Geordie Hill Station – Evidence for ORC Hearing on Lindis Minimum Flow

Matt McCaughan – March 2016

Background.

Good morning everyone. I appreciate the opportunity to speak to you. My name is Matt McCaughan. I farm with my wife Jo, and family at Geordie Hill Station in the Lindis Pass. Our location is 25km north of Tarras. I am a member of the Lindis Catchment Group. We have been farming Geordie Hill since taking over from my parents in 1987. Our son has worked on various farm properties and completed a Farm Management qualification since leaving school. It is likely he will wish to continue farming our property. Access to the Lindis River and the use of the water are an integral part of our family farming tradition and heritage. I will show you why the access to irrigation water is so vital to our family, Geordie Hill Station, and also the wider community and economy. Retention of the current irrigation supply is essential for the maintenance of an economic family unit and our farming values.

Geordie Hill is a modest size property. It currently holds two deemed permits originally issued in August 1911. We have over 100 years of history of water use. This use of irrigation has been vital to the farming of Geordie Hill by our family since 1910. Our deemed permits are a foundation to the viability and sustainability of the property.

A sheep and beef property, Geordie Hill is in the upper part of the catchment. Access to the Lindis River catchment and water from its tributaries are our sole option for irrigation water. Water storage is mentioned as an alternative. We have looked at this option, however practical storage sites are very limited and costs are so high as to be prohibitive for traditional sheep and beef farming.

With careful management, and hard work over the last 100 years Geordie Hill has been developed into a productive property. The property is 2100 ha and ranges from 400 to 900m in altitude. Normally we winter 7,700 sheep and 230 cattle. In addition to myself and family we employ 1 full time staff and 1 part time plus numerous contractors, rural businesses, fencers, shearers ect. This sheep and beef farming system is traditional and less intensive than many modern systems, so the environmental impact is also fairly moderate.

Geordie Hill has several km of river boundary. As a farming family we have also appreciated and supported the public use and enjoyment of the river and indeed our own land. We have allowed free access over our land for recreational users of the river. A small area of land between the main road and the river has been made available by us for campers use for many years. This use has now been formalised by that land being transferred to DOC.

In the high country we farm in a harsh environment. We have long cold winters with 100 days plus of low or no grass growth. We usually get several significant snow falls down to valley floor level each winter and temperatures below -10 at times. Snow has lain on the valley floor for up to 9 weeks in a hard winter. During this time we rely on supplementary winter crops, hay and silage to feed our livestock. These crops and supplements can only be produced reliably with access to irrigation water.

Annual rainfall is only 550 mm year and can be as low as 450mm. In addition to the low rainfall we have to contend with very hot dry and windy conditions as well. The result is that in summer we have long periods of significant soil moisture deficit. Irrigation enables us to maintain a vital area of quality summer grass production.

Geordie Hill

Our irrigable area of 140 ha is only 6% of the properties area. In mid summer we normally only get enough reliable water to fully irrigate around 80 ha. The remainder is irrigated strategically for Lucerne and crop production. It is the vital, reliable mid summer water that any higher minimum flow on the Lindis river will impact. At 750 l/s minimum flow a very significant quantity of the most reliable water is no longer available.

The small proportion of irrigated area is highly strategic when associated and contained within the larger area of lower production dryland hill country.

The high country has seen significant economic change in the last 20 years. Previously the production of fine wool was the most significant part of the farm income. This is no longer typical. Meat (both sheep and beef) has become key to our economic viability. Our dry hill country can produce wool and store stock. But to provide the quality finished stock that the market demands we rely on irrigation.

The widespread conversion of downcountry and other land to dairy means that markets for unfinished stock are limited. The ability that irrigation gives us to finish our own stock is key to having a strong sustainable farming business.

Production and Economics

A larger dryland property gains significant productive leverage off a small irrigated area. It allows us to carry the stock thru winter and the dry summer. We can then capitalise on the production from the rest of the farm, especially spring grass growth.

If we did not have irrigation we would likely be wintering at least 1500 less young sheep and 100 less cattle. Currently we fatten approx. 2000 hoggets in spring and 1200 lambs thru summer. This production would not be possible without irrigation. Any reduction in the area or reliability of irrigation starts to severely impact this production.

Our ability to finish stock gives us an economic and sustainable business. At the same time it has us spending on farm labour, contractors and multiple farm inputs. All these contribute to the wider community and the NZ economy in general. Expert evidence to be presented from the Lindis Catchment Group will allow you to appreciate the total in money terms.

Geordie Hill has been updating older wild flood and border dyke irrigation to spray since 2004. Currently all of our watered area is now efficient spray irrigation. The capital expenditure has been very significant. Decisions have been made based on the ORC's original indication of a 450 l/s minimum flow.

any water being done ?

Our request and reasons

We ask that this panel make the following decisions;

1. That the minimum flow in the Lindis will be 450 l/s
2. That the primary allocation of irrigation water will be 1900 l/s
3. That transition provisions suggested by the Lindis Catchment Group be adopted by the ORC

Geordie Hill

- Farm infrastructure in the community has been largely based on deemed permit water rights. The expiration of these and the imposition of a minimum flow requires that farmers substantially change their irrigation methods in order to maintain farm viability. The currently proposed min flow of 750L/s will have a very severe effect on water availability, and reliability of supply. This will result in significant negative effects on farming operations. Farms in the area are mostly small family businesses which form the heart of the Otago rural economy and by their very nature do not have the resources to both retain viability and comply with and implement unrealistic and impractical impositions made by the ORC.

- The approach by the ORC thus far to the imposition of a minimum flow has exacerbated the issues surrounding implementation. During a period of rapid change in the agricultural industry and in the community, a considerable amount of time and money has been invested in irrigation systems. Throughout this time, the ORC was indicating the minimum flow imposed would be 450L/s. The currently proposed rate of 750 L/s is substantially different. Lindis catchment group evidence shows that science used to justify the 750 l/s min flow is not robust. The sec 32 report does not give a balanced or accurate picture of the options. (Hickey report)

- The currently proposed 750L/s minimum flow takes away far too larger proportion of the available reliable irrigation water during the dry summer season. (Aqualink report)

- The section 32 analysis conducted by the ORC failed to properly assess the economic impact of the proposed flow. (Berl and Collier reports) The Councils increase from the initially agreed upon 450 L/s to 750 L/s does not make a large or significant difference in relation to core policy objectives. However, the increase would have a disproportionately negative effect on water use and irrigation viability at Geordie Hill and in the district.

- A key point is that famers and the rural community would have to bear the significant economic and social consequences which would be totally out of proportion when compared to the benefits of the additional flow. The weight given by the ORC to the interests of others from outside the community means that farmers would be treated very harshly if plan change 5A was implemented in its current form.

- The changes that will be required of farms to implement the minimum flow and new efficient water management are substantial. The reconfiguration of irrigation infrastructure is a long term project. It is a time consuming and expensive process in itself. With the added factor of a minimum flow imposition it is absolutely essential that farmers have a clear and logical pathway and fame work of rules and policies that they can work within.

- This process of setting minimum flow has been long, time consuming and expensive for us and the farming community. It also meant that we have been living with considerable uncertainty. This is why we need the council to now adopt transition provisions for implementation, and for the replacement of deemed permits. This is vital to avoid further doubt or uncertainty. After going through this arduous min flow setting process, we need further uncertainty to be minimal.

- At Geordie Hill Station specifically, a concentrated effort has been made over the last 15 years to implement efficient irrigation systems. A reliable water supply is a fundamental requirement. Any loss of water will have a huge impact on farm sustainability and management.

Geordie Hill

- Making water more difficult or expensive to obtain can force farmers into other intensive land use options. Sheep and beef farming has been an integral part of the Tarras community for generations. The ORC should be extremely aware of the consequences of extensively limiting farmer's water use, or making it more expensive. Alternate farm enterprises are often not as environmentally or as socially desirable as sheep and beef operations. We believe that a water policy aligned to traditional farming values whilst still meeting overarching objectives is entirely possible. It is not clear to us that the ORC has made a proper and informed consideration of options which could achieve a good outcome.

I trust that this panel will make an informed decision which provides a balanced and viable outcome for all.

Thankyou for your time and attention.

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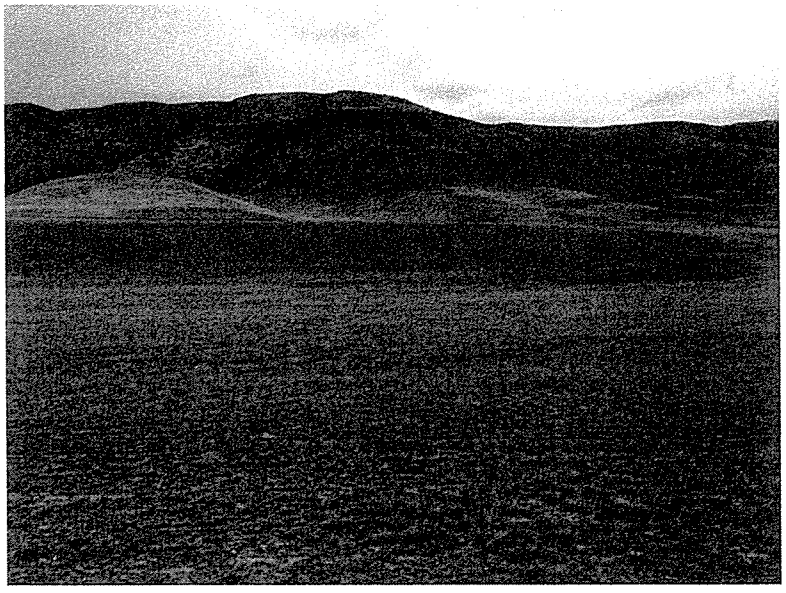

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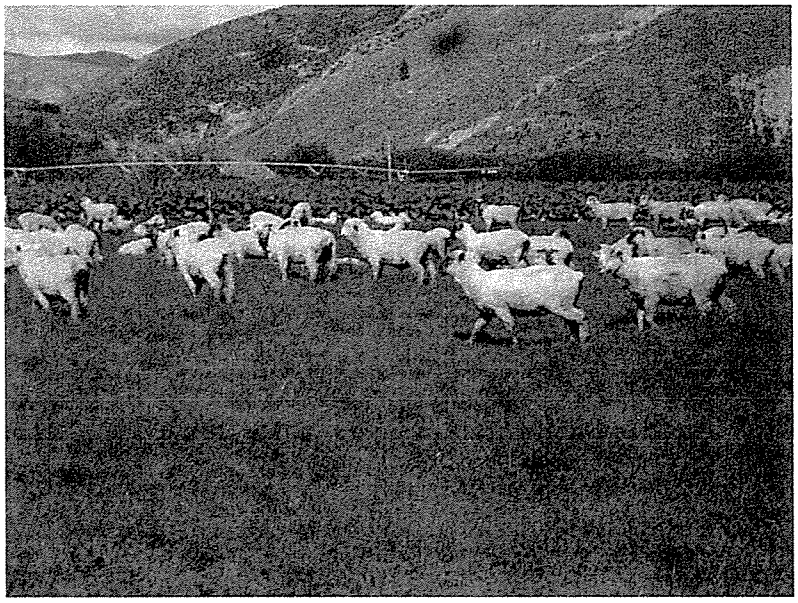

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