

BEFORE THE OTAGO REGIONAL COUNCIL

IN THE MATTER of the Resource Management Act 1991 ("the Act")
AND
IN THE MATTER Proposed Plan Change 5A:

Presented by Bruce Jolly
Chairman Lindis Irrigation Ltd

I am Bruce Jolly a Tarras Farmer in the Ardgour valley.
I have lived, worked and irrigated all my life in the valley.

Introduction:

The Lindis Irrigation Company was formed in 1991 by the irrigators of the Tarras and Ardgour schemes when the Crown wanted to get out of owning and administering irrigation schemes. I have been on the board of directors for most of those 25 years and many of them as chairman.

After the Crown had settle the sale of most Otago schemes that were mostly on Deemed Permit it passed an act that put a 30 year sunset clause on our right to take water in perpetuity that the Deemed permits had.

Lindis Irrigation Company is the most significant water user from the Lindis catchment. The maximum amount that the company infrastructure can take from the river is 1300 l/s. This makes up about 56% of the surface water abstracted from the catchment. The water is taken at 2 points of take with 2 main supply races. (Tarras Race and Ardgour Race)

Water is used by our 37 shareholders for irrigation and stock water. The water is a very important part of all our shareholders businesses economically and socially. It is one of the most significant drivers of our community and has been for over a century.

The irrigators over that time have been proactive in changing their on farm use of the water to be more efficient users as technology and capital has allowed relative to the reliability of the supply of water and meeting the conditions of the Deemed Permit. Some of these changes are as simple as using clocks to do the shifts of water 24 – 7 and others have been significant. First there were narrow border dykes, and then with laser levelling, wide borders. In recent years it has been a move to sprinklers on the best soils, but only with the reliable water portion. There are still areas of wild flood that may only get water in spring and late autumn when there is available water and is still consider efficient given the low reliability.

For years the directors of Lindis Irrigation Company have been trying to decide what is the best way forward with its ageing and historic head works and take points that are at a very high risk of a catastrophic failure. Most of this was built in the 1920s and hundreds of meters of concrete lined races are in various stages of collapse from rotten concrete, land subsidence and run through large rocky bluffs with high water losses from leaks. They have the dilemma of our consent expiry in October 2021 and its renewal with unknown efficiency conditions. Also the unknown minimum flow and at that stage the outcome of the proposed Tarras Water Ltd scheme.

We did some feasibility studies of some pipe and pump options but it was too difficult when we did not have a good understanding of the water volumes we would be working with and its reliability.

We have been forced by circumstances to change nothing and keep repairing what we have until the Minimum flow is set and then we can start working through the long process of changing the way we take and use the water and getting shareholder approval.

We believe this would take at least 6 years from the time a minimum flow is set as long as there is no hold ups with the issuing of new RMA consents from our deemed permits. This would be unlikely due to the ORC being flooded with over 400 deemed permits from all over Otago coming up for replacement at one time. The ORC are currently not resourced or managed well enough to get through this process using the current policies. This renewal process will be very protracted and requires all deemed permits on the Lindis to be replaced and settled before we really know how much water we have available and its reliability to know what our shareholders are investing in and to get backing from banks.

Any minimum flow above the status quo will have far reaching consequences. Our shareholders will be the ones that will be bearing the costs from this policy change either from loss of equity with less land irrigated or having to invest in more expensive forms of irrigation, most likely both and some will lose their profitability or be isolated from water access and be forced to exit farming.

Lindis Catchment Group Establishment:

When Otago Regional Council (ORC) initially starting work on introducing minimum flows in Otago they were suggesting and recommending that a local group of catchment water users would be best set up to administer restrictions as rivers approached the minimum flow and be involved in catchment consent renewals.

Lindis Irrigation directors decided we would start down this path and formed the Lindis Catchment Group (LCG) knowing that at some time our shareholders would need it.

Of the 2300 l/s taken from the catchment all but about 50 l/s are members of the LCG. That represents at least 48 families, businesses or individuals

As ORC progressed through the community consultation on setting a minimum flow it was becoming very clear that they were not following due process correctly and they did not have a very good understanding of the dynamic nature of the catchment and were not prepared to listen to alternative means to achieve the desired outcomes other than the very blunt tool of a minimum flow by itself.

In the coming days you will hear from the LCG and its expert consultants the short falls of ORC due process and plan changes. LCG will offer an alternative that is a more equitable to all stake holders.

The directors and shareholders of Lindis Irrigation Company have worked very closely with the LCG and are in agreement with what LCG are putting forward. Three of the directors are on the nine person committee of LCG

The Main Issues:

1. A minimum flow of 750 l/s means that the vast majority of the reliable water in the river becomes unavailable to irrigators. What remains would be very difficult to get bank funding to invest in development of more efficient systems for water with low reliability. We would support a minimum flow of 450 l/s and would like to point out that with the change to this from the status quo there would still be a huge financial cost implication to all our shareholders.
2. The ORC's proposed primary allocation of 1000 l/s is not reflective of the area irrigated and is too far away from what is eligible as primary water on consent renewal. This should be set at 1900 l/s at an absolute minimum.

3. There is the assumption that getting water from an alternate source is a viable option for the majority of shareholders on the Tarras race. Getting access to the Clutha River water has proved to be very challenging and time consuming, it is likely to be difficult to get easements and securing appropriate consent conditions can take years to achieve. The economics of sourcing water from the Clutha River are not straight forward especially given the lift in elevation. For farms that are isolated from neighbours it becomes even more economically challenging, it is more affordable to pump, pipe and lift larger volumes of water. It will require a lot of co-operation from all parties involved which has proved to be very difficult already as shown by the experience with Tarras Water Ltd. In the end sourcing water from the Clutha River was considered too high risk and expensive for the ORC to support Tarras Water Ltd.
4. Changing the catchment boundary to eliminate most of the Tarras Race's existing command area so it is deemed out of catchment serves no purpose but to try and fragment the community and only reinforces the naivety of assuming water can be sourced from the Clutha River. Reliability and viability will decide where water is sourced from not a line on a map.
5. The ORC has not provided a transition period or any enabling policies. Given the very short period between when the minimum flow will be known and the deemed permit expiry, there will be very little time to work through the complexities facing the Lindis Irrigation Company and its shareholders. These complexities include the following challenges and tasks.
 - a. Get all shareholders to agree what form the new consent should be in and where the new points of take should be.
 - b. Have all deemed permit renewals in the Lindis Catchment resolved with suitable transition time frames to change from old to new. This would also require the minimum flow not to be operative till the end of this transition and be part of the new consent conditions on all the renewals and existing RMA consents so the taking of water was equitable within the catchment.
 - c. Develop plans and designs for the new takes and distribution network.
 - d. Develop plans and designs for on farm irrigation systems
 - e. Secure the appropriate easements and consents. On Crown land they usually require pipe sizing and design details before granting of easements so designs have to be nearly complete before this can commence. This has high risk because if easement is not granted or modified it will need to be redesigned.
 - f. Secure the development of appropriate electrical and communication infra structure. Aurora Energy is a very difficult company to get time frames and developer contribution costing out of and with its monopoly status customer service seems to be foreign to them. The more complex the pumping systems the more important the communication between pumps is.
 - g. Secure funds to finance the off and on farm development.
 - h. Have it all built and commissioned.

- i. Secure funds to finance the decommissioning of the Lindis Irrigation old scheme and the old on farm systems if required.
- j. Develop a change over strategy from old network to new.
- k. Trial the new network and iron out issues with it. This can be major like too much voltage fluctuation or bores not yielding as much water as designed to quite minor and can be fixed in days.

There is years of work in this, especially when you consider that some of those points cannot commence without the conclusion of the one before it. There are 37 shareholders that we have to get agreement from while working within the company constitution and they have to get their on farm planning sorted as well. Not all will be in a sound enough financial position to take this on so they and Lindis Irrigation Company will have to plan their exit. This will have to be worked through regardless of what minimum flow is set. So it is essential that the transitional provisions proposed by LCG are included in this plan change otherwise it maybe years later that the minimum flow is enforceable due to the inability to progress smoothly through the Deemed Permit renewal. This will also leave the shareholders of Lindis Irrigation Company in limbo with no certainty and an inability to move on. This has been the case for quite some years now with the Minimum Flow setting process getting very drawn out.

Part of the LCG proposal is for the winding up of Lindis Irrigation and the decommissioning of the infrastructure.

This would be a first; no irrigation company in New Zealand has ever been wound up and decommissioned.

Another proposal is to move the points of take further down the river to multiple takes so there are higher volumes of water traveling further down the river before abstraction occurs. Both these proposals show Lindis Irrigation shareholders have a willingness to have improved environmental outcomes for the river.