

IN THE MATTER

of the Resource Management Act 1991 (“the Act”)

AND

IN THE MATTER

of applications by the Central Plains Water Trust (CPWT) and the Ashburton Community Water Trust (ACWT)

Statement of Evidence of Brian Ivan Thompson

Introduction

1. My name is Brian Ivan Thompson and I have lived at 239 Waianiwaniwa Road in the Waianiwaniwa Valley for the past 15 years. I am married to Helen Davey and together we farm “Hartley Hills” which is a 316 ha sheep and deer farm. The farm rises from around 270m above sea level to 500m on Cairn Ridge meaning that the lower parts would be flooded by the proposed CPW reservoir at 55m.



Hartley Hills Farm.

Background

2. I was raised in Springfield, Kowai Bush area, and lived on the banks of the Kowai River through most of my school days. During these years I developed a real appreciation of nature and especially bird life. A lot of time was spent hunting and exploring in the local hills and riverbeds. School holidays were always spent working on local farms, spud picking, tractor driving or in the woolsheds.
3. Many friendships were formed in these early years many of which still exist today. It was and still is a real community.
4. The first 20 years of my career working life was as a fellmonger working with wool and pelts in the freezing works. This involved long hours of work, often 6 days per week. In 1982 I moved back to Canterbury to take up the position of Managing Director of Colyer Watson Fellmongery Ltd. I worked here for 10 years before being made redundant due to company restructuring and then getting the opportunity to buy Hartley Hills. This was the culmination of a lifelong dream. We had worked hard for our farm and now we had it.
5. Helen works as a nurse at a rest home in Christchurch. As well as helping out on the farm, she tends a large, organic vegetable garden which produces food for our table. Her garden is her sanctuary.



Entranceway to Helen's 'secret' garden.



Giant silver-beet from the organic garden.

Description of farm

6. Hartley Hills is a wonderful farm for us as it runs from more highly productive lowlands to basic native tussock land on Cairn ridge. Some of the gullies contain remnants of native bush that have survived past development. We have fenced off part of one such gully as a reserve with the assistance of a grant from ECAN.

7. The farm supports a wide range of animals, insects and birds and I have recorded up to 40 different species of birds either resident or visiting over my time here. It is a marvellous place to take our grandchildren to teach them about nature. It is our farm.



Farm land.

8. It has unique qualities that only Hartley Hills can offer. It is only one hour's drive from Christchurch where our 4 children and 4 grandchildren live. We try to farm Hartley Hills in a sustainable manner and no longer use superphosphate or urea but instead use the more environmentally friendly RPR, elemental sulphur and lime. Looking after the land is important to us, as we know that if we look after the land then the land will look after us.

Personal effects

9. The physical effects of the CPW proposed 55 m dam on Hartley Hills farm are:
 - Nine hectares of our best farmland would be flooded;
 - The deer sheds and hay barn would be lost;
 - Our house is on the inundated residences list in the AEE. We do not know, nor have we been told, if it will have to go as it is within 300m of the high water level;
 - The farm would be split into three, by two new roads providing access to landlocked properties;
 - Loss of road access to Sheffield and Darfield requiring an extra 10 Km to Darfield via Whitecliffs and an extra 15 Km to Darfield via Russels Flat; and
 - Trips to Darfield or Christchurch will take longer and cost more in fuel. There will be extra cartage costs and higher costs for Helen to travel to work.



Longer distances to travel...

10. Further concerns are the smell of rotting vegetation and anaerobic stagnant water, noise, dust and midges. When the reservoir is emptied to 50 percent full there will be over 2 km of exposed mudflats at the top end of the reservoir.

11. We have never had a visit or any communication from CPWL telling us about the effects of their proposal on our property. We have had to find these facts out for ourselves by studying the AEE.

Objections

12. I object to the CPWL proposal on many fronts including the effects on aquifers, lowland streams, braided rivers, property rights of farmers etc, but I shall limit my objections to those points most relevant to me:

- a. CPWL having requiring authority status;
- b. Lack of consultation; and
- c. Doubtful economics as presented in the Macfarlane and the Donnelly report.

Requiring Authority

13. I object to CPWL having Requiring Authority status because:

- CPWL is a private company, owned by some 350 private farmer shareholders for the sole benefit of those shareholders;
- It is very doubtful that there will be any net positive benefits for the wider community; and
- It is undemocratic to allow one group of private farmers to have the powers to take land from and affect the livelihoods of other local farmers and residents.

14. CPWL are already affecting the livelihood of our farming operation and are reluctant to discuss, or take responsibility for, the adverse effects their designation is having on us. I have written to the Minister for the Environment asking what CPWL responsibilities are to landowners now, before any resource consents have been granted or the designations put on any properties, including ours, are confirmed. A copy of the reply from the Hon David Parker is attached. In his response David Parker states that "I am advised that the RMA 1991 does not require monetary compensation to be paid in this situation. However, there is a general duty under the RMA on everyone to avoid, remedy or mitigate any adverse effects of their activities on the environment including people and communities."

15. CPWL are not “giving proper regard to the interests of those affected” as required under the RMA. The effects of the CPWL designation on our land and farming business are:

- The necessity to ask for CPWL permission to subdivide our land;
- A costly delay of 102 days in getting this permission; and
- Time spent in trying to ascertain our rights and then negotiate with CPWL Directors to meet their responsibilities.



Hartley Hills Farm house.



**Helen Davey and
Brian Thompson.**

16. Due to the lack of profitability in sheep farming in recent years we faced the position of not being able to meet the interest payments on our mortgage and overdraft without borrowing further money and compounding our situation. We made a decision in late 2006 to subdivide our property and sell off a sufficient amount of land to clear our mortgage. This would normally have been a straightforward business decision and one we could normally have made as our “right”.

17. The CPWL designation on our property changed this, giving CPWL the right to decide whether or not we should be allowed to proceed with our subdivision plans. We had to ask for their permission to subdivide and this request was made to CPWL on 30 November 2006. CPWL gave us their consent on 12 March 2007. This was 102 days after our application to them. The delay of 102 days cost us over \$12,000 in additional interest payments on our mortgage and overdraft. The true cost to us was the opportunity cost on the net value from the sale of our subdivision for the 102 days (\$700,000 @ 8%/yr for 102 days = over \$15,000). We were forced to go to our bank and refinance the farm with further

borrowings, caused in part by the delay due to having to get permission from CPWL.



Part of the land intended for subdivision.

18. We do not think our property should have had a designation on it in the first place. Our farm is affected by a 55m dam height but not by a 38m dam. In their application to the Honourable Benson Pope for Requiring Authority CPWL asked for authority to build an earth fill dam of approximately 38 m in height (Clause 3.2b). They did not request a 55m dam but have designated all land affected by a 55m dam.
19. CPWL appear to have minimised the effects of the dam on the community in their application and then maximised the coverage as soon as they gained Requiring Authority status.
20. We have been in discussion with two land agents who have told us that there is no chance of selling our subdivision at full market value whilst there is a designation on it.
21. With this in mind we have written to CPWL on many occasions asking to meet with their Directors to discuss them taking responsibility for the problems they have caused us. Copies of correspondence are attached dated:
 - 30 November 2006.
 - 29 June 2007.
 - 25 November 2007.

- 31 March 2008.

22. We have been offered only one opportunity and that was to meet with Willie Palmer who is a lawyer and a Director of CPWL. A meeting took place on 14 November 2007. I had to phone Willie to arrange the meeting and we had to travel to Christchurch to meet with him in his Company office. At this meeting Willie stated that he did not think CPWL would want to force us into having to apply to the Environment Court for an order for CPWL to purchase our land from us. He stated that whilst he could not commit the Board he said that he would recommend that CPWL purchase our subdivision from us. He asked that we get a valuation done to establish proper market value and that we establish "clear definition of the land".

23. We have since provided him with a valuation and the final survey results. Willie has now told us that CPWL do not accept the valuation provided from Ford Baker and that they will get an independent valuation of their own. It appears that we have wasted a further \$714 getting a valuation done as they requested.

24. We have asked CPWL for compensation of \$12,000 for the additional interest that we have had to pay due to delays caused by their designation. So far Willie Palmer has indicated that whilst they may be interested in our land, they feel no obligation to pay any compensation. We await our opportunity to further discuss matters with the Directors of CPWL.

Consultation

25. That's right, there has been virtually none.

26. We were advised in writing that a designation or Notice of Requirement had been placed on our LIMs but this told us nothing about how the designation affected our property.

27. No Director or shareholder of CPWL has ever called into our place, phoned us, or written to us to explain the extent of the effect of their scheme on our property. We have had to find this out for ourselves by searching through the AEE. All communication I have had with CPWL regarding our subdivision has been initiated by me. CPW have made negotiations difficult.

28. I have requested to meet with CPW Directors in writing, four times since 30 November 2006, and so far have only been able to meet once with Willie Palmer who had no authority to speak on behalf of the Board.

29. CPWL has made it very difficult to obtain information from them in respect to the claims as to the viability of their proposed scheme. I spent many months trying to get a copy of the supporting evidence behind the Economics report in the AEE.

See supporting correspondence attached.

Requests for information 16—20.

Economics

30. I have had an interest in the economics of CPW for several years and have read:

- The Butcher Report
- The Economic Effects in the AEE November 2005
- The Macfarlane Report April 2006
- The Donnelly Report May 2007
- The Macfarlane Report December 2007

31. During 2005, Pat Morrison was repeatedly quoted in the local newspapers as saying the benefits of the proposed CPW scheme would be between \$600m and \$650m. (Quote from the Christchurch Press 9 July 2005. “At this stage the scheme is expected to inject \$650m a year into the Canterbury economy.”)

32. I knew this was wrong and expressed my concerns in a letter to GHD. I received a response from Eddie Thomas dated 20 September 2005 stating “the benefit at 84,000 ha was estimated at \$644m/yr. With the scheme area of 60,000ha this figure would reduce to \$460m/yr based on commodity prices current in 2000.”

33. The CPW statement to the Press was overstated by \$190m or 41%. Andrew Macfarlane has continued this culture of overstating the benefits with some of his evidence being literally UNBELIEVEABLE.

34. The Donnelly Report is based on the production figures in the Macfarlane report so if the Macfarlane report is not factual then neither is the Donnelly Report.

35. Some points I find hard to believe in the latest Macfarlane Report:

- There is no allowance for loss of production from pre to post CPW due to land lost to the reservoir, canals, dairy sheds, lanes etc;
- The reservoir alone is 1,200ha or approximately 2% of the 60,000ha scheme. A similar amount would probably be taken for canals etc bringing the total land lost from production to around 4% of the total scheme;
- The first Macfarlane report (April 2006) showed a return on marginal capital invested of 9.5%;
- The second Macfarlane report showed a return on marginal capital invested of 14.8%. This was an increase of over 55% in just 20 months;
- Much of the increased margin was due to an increase of 2,000ha of dairying in the post CPW land use figures. However, there was no alteration in the pre CPW dairying area even though Canterbury had been experiencing a huge increase in dairy conversions;
- The 22,000ha of dairying pre CPW was mentioned in the AEE that was published in November 2005. I suspect the figure may be as old as 2002, based on a statement in the Donnelly report Pg 4 Clause 3-1 “the latest available information on the NZ farm area under irrigation is from the 2002 June year Agricultural Census”; and
- If this is so, how much change has happened in the past 5 years? Macfarlane has predicted huge increases in production when farmers change from well water irrigation pre CPW to canal water irrigation post CPW. Macfarlane puts this down to smarter management due to the increased debt levels to be serviced.

36. This smarter management has been predicted despite the fact that dairy farm managers are expected to take a 10% drop in wages. Macfarlane’s budget workings show the following reductions in wages:

	Pre CPW	POST CPW
Manager	\$100000 /yr	\$90000/yr
6 perm. Workers	\$20000/month	\$19000/month
Casual - 2000hours	\$18/hr	2000hrs \$17/hr
Casual - 500hrs	\$18/hr	1000hrs \$12/hr

37. Who do they expect to get for \$12/hr?

38. Macfarlane predicts that a fully irrigated dairy farm will increase production of milk solids by 22% simply by changing water from well water to CPW water.

39. Macfarlane also predicts that a fully irrigated mixed farm pre CPW would increase lambing percentage by 18% when it changed from well water to CPW water, even when it reduced the area irrigated from 100% pre CPW to 50% post CPW. This is just MAGIC. UNBELIEVABLE.
40. In his assumptions Macfarlane has predicted that 15,000ha outside the scheme would become irrigated because of more water becoming available in the aquifers. This 15,000ha is included in the post CPW budget figures at post CPW production levels even though they are on well water and not on the CPW magic water. These farms should surely be on the same production as the farms that were irrigated pre CPW under exactly the same conditions.
41. The list goes on; lower animal health costs under CPW, less stock deaths under CPW etc.
42. In my opinion, it would appear that the first Macfarlane budget showing a return on marginal capital investment of only 9.5% was not good enough and he has endeavoured to improve the results in his second budget. In doing this, he has destroyed his own credibility and that of the whole CPWL application.

Summary

43. CPWL has caused us considerable financial cost, personal stress and sleepless nights over recent years. I am angry that CPWL is taking so much of my time and energy in trying to defend our "rights" against the threat of their proposed scheme. It is our wish that CPWL would recognise the huge amount of opposition to their proposed scheme and withdraw their applications and just go away and leave us alone.
44. CPWL is a private company and in my opinion should never have been given Requiring Authority status. The proposed scheme will benefit the CPW shareholders only and not the community, who have made it quite clear that they do not want the scheme.
45. The Macfarlane budget for dairy farming (post CPW) demonstrates very clearly how CPW view their responsibilities to the community. CPWL propose to reduce wages for all of their workers despite the prediction that they will have a huge increase in EBIT (65%).

I request that the Commissioners decline all of CPWL Resource Consent applications including the withdrawal of their Requiring Authority status. PLEASE.



**Brian Thompson
Member Malvern Hills Protection Soc Inc.
April 2008**