

**ORC plan Change 7:
Terra Sancta Limited
306 Felton Road, Bannockburn
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To: Otago Regional Council
policy@orc.govt.nz

Name of submitter: Terra Sancta Limited

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A. Introduction.

Terra Sancta strongly opposes the plan change 7.

Terra Sancta is a small, family owned business in Bannockburn, Central Otago. Terra Sancta access water from a Water Race (Long Gully) and the Kawarau River. Terra Sancta is not on town supply water, and this is the only water we can access.

The water is used for:

- Drinking water / Potable water generally;
- Cleaning and maintaining hygiene;
- Use in the winery;
- Use in the Cellar Door; and
- Use on the vineyard, for irrigation.

This submission outlines the reason that Terra Sancta opposes the proposed changes.

In addition, given the severe impacts of COVID-driven policies and market impacts on the Terra Sancta, Terra Sancta also requests a 12 month delay in proceedings, so that members can generate the resources required to fully work through all the issues and impacts that they face - which they are generally not in a position to do presently.

B. Reasons that Terra Sancta opposes the plan change 7

1. The Plan does not recognise specific catchment characters.

The national policy statement on freshwater states that water allocation should be approached on a catchment by catchment basis. Each catchment in Otago is unique and a blanket policy fails to take into consideration these unique characters. With multiple rivers, ecosystems, surrounding flora and fauna, and other factors, to apply a blanket approach is to ensure suboptimal outcomes as few of our areas are 'average' in character. Where Terra Sancta is, with no town supply and the high cost of building infrastructure to manage potable

water from the river and the Race, supply of water is critical not just to the vineyard, but to our ability to operate.

2. The plan does not recognise recent water use

By only looking at average data from 2012 to 2017 irrigation seasons, the plan change fails to recognise the most recent irrigation seasons. Those who have undertaken development in the previous two seasons (2018/19 and 2019/20) will not have this investment recognised. Much of this investment is into newer technologies that have much greater water use efficiency.

With digital recording of the most recent data there should be no hindrance to including this data in the application to granting new water permits.

Terra Sancta has used the absolute minimum water that it has been able to, and has, on numerous occasions run dry due to low pump capacity. In 2019 Terra Sancta installed new pumps, and has been able to meet its needs for the most part. This was not water used in prior years with lower pump capacity.

By choosing to ignore the most recent data, the plan is effectively, by choice of data set choosing to reduce the effective amount of water from the present levels. It would be more transparent, and also a better measure, to use present measures and, if reduction is required, to justify that reduction.

3. The plan will grandfather benefits to those who may have mismanaged water

By solely looking at water volume through a metering device, it fails to recognise what that water was used for. Those that were judicious and only took what was required at the time may now be disadvantaged by those who took advantage of using over allocated volumes of water.

4. The plan is too short in nature and is value destroying

The investment in vineyards is a long-term investment, with little or no short term payoffs. Vines have a useful life of 30 years+. Specifically many viticulture investments look well beyond 6 years. Vines do not crop for the first 3 seasons and generally are considered to reach a peak in quality production around 15-20yrs of age. Not having security of water over a longer term will disadvantage us against our competitors in other markets where Pinot Noir is produced, and there are no such restrictions (Chile, Oregon, Argentina, etc)

5. The plan creates greater uncertainty for businesses and will stifle investment, growth and jobs.

To make effective business decisions, long-term certainty is required. Unless this is there, it will stifle investment. Terra Sancta has been considering additional development in its business. This development would result in jobs. With lack of certainty around water, this development is on hold.

C. Request to delay

Given the COVID-driven impacts, and regulatory restrictions and the massive financial pressures we presently face as a consequence, we request that this process be pushed back at least a year.

Sincerely,

The Board of Terra Sancta