**BEFORE THE COMMISSIONERS ON BEHALF OF THE OTAGO REGIONAL COUNCIL**

Consent No. RM18.345

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| **BETWEEN** | **LUGGATE IRRIGATION COMPANY LIMITED AND LAKE MCKAY STATION LIMITED** |
| | **Applicant** |
| **AND** | **OTAGO REGIONAL COUNCIL** |
| | **Consent Authority** |

# BRIEF OF EVIDENCE OF BEN WILLIAM TROTTER


**GALLAWAY COOK ALLAN**
**LAWYERS**
**DUNEDIN**

Solicitor to contact: Bridget Irving
P O Box 143, Dunedin 9054
Ph: (03) 477 7312
Fax: (03) 477 5564
Email: bridget.irving@gallawaycookallan.co.nz

**BRIEF OF EVIDENCE OF BEN WILLIAM TROTTER**

1. My name is Ben William Trotter. I am a director of Luggate Irrigation Company Limited ("LIC") and hold a majority shareholding.

2. My background includes a degree in Agricultural Science, Lincoln University. With my wife we farm beef cattle on the southern flats below the Wanaka airport under spray irrigation. I manage the South Island operations for a New Zealand's largest seed business. I sit on a number of iwi advisory boards in the North Island and am a member of the "greener pastures" project which is a collaboration between Massey University, Lincoln University, Plant and Food Research on forages for reduced nitrate leaching.

3. My agricultural science background has enabled me to put into practice best management principles learnt from university. Some examples of this include cell grazing, rotational grazing, optimising fertility and direct drilling to minimise soil disturbance.

4. We purchased the Big River block off Colin Harvey, Lake McKay station just over 12 months ago and have been using LIC deemed permits to irrigate 108ha.

5. The investment into efficient spray irrigation on the big river block has been significant and the scheme has been installed with large capital cost and a long term view in mind.

6. In our first 12 months farming we have invested in soil moisture probes (some of the first in central Otago) and these have enabled us to actively monitor soil moisture and use the resource as efficiently as possible.

7. As a shareholder in LIC I currently irrigate 108ha. All of the 108ha is irrigated with spray irrigation systems. I have no production improvements to be achieved through efficiency upgrades.

**SECTION 42A REPORT PROPOSED 10 YEAR TERM**

8. The LIC application requires capital investment in efficiency and monitoring upgrades. It also requires new land to be brought into spray to support the additional overheads.

9. Unfortunately, irrigated pasture does not achieve an adequate rate of return to allow for costs of time, resource and administration to be recouped in a 10y consent term. The costs of this renewal are going to be significant for all parties including CWL and LMS and given the current farming climate these costs are not going into productivity and therefore are incredibly hard on business. A 10y consent term is risking business viability in my own circumstances.

10. In our case our EBITDA/ha is $1300/ha under our current farming practices. Debt servicing in the area ranges from $900/ha to $1200/ha and the residual $300 is there for drawings/reinvestment or capital development. In our case the costs associated with obtaining a resource consent for a 10y consent term are about $100/ha and essentially eat into capital that would otherwise be utilised for on farm improvements.

11. I disagree with the reporting officers that short-term consents are more "efficient".[1] From a consent holder's point of view, "efficient" means minimising money being wasted. To go through that all again in 10 years is not just inefficient, it is impossible to sustain from an extensive pastoral farming system in the Upper Clutha. Costs of that magnitude will force farmers into intensification.

12. It is clear that LIC shareholders would be unable to commit to efficiency upgrades in return for less water if that has to be done in 5 years, and access to water is only secured for another 5 years (total of 10 years).

[1] Officers' report, page 43, 5th bullet point from the bottom.

**IRRIGATION APPLICATION RATES**

13. A key concern for LIC and our business is water use. In a practical sense there is always a differential between theoretical use and practical use. In my experience with the extremely free draining soils, and hot dry nor west winds, we can be loosing up to 6mm/d for weeks consistently. While I understand that Aqualink 5mm/day is the guideline, the reality on farm is that we are very stretched at that figure. I note that to this point there are new irrigation systems being installed in the wider region that are specified for 6mm/d to allow for this.

**RESIDUAL FLOWS ON THE ALICE BURN/LUGGATE NORTH BRANCH BELOW THE LIC TAKE.**

14. Part of my role with LIC is managing the day to day race takes from both the Alice Burn and the North Branch. I have hands-on experience with how to manage the best outcome from the available water and the situation is very dynamic.

15. In a practical sense the two takes (Alice Burn and North Branch respectively) can sometimes hold different volumes of water. That can be influenced by a number of variables, such as Criffel's rate of take, Lake McKay's take in the upper Alice Burn, and local weather conditions. For these reasons, I believe that there should be some room in the consent for active management of the takes between the Alice Burn and the Luggate north branch by visual decision making as there is a unique ability to actively manage the LIC take out of both creeks. This will increase the likelihood of best practice management of the takes and removes the risk of unintended consequences.

16. I have seen the evidence of Matt Hickey and I agree that in practical terms we will need to keep at least 100-120 l/s in the Luggate North Branch to maintain the minimum flow of 180 l/s at the SH6 bridge. LIC is happy to offer a 100l/s residual on the Luggate north branch take to address Aukaha's concern that LIC might run that branch dry. I understand that a staff gauge can be installed in a stable section of

creek bed below the LIC race intake that will give a reasonable visual check on the residual flow.

17. The situation in the Alice Burn is more complicated because Fish and Game considers that there is good spawning habitat in the race. For that reason Fish and Game does not want to see the race run dry and so we need to balance residual flows in both the race and the natural stream bed at the same time. For that reason LIC favours maintaining a visual connected flow in the natural stream bed.

**CONCLUSION**

18. By committing to a reduced primary allocation in conjunction with a commitment to carry out efficiency upgrades, we have done our best to minimise the water that is required for irrigation. It will take us 10 years to complete the efficiency upgrade and new spray irrigation roll out under current returns.

19. All of that commitment needs to be paid for somehow. We need at least 25 years, and preferably 35 years, to make that work financially for the shareholders.

Date: 8 October 2019.

Ben William Trotter