

**Submission on Proposed Water Permits Plan Change (Plan Change 7)
to the Regional Plan: Water for Otago**

*(Form 5, Clause 6 of the First Schedule, Resource Management Act 1991 – Submission on Publicly Notified
Proposal for Policy Statement or Plan)*

To: Otago Regional Council
policy@orc.govt.nz

Name of submitter: **Lindis Peaks Farming Limited ("Lindis Peaks")**

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I **wish / do not wish** (*circle preference*) to be heard in support of my further submission.

If others made a similar submission, I **will** consider presenting a joint case with them at a hearing.
(Delete if you would not consider presenting a joint case)

Trade competitor's declaration (if applicable)

I ~~could~~ / could not (*circle one*) gain an advantage in trade competition from this submission

I am / ~~am not~~ (*circle one*) directly affected by an effect of the plan change that

- (a) Adversely affects the environment; and
- (b) Does not relate to trade competition or the effects of trade competition.

Signature of submitter:  Date: 4/05/2020
(Or person authorised to sign on behalf of person making submission)

State what your submission relates to *and* if you support, oppose, or what it amended:

(e.g. support rule 'x', or amend policy 'y')

Lindis Peaks Farming Limited opposes the whole of PC7, as detailed in the following pages.

State what decision you want the Otago Regional Council to Make:

(e.g. amend policy 'y' to say...)

1. Reject PC7 entirely; or,
2. Amend PC7 to ensure that those who need to vary or change existing permits can do so without consideration under PC7, including the matter of consent duration.
3. Those permit holders taking surface water (and connected groundwater) from the Clutha/Mata-Au River should not be included as the Clutha/Mata-Au is not fully allocated.

Give reasons for the decision you want made:

(e.g. I want policy 'y' changed because...)

The reasons for the decisions sought by Lindis Peaks are set out below.

1. Lindis Peaks is an approximately 3,500 hectare extensive sheep and beef operation with irrigated finishing country, that has recently expanded to include a small area of horticulture. Lindis Peaks has approximately 300 hectares of irrigation which equates to around 8% of the total land area in irrigation.
2. Whilst proportionally the area of irrigation on Lindis Peaks is very small, it is integral to the success of the farming operations, without which it would not be possible to finish stock. This irrigation ensures certainty of production in a climatically challenging location, which would otherwise impact on on-farm profitability and production capability.
3. Lindis Peaks secures all of its water from the Terraces Irrigation Scheme, and since the scheme started providing water in 2014, Lindis Peaks has been able to improve efficiency and profitability, as well as now being in a position to explore greater on-farm diversification opportunities.
4. Prior to the establishment of the Terraces Irrigation Scheme (TIS), Lindis Peaks was an extensive, dryland farming enterprise, that was unable to support on farm finishing and diversification of land use.
5. Since the establishment of the TIS, Lindis Peaks have progressed with the installation of a series of centre pivot irrigators, to now enable the full irrigation of around 300ha. In addition to the capital costs associated with pipes, pivots and pumps there have also been extensive costs associated with installing new stock lanes, new fencing, and pasture renewal.

6. On the back of secure long-term consents for irrigation, Lindis Peaks have taken the opportunity to commit to the development of approximately 80 hectares into cherry orchard. In 2019, approximately 11 ha of land was planted in trees, a further 20 hectares is planned to be planted this coming winter, and a final 50 hectares is to be planted in 2021.
7. Prior to becoming an irrigated property, large scale horticultural development in the Tarras area was simply not possible due to limited irrigation options combined with low annual rainfall, despite the Tarras area providing ideal sunshine hours, growing degree days and soil fertility to facilitate highly productive crops, including pasture.
8. Terraces Irrigation Limited (TIL) currently hold permits to abstract groundwater/connected surface water via permit RM13.362.01. Some of the shareholders of TIL, including Lindis Peaks also have allocation in a surface water permit held by Ardgour Pipeline Limited, 2009.205.V3. Both permits authorise the taking of water from the Clutha/Mata-Au River. Water from both sources is used for irrigation, communal domestic, stock water, firefighting, frost fighting, dairy shed supply and industrial use.
9. Our (Lindis Peaks) share in the permit held by Ardgour Pipeline Limited, is to be transferred to the TIL point of take as this will enable us to utilise this water through the existing TIL infrastructure, where as we are currently unable to utilise our share of water via the Ardgour Infrastructure. Our share in the permit held by Ardgour Pipelines Limited, came about through our involvement in Tarras Water Limited. Upon the winding up of Tarras Water Limited, the TWL permit was transferred to Ardgour Pipelines Limited.
10. In 2019 TIL began preparing an application on behalf of the shareholders to transfer their share of 2009.205.V3 to a location where it could be utilised. Lodgement of the application is imminent, albeit has been delayed since the notification of PC7 because of the uncertainty around how the ORC will process this application under PC7. Lindis Peaks shares the view of TIL that its application falls outside of PC7 and should not be subject to the matters of control set out within PC7.
11. Lindis Peaks are concerned that their allocation of water currently authorised to be taken at the Ardgour Point of take will be caught up in PC7 matters, adding considerable time and costs delays to the processing of the application (once lodged). Lindis Peaks are also concerned that the ORC may look to impose a term of 6 years on the portion of water to be transferred to TIL.
12. This concern arises from the fact that this water is intended to support a range of productive uses on farm, including pasture, stock water, frost fighting and horticulture.
13. Significant capital investment has been made in the establishment and operation of irrigation on Lindis Peaks, and for the cherry development alone costs are in the order of \$150,000 to \$200,000 per hectare.

14. In addition to improving on farm economic return, Lindis Peaks farming operation also contributes to local employment, spending within the local economy with suppliers and merchants, and with the cherry development, this is expected to increase significantly once fruit becomes harvestable.
15. The TIL Scheme, from which Lindis Peaks source their water was granted for a long term on the back of robust scientific information which identified that the effects of the abstraction would be no more than minor.
16. All applications, including those for new applications or replacement applications for deemed permits, should be afforded the same opportunity to be assessed based on their respective merits and overall effects on the environment, and ability to avoid, remedy or mitigate adverse effects. PC7 simply does not provide the framework for this to occur.
17. Of primary concern to Lindis Peaks with regards to PC7 is the lack of clarity on how PC7 is intended to apply to applications for new water takes, including the proposed transfer of water from one point of take to another.
18. Objective 10A.1.1 sets out that it is a framework to manage new water permits (our emphasis), and the replacement of deemed permits and water permits to take and use surface water (including groundwater considered as surface water).
19. However, policies 10A.2.1, 10A.2.2, and 10A.2.3 and Rules 10A.3.1.1 and 10A.3.2.1 all only refer to activities which are to replace deemed permits or water permits where such permits expire prior to 31 December 2025, which would infer that the policies and rules are only intended to apply to all replacement applications (be they deemed permits or other water permits), and not to new applications to take water.
20. This contradiction creates uncertainty for water users who have current permits with reasonable durations beyond the noted 31 December 2025 expiry threshold, and who are seeking new consents to take new water, especially where water is available and not considered fully allocated, such as the Clutha Catchment, and the mainstem Clutha/Mata-au River.
21. I note here that the transfer proposed by TIL on behalf of its shareholders does not propose any change to allocation, rather it is only to take the same water from a different location. However, the current way in which PC7 is written and the contradictions noted above between objectives, rules, and policies makes it unclear how such applications will be processed.
22. There is limited analysis within the Section 32 report prepared by the ORC on the economic and social costs associated with the implementation of PC7.
23. Lindis Peaks does not see that there is any need for PC7. The existing Regional Plan Water (RPW) is proving effective at retiring paper water in catchments where that is an issue. Including the Lindis Catchment, which were recently granted consent by the Environment Court.

24. There is no explanation as to why PC7 limits the irrigation area to the 2017-2018 season, nor is there any evidence indicating what this is intended to achieve or why the 2017-2018 year would achieve this more than another year.
25. The expectations of the policies, conditions of the rules and matters of control in the rules in PC7 do not enable a "short term relatively low-cost consent" as identified by the Council.
26. The existing RPW framework should be retained until such time as the ORC are ready to notify a new Water and Land Plan to avoid ongoing cost and uncertainty to water users.
27. To this end all recent resource consents, including the TIL permit have provision for review under section 128 (1) (b) RMA. This mechanism will allow any subsequent changes to be made to permits to reflect changes brought in under a water and land plan, without incurring the burden of significant economic and social cost that arises out of an interim planning approach as set out in PC7.
28. Lindis Peaks does not support PC7 and believes that it should be rejected in its entirety as it will not result in greater outcomes for irrigators or the environment.

Simon & Lucy Mailing
Lindis Peaks Farming Ltd
4 May 2020