

IN THE MATTER OF the Resource Management Act 1991
AND
IN THE MATTER OF resource consent application for
Tarras Water Limited (2009.205) to
take and use surface water.

Evidence of Peter Jolly

INTRODUCTION

Background and Qualifications

1. My full name is Peter William Jolly from Tarras, Chairman of the Tarras Community Trust and director of Tarras Water Ltd. I am a third generation farmer, my grandfather having drawn the original property in the ballot in February 1910 when most of Morven Hills Station was sub-divided.

SCOPE OF EVIDENCE

2. The primary purpose of this evidence is to provide some history and background to Tarras Water Ltd's water permit application to take and use water from the Clutha River and distribute to 9000ha and approximately 40 large and small landowners in the Tarras community.

EVIDENCE

3. The Tarras farming area is located approximately halfway between Cromwell and Wanaka bounded by the Clutha River to the west and the Dunstan Range to the east. It has an average rainfall of approximately 450mm a year but loses twice this amount during the summer months through evapotranspiration.

Most blocks resulting from the Morven Hills sub-division were in relatively close proximity to the Lindis River. Construction of the Tarras race was originally started in 1917 by Mr. R.K. Smith who farmed Malvern Downs at that stage. When the financial hurdle became too much for him and outside funding was required the community then turned to the government for assistance. The government of the day said they could not possibly do anything with an irrigation scheme because there would be no surveyors available to do the work. Not to be deterred, Mr. Henry Paterson, who farmed Cloudy Peak, raised his hand at the appropriate meeting and said he was a registered surveyor and would be prepared to do the necessary work. The minister at the time had no alternative but to give the scheme the green light. The government proceeded to allocate water on a priority, first-in first served basis as well as building the 3 major races that deliver Lindis water to these farms.

The number one priority is held by the Begg's race (serving the Bendigo area at the lower end of the Lindis Valley), the number two priority was a private right held by J.L. Lethbridge, the number three right is held by Lindis Irrigation Company (LIC) and serves the greater Tarras and Ardgoor area as we know it today. Other rights are held by private individuals on various parts of the river hence the Lindis is one of the most over allocated rivers in Otago, and as such, there is no room for further irrigation development from the existing water source although a potential further 7,000 hectares has been identified as suitable for irrigation development.

The two races owned and operated by LIC have flow recorders at both intakes and other small takes within the race system. Water is allocated by users' shareholdings and mostly delivered by roster. The company's sole employee, the raceman, is responsible for the daily operation, flow measurement and allocation, as well as maintenance of the scheme. The available water is mostly delivered via the aging open race system using rosters that rarely apply the water when it is most needed, thus reducing the efficiency of the water used. The scheme has a delivering efficiency of 65 - 70% due solely to the lack of water flows in the Lindis River over the summer, autumn period. Although not the highest priority takes, the company's permits are by far the largest and hence would be at greatest risk once they expire in 2021. By gentleman's agreement at times of low flow all permit holders on the Lindis take the same percentage cut.

This water demand exceeding supply scenario means that quota reductions are regular events for the 40 odd Lindis irrigators. It is commonplace to have these restrictions, together with an exposed river bed in lower reaches of the River every year during the summer and autumn months simply because all available flow is taken.

Put in a nutshell, water is a scarce commodity in Tarras, and its low reliability has strained both the economic and social elements of the community. What's more, without an alternative water source this situation will not ease in the foreseeable future. In fact, it will get a lot worse.

The Regional Council is presently going through the process to institute their recommended minimum flow on the Lindis River of 750 l/sec, roughly one third of the routine water take from the river. As well, most of the current water permits authorized to take Lindis water will expire in 2021. Post-2021 scenarios include all present permit holders obtaining a smaller quota or some receiving primary quotas and the rest obtaining secondary quotas or nothing. Any combination of these two rulings would severely impact upon the whole fabric of the Tarras district. A reduction in water quota would deem some farms to become uneconomic.

So looking forward to a bleak future, the community met and resolved to investigate an alternative water source. Soon after, as part of the Tarras Community Plan, a survey of residents identified the primary issue facing the district was that of water. The Tarras Community Association, replaced by the Tarras Community Trust in August 2008, was formed to drive these investigations. This community focus for the alternative water scheme determined its design and provided vital support for grant applications.

The Association commissioned a pre-feasibility study that looked at both alternative Lindis

supply and Clutha River supply options. It presented the community with 11 alternative supplies, with the Lindis options involving constructing a dam on the river that still required pumping. These options were not only very expensive they did not offer the same reliability as Clutha River sourced alternatives. The community selected the option to take 0.5 l/sec/ha from the Clutha and deliver it potentially to 9000ha for irrigation, fire-fighting, domestic, stock water, and light industrial purposes. Both of these studies were completed by Aqualinc with 60% funding by sponsorships and grants, the remainder coming from 48 potential local users through a levy.

Securing this water permit is the final step before asking all prospective stakeholders for a commitment to the scheme. It is fair to say that this water project has unprecedented levels of support from throughout the local and wider community, reflecting the facts that are no formal objections to this resource consent application and financial support has even been gained from these wider community groups.

It is anticipated that present LIC landowners who subscribe to the new scheme will have to relinquish their shares in LIC once their land is irrigated with Clutha water therefore making some water available to farms in the upper catchment.

TWL see this project benefitting many generations, whether it be through economic or recreational impacts, but also allowing the capital cost to be spread over many years. The land to be potentially irrigated as a result of the permit application being successful ranges in altitude from approximately 240m asl. to 420m asl. and has growing degree days (GDDs) ranging up to 1150.

With a 100% reliable water supply the land use options become many and varied, ranging from traditional pastoral farming to arable to horticulture, i.e. cherries, apricots, to grapes, vegetable crops, dairy, dairy support and no doubt some others I haven't thought of.

This is a \$70m investment both on and off-farm. To obtain capital of this magnitude for a water scheme it is imperative that the water supply be 100% reliable because anything much less than that, severely compromises the viability of the whole project.

THE FUTURE WITHOUT WATER

At present Tarras is a community in slow decline, the garage has closed, the store is downsizing, the school roll is holding at 18 - 20 (in the 1960s the roll was in the low eighties, to put that in context Wanaka had about 100), the sporting and social clubs are struggling to attract enough members to make them viable.

THE FUTURE WITH WATER

Some farms will most likely be sub-divided into smaller units and with intensification of land use this could potentially bring about the building of approximately 30 new homes!

The follow on effect of this development could see the school roll go back in to the 50s and the pre-school in the low 20s, a thriving store and other tourist related businesses would develop and a viable garage/engineering business could be established. Rugby, tennis and cricket might once again be played regularly and the golf and pony clubs would no doubt

benefit from an increased population.

In closing, the granting of this permit as applied for is crucial to the future well-being and continued growth of the Tarras community.