when the first high flow marine farm sites were introduced to the Marlborough Sounds for New Zealand King Salmon, so is not without precedent in New Zealand marine farming consent conditions. Condition wording such as the following could be adopted:

Notwithstanding Figure 1 in Appendix C, the size and shape of the Seabed Environmental Quality Zones may be reviewed (to enable comparison with the zone outlines contained in Figure 1) and amended by the consent holder after 3 years of operation or after each marine farm has completed a full harvest and fallow period (whichever is the later). If the consent holder seeks to amend the shape and area of the Seabed Environmental Quality Zones the following process shall be followed:

- (a) The consent holder shall provide the consent authority with a report prepared by a SQEP, that assesses the results of at least three years' of seabed monitoring, provides an indication of the solids flux and residual solids footprint from discharges at the marine farms and proposes amendments to the zones;
- (b) The consent authority certifies that any alteration to the zones will not result in the seabed effects being inconsistent with the conditions of this consent.

[16] Please provide rationale for why baseline (pre-construction) monitoring of marine mammals and sharks has not been and is not proposed to be undertaken.

Pre-construction monitoring is proposed in the draft MMMP submitted as part of the application to benchmark the levels of presence for dolphins and whales in and around the HAP site. The consent conditions relevant to marine mammals do not explicitly state that pre-construction monitoring of marine mammals is required. However, the conditions, as now modified in response to Question 9, require the MMMP to be in general accordance with the draft MMMP submitted as part of the application.

Pre-construction monitoring of other marine mammals (pinnipeds), seabirds and sharks is not proposed in the respective management plans nor as conditions of consent. The marine species' experts that prepared the effects assessments and management plans submitted as part of the application have confirmed that the data on marine species within the HAP site and the wider Te Ara a Kiwa contained in the effects assessments provide adequate baseline (pre-construction) information. The authors of those plans do not consider that further pre-construction monitoring is necessary or useful for managing effects on marine fauna.

The key stakeholders engaged with agree with the proposed approach for baseline (pre-construction) monitoring of marine fauna. Furthermore, it is noted that the Department of Conservation does not raise this as a concern in its Section 51 report.

[17] Explain why the additional BLMP and Report proposed in Conditions 72 and 73 is required, given that it appears there has been quite comprehensive assessment and monitoring of the seabed, biogenic habitats and the water column in the Applicant's suite of assessment

reports, and given the assurance from the Applicant's experts (during the project overview conference) that they are confident that they have provided 'good data sets.'

Please see the attached response from Dr Bennett and Dr McGrath from Cawthron. If the Panel is minded to accept NTS' proposal in answer to Questions 18 and 19 of Minute 4 (below) Conditions 72 and 73 could be deleted.

[18] Considering the question above and the apparent good data sets described in the Applicant's seabed, biogenic habitats, and water column and fauna Expert Assessment Reports, please provide commentary on why the BLMP has not already been provided as at least a Draft Plan to the Panel as part of the Application. This response should also address whether a Final Draft BLMP can be provided to the Panel for its consideration of the application, and if so, when.

The approach adopted for the substantive application is consistent with the approach previously adopted in Marlborough, for both the inshore salmon farming sites and for Blue Endeavour and also aligns with the approach outlined in the Government's *Best practice guidelines for benthic and water quality monitoring of open ocean finfish culture in New Zealand* (December 2021). In each of those cases the preparation of a baseline monitoring plan was forecast in the consent conditions (or in the case of the guidelines was forecast to be addressed in consent conditions for any given project) but only required to be undertaken once consent had been granted. The applicant acknowledges that Pare Hauraki Kaimoana took a different approach and provided a draft environmental monitoring plan as part of the application and was not required to do more than repeat a benthic survey by the eventual consent conditions.

In preparing the substantive application NTS was also aware that the eventual decision might result in different locations or operating conditions for the proposed marine farms and chose not to prepare a draft baseline monitoring plan to avoid potential re-work.

Please see the answer to Question 19 below in relation to the indication of timing for provision of a final draft BLMP as requested by the Panel.

[19] Following on from the questions above regarding the BLMP, and given the Expert Assessment Reports provided with the Application include many Management Plan suggestions, please explain why a Draft Water Column and Seabed EMMP has not already been prepared and provided with the Application. This appears important given that such a Management Plan appears pivotal to the proposed effects and adaptive management approach including the measurable Triggers proposed in proposed Conditions Appendix C.

The approach adopted for the substantive application is consistent with the approach previously adopted in Marlborough, for both the inshore salmon farming sites and for Blue Endeavour and also aligns with the anticipated approach outlined in the Government's *Best practice guidelines for benthic and water quality monitoring of open ocean finfish culture in New Zealand* (December 2021). In each of those cases the preparation of an environmental monitoring plan was forecast in the consent conditions (or in the case of the guidelines was forecast to be addressed in consent conditions for any given project) but only required to be undertaken once consent had been granted, and with the baseline

monitoring used to inform it. The applicant acknowledges that Pare Hauraki Kaimoana took a different approach and provided a draft environmental monitoring plan informed by existing benthic and water column surveys as part of the application. However, the consent conditions for that project still required the preparation of an Environmental Monitoring and Response Plan and its submission to the regional council for certification.

In preparing the substantive application the applicant was also aware that the eventual decision might result in different locations or operating conditions for the proposed marine farms and chose not to prepare a draft environmental monitoring plan to avoid potential re-work.

As noted in response to Question 18, in discussion with Cawthron and SLR, NTS has determined that it is possible to prepare a draft BLMP. In addition, NTS' technical experts have advised that much of the BLMP information would be relevant for an EMMP. A draft Seabed and Water Column EMMP could be drafted and provided to the Panel by 22 May 2026. As noted in the answer to Question 14 above, this document could also include a draft adaptive management section. NTS notes that the document would be prepared based on the marine farm locations and operations as proposed in the substantive application, so may need to be updated post the granting of consent and the installation of marine farms at the site (if the minor shifts in marine farm position provided for in the proposed consent conditions are required to ensure the structures are stably anchored). That could be provided for in the consent conditions by requiring the final plan to still be certified by the regional council prior to it being implemented. In conjunction with the provision of the draft document the proposed consent conditions could be adjusted to recognise the existence of a draft. The proposed amendment to condition 2(b) as discussed in answer to question 9 (above) is also relevant here, with the requirement being that the plan submitted for certification would need to be in general accordance with the draft provided to the Panel.

[20] Explain why the measurable Triggers in proposed Conditions Appendix C are proposed as “Drafts” if these science based Triggers have been recommended by the Applicant’s experts? Are these triggers likely to change and if so what confidence can the Panel place on them at this stage?

NTS has reviewed the triggers in Appendix C and discussed these with its technical experts at Cawthron and SLR. NTS confirms that the triggers can be used from the grant of consent, rather than being confirmed later as currently set out in the proposed conditions. NTS notes that the proposed conditions would need to be updated to reflect this. In other words, NTS is proposing that the reference to the measurable triggers being ‘draft’ can be removed.

[21] Explain why a Draft Farm Location Plan (FMP), including clear triggers has not been provided as part of the Application, and advise whether a Final Draft FMP can be provided to the Panel for its consideration of the application, and if so, when.

A Draft Farm Movement Plan (FMP) cannot be provided at this stage. In accordance with proposed Condition 83, development of a final FMP is contingent on:

- The nature of the issue that causes the need for “adaption”;

Reference: Hananui Aquaculture Project – Response to Minute 4

- The completion of the peer-reviewed Engineering Design Report for the proposed location. As explained in response to Question 5, that report is a prerequisite to confirming the detailed design, installation, and operational parameters required to support farm relocation;
- Additional seabed survey of the alternative location to evaluate a new baseline;
- Site specific depositional modelling.

All of these elements need to be undertaken on a site specific basis. It is neither practicable nor meaningful to undertake these tasks for every possible relocation scenario that could arise in response to future triggers or compliance matters. A Farm Movement Plan is intended to be a targeted, fit-for-purpose document that responds to a specific trigger requiring farm movement, rather than a hypothetical exercise covering all potential relocation options that may never eventuate.

That said, it is noted that that some supporting information is included in the application regarding the assessment of the alternative farm locations. The front-end engineering and environmental assessments have considered the wider Hananui site, including the two alternative locations, and provide confidence that these areas are broadly suitable for marine farming. In addition, modelling work undertaken by Cawthron has considered farm performance at alternative locations under certain scenarios, although this modelling does not extend to all possible relocation extents (including movements of up to 500 metres).

[22] It appears that conditions 76(c) and 77 should also consider the moving of farms, as well as progressing between stages. Please provide rationale as to why this has not been included or amend this or another appropriate condition to accommodate this.

Depositional modelling to support any proposed relocation of marine farms is provided for by Condition 83(a)(iv) and NTS therefore does not consider that any amendment is needed to Condition 76(c). NTS agrees that Condition 77 should apply if any farm relocation occurs and suggests the following wording:

The EMMP shall be subject to review, by a SQEP:

- (a) As part of any Stage Progression Report prepared in accordance with condition 80.c;*
- (b) As part of any marine farm relocation undertaken pursuant to condition 83; and*
- (c) Not more than 5 yearly thereafter.*

[23] The Panel's understanding is that moving from Stage 1 to Stage 2 only requires consideration of effects on the seabed and water column, as the Stage Progression Report relates only to the EMMP (which only includes seabed and water column effects). If this is correct, how then do effects on other sensitive receptors (i.e. marine mammals etc) factor into the stage progression process? Any response should clearly specify the relevant conditions that reference the need to consider other sensitive receptors.

The applicant has confirmed with its technical experts in relation to marine fauna that their assessments were completed on the basis of the full development, rather than only Stage 1. The only effects for which a staged approach was recommended were those on the seabed and water column (taking a precautionary approach even though adverse effects at the full Stage 2 development are not anticipated

to be significant). As the relevant technical reports note, no significant effects on marine fauna are anticipated at Stage 2 of the project, and therefore progression from Stage 1 to Stage 2 does not contain any requirements in relation to marine fauna. The applicant notes that implementation of each of the proposed management plans will occur throughout both stages of the project, to ensure that effects are consistent with those anticipated in the substantive application. In short, NTS considers that there is no evidence that warrants linking marine species management to farm staging, and this is not a matter that has been raised by the Department of Conservation, the Ministry for Primary Industries or Environment Southland during the extensive consultation on marine species that occurred as part of the development of the substantive application, or in the Department's recent s51 report for the wildlife approval. Further it considers that a condition doing so would be more onerous than is necessary to address the potential adverse effects of the proposal.

[24] Comment on whether any additional purposes for the proposed Review Conditions outlined in proposed Condition 85 might be required to make an Adaptive Management Framework more effective and robust in relation to effects management.

Condition 85 provides for the review of the consent to address adverse effects (Condition 85(a)) and to consider up to date information on marine farming in general, and from monitoring of the proposed activities specifically (Condition 85(b)). In our view either of these existing clauses could be used as the basis to initiate a review of the consent conditions if there were concerns that the adaptive management framework was not sufficient to address effects. However, if the Panel is concerned that adaptive management needs to be listed as a ground for review of the consent conditions NTS has no concern with this.

[25] Noting that counsel for the Applicant has confirmed that Conditions 86 to 90 regarding the Hananui Community, Environmental and Health and Education Funds are provided on an Augier basis, is information regarding the total likely funds available annually (if the maximum levels of feed are applied in Stages 1 and 2 of the project) able to be provided?

Annual contributions to the Hananui Community, Environmental and Health and Education Funds are inherently variable, as they are linked to actual harvest volumes. These volumes are influenced by factors such as smolt supply, grading outcomes, and mortality rates.

On a theoretical maximum basis (assuming optimal smolt supply and no mortality), Stage 1 production could generate total contributions across all funds of approximately \$170,000 per annum, increasing to approximately \$340,000 per annum at Stage 2, based on the minimum contribution rate of \$0.10 per fish. Under a more realistic production scenario, assuming approximately 20% mortality over the production cycle, total contributions are estimated at approximately \$136,000 per annum for Stage 1 and \$272,000 per annum for Stage 2.

These figures are indicative only. Actual contributions may vary over time, and could increase if production efficiencies improve, noting that \$0.10 per fish represents a minimum contribution.

[26] As part of the Augier Conditions 86 to 90, would it be reasonable to supply a Consumer Price Index metric, so the effective amount of the fund is not diminished over the 25 year consent term proposed? If not, please explain why.

NTS agrees that it is reasonable to include a Consumer Price Index (CPI) adjustment within Conditions 86 to 90 to ensure the real value of the Hananui Community, Environmental and Health and Education Funds is maintained over the 25 year consent term. This approach ensures that the long-term benefits to the community and environment are not eroded by inflation, while still maintaining a clear and administratively simple mechanism for implementation. Amendments to the conditions will be included.

[27] *There appear to be some inconsistencies between recommendations in draft Management Plans and expert reports, and what is proposed as draft conditions.*

[28] *Where such discrepancies between management plans or expert recommendations and the proposed conditions exist, please provide rationale as to why. If these discrepancies are an oversight, please provide amended wording.*

In relation to the two examples provided by the panel:

- a) NTS proposes to update the Shark Management Plan (SMP) (section 6) to be consistent with the wording in Condition 49, which is as follows:

The SMP shall be subject to review, by a SQEP:

(a) two years after the installation of the first net pens at the site, and no more than every five years thereafter; and

(b) within 30 calendar days of the discovery of any protected shark species mortality or serious injury associated with or caused by the consent holder's activities.

- b) NTS proposes that the following is added to the advice notes under Condition 11

There are a number of recommendations made in the Front-End Engineering Design Report, identified in Appendix A of these conditions, for preparing the Engineering Design Report, some of which may need to be undertaken in advance of preparing the Engineering Design Report. This includes a recommendation that an acoustic doppler current meter be deployed at the northern end of the site for one year.

NTS has confirmed with the author of the Front-End Engineering Design Report (DSA Ocean) that collection of a longer-duration dataset (e.g. one year) would allow refinement of the assumed current extremes. This could reduce conservatism in the design basis, leading to more efficient equipment sizing and improved constructability and maintainability, while remaining aligned with international standards and best practices. While this additional data collection is beneficial to the overall project it is not a strict requirement for a safety or suitability assessment of the equipment.

No additional discrepancies between management plans and proposed conditions have been found.

[29] *Preparation of the Environmental Monitoring and Management Plan requires consideration of a document submitted with the Application, but it doesn't appear that any other Management Plans need to take into account the relevant Application documents. Please*

Reference: Hananui Aquaculture Project – Response to Minute 4

provide a list of documents comprising the Application that should be used to guide final management plan development (and other consent conditions).

Please refer to the response to Question 9 which also addresses this question.

NTS trusts that this response answers the questions posed by the Panel. Should any matters need further discussion NTS and its advisers are happy to meet with the Panel as required.

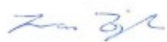
Process suggestion

Several of the answers contained within this response have either proposed amended wording for consent conditions or forecast that the existing proposed consent conditions would need to be updated to reflect modified approaches suggested if the Panel considers these modified approaches are more appropriate than the approaches set out in the current conditions. To avoid confusion during the comments period that is currently open, NTS has not provided an updated set of consent conditions with this response. NTS respectfully suggests that once comments have been received and NTS has provided its response the Panel could give NTS an indication of its provisional preferences in relation to the various options that are presented (i.e., the approach in the existing conditions v the approach suggested in this response v any alternative approach that emerges from the comments on the application and response) and direct NTS to provide an updated set of proposed consent conditions to reflect those preferences. Further to this, in answer to Questions 18 and 19 of Minute 4 NTS has suggested that a draft document incorporating the requirements of the proposed BLMP and EMMP could be provided to the Panel by 22 May 2026. This date could also serve for the provision of an updated set of proposed consent conditions should the Panel wish. This approach is suggested as an efficient way to assist the Panel towards its task of producing draft conditions for the purpose of section 70 of the Act.

Please do not hesitate to contact the undersigned if you have any queries.

Yours sincerely

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