

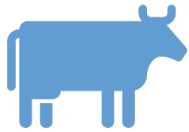
# Energy & Innovation Wānanga – Day 2

Wednesday, May 24, 2023

Southland Aquaculture

Presenters: Aimee Kaio & Sarah Hannan

# Southland Economy



Southland is primarily an agricultural region, with a solid manufacturing industry which is underpinned by dairy and meat processing, and NZAS. The region has a strong trade economy that is predominantly commodity based rather than value add differentiated product.



There are a range of **strong economic pressures** currently bearing down on business, including critical skills shortages, increasing inflationary pressures and continued global economic uncertainty. Added to this are **strong environmental pressures**, namely global warming and climate change, which adds to business strategy and the need to be agile and adaptable.



There is ongoing **uncertainty about the future of the Tiwai Smelter**. While the fate of the smelter is a decision for its owners, we must prepare for any disruption to our regional economy. As a region, we need the **and, and solutions** to ensure we remain relevant and thriving.



To build on the economic, environmental and social resilience to our region and our people, the Southland Region strongly advocates for **the opportunity presented by aquaculture growth**, in particular the scalable nature of open ocean salmon farming and the aquaculture activity and centre of excellence proposed for Ocean Beach Bluff.

# Why Aquaculture?

- **Aquaculture is Southland's single greatest opportunity to build greater economic resilience and diversity for the region and the country as a whole.**
- **The current aquaculture industry is well established.**
- **Advances in Open Ocean Technology will allow us to scale finfish farming in open waters with a lower footprint.**
- **Iwi are significant participants.**
- **The climate and cool water conditions in Southland are ideal for producing quality premium protein product.**
- **As a region we are committed to diversification.**
- **People are at the heart of this opportunity. We are in a prime position and time to leverage our strengths.**

# Southland Aquaculture & Regional Context



## **2012 Southland Aquaculture Strategy**

Southland has a proud history of aquaculture spanning half a century.

Sanford and other operators over this time have contributed significantly to successful aquaculture in the region.

2012 Strategy focused on exploring new space, new species, technology and necessary infrastructure.



## **2015 Southland Regional Development Strategy (SoRDS)**

Ease of doing business & New Industries – Open Ocean Aquaculture identified as the scaleable opportunity that can help diversify our region.

## **2016 Southland Aquaculture Working Group (SAWG)**



## **2021 Southland Just Transition Murihiku Aquaculture Group**

Investment and enablers required to establish one OOA in Foveaux Strait.

## **2023+Enduring Aquaculture Group**

Champion Investment, Infrastructure and Regulatory f/w enablers for all Aquaculture Industry.

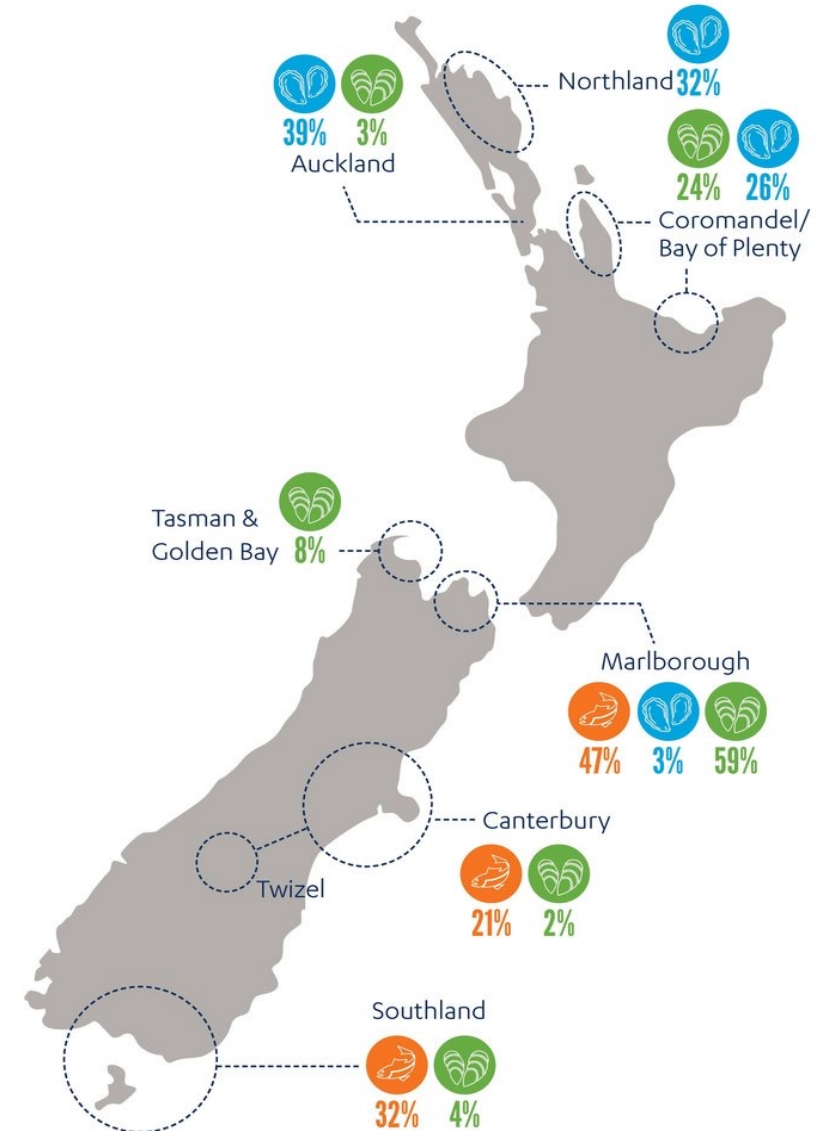
# The Global & National Context

## GLOBAL CONTEXT

- Aquaculture is the world's fastest-growing primary industry and is considered a sustainable solution to feeding the world.
- The global demand for premium seafood is high and expected to grow – increasing consumer awareness and connectivity to markets is driving demand for higher quality, healthy and sustainably produced food with a small environmental footprint. NZ produces some of the best product in the world!

## NATIONAL CONTEXT

- **New Zealand contribute only 2%** of the Global Aquaculture demand – We generate about \$680 million in revenue each year, by farming a fraction of our coastal waters. We are set to grow exponentially in the next 15 years.
- **The New Zealand Government Aquaculture Strategy's** goal for aquaculture is to be a \$3B industry by 2035 and be a more significant part of a lower emissions economy.





# The Southland Aquaculture Potential

**Open Ocean Farming and Aquaculture innovations, can unlock significant wealth in Southland and benefit the entire economy.**

## **The Economy:**

- Southland has the potential to grow aquaculture to become **a \$1B industry** by 2035, contributing to one third of New Zealand's \$3B goal.
  - This equates to the region increasing its salmon production from 5000T per annum to approximately 50,000T.
  - Currently NZ produces 15,000T which would grow to 150,000T to meet the target.

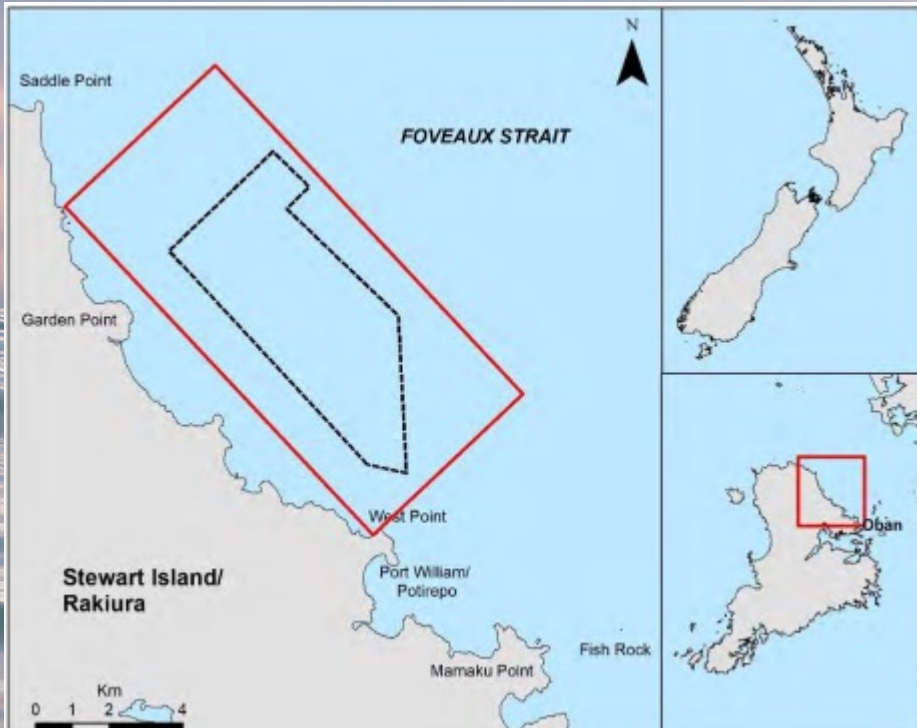
## **People:**

- At optimal operation, the estimated number of jobs created would be 1000+, this includes the regional ancillary businesses critical to and relevant to the supply chain.
- Aquaculture has the potential to become part of the STEAM curriculum from early childhood through to vocational, tertiary and career pathways.
- Globally, Aquaculture success thrives if there are genuine and true collaborations between relevant stakeholders. Southland have proven to be able to collaborate well and get the job done.

## **Environment:**

- This is an industry with technological advances and innovations, that enables best environmental practices and monitoring across the value chain. This industry will aid NZ's transition to a low emission economy.

# Project Hananui



- Ngāi Tahu Seafood Limited have developed Project Hananui which is currently in the COVID recovery fast track consenting process, with a decision expected in August 2023.
- The project proposes to construct & operate open ocean salmon farming within a 2,500 hectare area of coastal marine area, approximately 2 to 6 kilometres off the north-eastern coast of Rakiura.
- The southern end of the site is approximately 10km north-west of the settlement of Oban.

*'As a Ngāi Tahu business, we are charged to ensure that all our operations are carried out in a manner that is mindful of the impact we are having on the environment and upholds the principles of kaitiakitanga. In everything we do we strive to care for, protect, and nurture the environment so it can prosper through the generations.'*

[www.hananuiaquaculture.co.nz](http://www.hananuiaquaculture.co.nz)

# Ocean Beach – Aquaculture Centre of Excellence 2023/2024 Update



- Pāua farm biomass expansion & sales in progress. 100% NZ made feed development close to complete.
- Whitebait farm stage 2 expansion & sales pre-xmas.
- CH4 Global Seaweed farm expansion & freeze drier in progress. Sales pre-xmas.
- On going Salmon farm discussions.
- Kelp Blue Macrocystis seaweed hatchery in development.
- SIT NZQA Level 3 & 4 Aquaculture Certificate in partnership with Ocean Beach starts in August
- AUT Masters in Aquaculture in partnership with Ocean Beach in progress for establishment in 2024/25.
- Distillery In development with sales pre-Xmas.
- Distillery Cellar Door & Tours 2024/25.
- Site beautification starting in 2024/25.





# Enablers to Growing Southland Aquaculture

## Enduring Aquaculture Group & Aquaculture Cluster Manager

- International learnings tell us:
  - Regional leadership is paramount to ensure there is cohesion and alignment to champion regional priorities.
  - Collaboration is key – to activate a sustainable Aquaculture Industry
  - Clusters work
- EAG structure is endorsed by Industry, Iwi and Stakeholders

# Enablers to Growing Southland Aquaculture

## Regulatory / Policy Framework

- **Favourable Policy Environments play a crucial role in facilitating the growth of aquaculture.**
- **Clear and supportive policies that address consenting, permits, land and water rights, environmental protection, and market development can provide a favourable environment for aquaculture businesses to thrive.**
- **How do we as a region support the evolution of Favourable Policy Environments?**

# Enablers to Growing Southland Aquaculture

## Infrastructure

- **Energy security**
- **Access to water AND infrastructure to support business growth**
- **Access to suitable land AND the required infrastructure**
- **Build a secure supply chain ie: Southport infrastructure, hatcheries, related supply chain maintenance and engineering.**
- **How do we as a region enable better regional infrastructure to enable new growth industries?**

# Enablers to Growing Southland Aquaculture

## Investment

- **Should a consent be granted for OOA, this will trigger the need for significant capital investment across the supply chain, and the region have made a commitment through EAG to work collaboratively to ensure an efficient and sustainable, lower emission industry is developed.**
- **Ease of doing business enablers**
  - **Regulatory frameworks, Infrastructure**
  - **Workforce development, vocational pathways**
  - **R&D, Leading edge Technology & Innovation**
  - **Market access & Demand**
  - **Collaboration and an organised cohesive region**
  - **Central Government co-investment**

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