

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of applications by the Central Plains Water Trust (CPWT), Central Plains Water Ltd (CPW) and the Ashburton Community Trust.

To the Commissioners

1. Introduction

My Name is Rory Deans, currently of Dunsandel. I was born & raised on TARA FARM in the Waianiwaniwa Valley and am the brother of Brian & Mandy Deans whose submissions you have previously heard. I have a Diploma In Agriculture from Lincoln College and lived on and farmed TARA for 43 years of my life.

I object most strongly to the requiring authority and the designation process and the whole Central Plains Water scheme and request that you decline all consents and withdraw the Notices of Requirement.

2. Resource Management Act

As Commissioners you are charged with upholding the Resource Management Act under which this process is going. As you are aware in Part 2 of the Act , **Purposes and Principles**, it states:

5 Purpose

- 1) *The purpose of this Act is to promote the sustainable management of natural and physical resources.*
- 2) *In this Act sustainable resources means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while-*
 - (a) *Sustaining the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations; and*
 - (b) *Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
 - (c) *Avoiding, remedying, or mitigating any adverse effects of activities on the environment*

On the above basis alone the consents should all be declined.

3. My concerns about the Central Plains Water scheme

I will outline my concerns below and then expand upon them.

- a) The Trust set up to administer any consents granted is not independent from the commercial CPW Ltd.
- b) The use of “Acquiring Authority” by CPW is an immoral travesty of natural justice.
- c) This scheme will destroy untold areas of good farmland and areas of natural significance.
- d) Sporting and leisure activities will be compromised, not enhanced.
- e) This scheme is totally uneconomic and will bankrupt many farmers and investors.
- f) The social costs of the scheme will be extreme and disastrous.
- g) Unsustainable land use will be the end result.
- h) CPW is likely to be financially unstable.
- i) Construction issues
- j) Financial issues

4. The Central Plains Water Trust

How can any one believe this trust will be in any way independent? It has been set up as a sop to the public to try and make this look like a public scheme. If consents are granted to the Trust I have absolutely no confidence that the Trust will act independently. Commercial pressure will prevail and CPW will be able to get around any constraints proposed. This trust has been in place for a number of years and has not met its legal obligations in relation to annual meetings etc. Consequently it cannot be trusted to do as it would be required to, in its custodial duty to any consents. The early trust members were actively involved in promoting the scheme and the current ones probably still are. In a scheme of this size there is no chance that the commercial interest of CPW Ltd will not override any other consideration if the need arises.

5. Requiring Authority

I am given to understand the Commissioners have no power to rescind the Requiring Authority but you do have the power to recommend it not be used and that the Notices of Requirement be removed from the properties concerned.

The granting of Requiring Authority is a travesty of natural justice and should be immediately reversed.

WHAT GIVES ONE GROUP OF FARMERS THE RIGHT TO COMPULSORILY TAKE LAND FROM OTHERS FOR THEIR OWN PERSONAL GAIN??

The Public Works Act was never intended for this. It is for the benefit of the public and as this is a private scheme it has no place here.

This myth that it is a public scheme needs to be dealt with. If it were a public scheme then the public would have some input and/or be able to buy into it. The only people able to have a financial interest are the farmer shareholders so there is no way it can be considered a public scheme. It only benefits those farmers who buy into it. Many of these farmers have done so just to safeguard the future value of their land and have no desire or intention of setting up irrigators. This will be patently obvious if there were to be further calls on them for finance.

I was raised on TARA FARM and am angry and upset that all the years of hardwork of myself and family members will be taken away for others gain. Some of this land has been in the family since the 1870's and is currently being farmed by the sixth generation with intentions to pass on to the next generations.

I left the farm in 1991 after 43 years there, as it was having trouble supporting three families. However, I still have strong ties, and on returning to NZ bought land at Dunsandel as land is in the blood. I return to TARA often to work, socialise and enjoy the surroundings and will not allow this land to be flooded. The whole family feel this way and **TARA IS NOT FOR SALE.**

6. Compensation

The matter of compensation to affected landowners has never been addressed until a few words appeared on the Ecan website recently, despite repeated attempts for answers from CPW. The figure of market value plus 25% is a joke. While those in the scheme increase the value of their properties many fold, CPW expects those affected to give up their land for this. Give them a break!! How unjust can this be? Maybe market price times the number of generations that have farmed the land would be more accurate.

It was mentioned at the hearings last week that CPW had allowed \$11.2 million for land compensation. \$11.2 m !! How pathetic!! If dairy land is selling for \$40,000 – \$65,000 per ha then let's say compensated land should be \$25,000 per ha. Given an estimate of 2100 ha for the land required, plus say 900 ha CPW has to buy as unproductive land left over, then $3000 \text{ ha} \times \$25,000 = \$75,000,000$. That's right - \$75 million. If that is the type of economic budgeting they run on then they have no right being anywhere near a scheme of this size and complexity. Apply this type of cost blow out to their total scheme costings and what do you get!! BILLIONS, plural!!!

The public Works Act states values will be arrived at by a registered valuer with any disagreement going to a Land Valuation Tribunal. Hardly 'willing seller, willing buyer'. But then talk of compensation is irrelevant, as most of the land is **not for sale.**

If this flawed scheme were to proceed how do CPW think they are going to get hold of the land? Are the police or army going to be sent in to physically remove us from the land, probably along with hundreds (or maybe thousands) of supporters? As this is what it will come to when the public wakes up to all the implications of this scheme.

7. Land & amenity destruction

This scheme will destroy many hectares of productive farmland along with natural features currently used for recreation. The flooding of the Waianiwaniwa valley can be likened to an act of commercial vandalism. Good productive farmland along with forests and roading will be lost. Much of the land was developed from scrub and gorse over many generations with hard work and determination. Such sacrilege is an indictment on those who wish to further their own greed.

One source estimates about 2100 hectares of land will be lost from productive farmland for the dam and associated canal works. This is a substantial loss of land and represents about 3.5% of the possible irrigation area and 5.5% of likely irrigable area. Has this land loss been taken into account in any economic calculations done?

8. Compromised leisure and sporting activities.

This scheme would have huge detrimental affects on sporting and leisure, mostly from substantially reduced river flows. It seems the scheme is taking most of the available water from the two rivers thus reducing them to minimum flow rivers for much of the time. This will have detrimental effect on fishing and boating activities as you have heard from other submitters. I cannot think of one recreational benefit from the scheme apart from some dam fishing, someday, maybe??

CPW has made claims about the great boating and recreational activities from the dam. This is a sick joke as at the very time these activities take place in the summer, the water will be drawn down for irrigation. The banks will be either muddy wastelands full of slips and debris with boat launching ramps far from the water, or if there has not been enough water to fill properly from the previous season, then weed infested banks. Have the commissioners visited the Opuha irrigation dam inland from Fairlie to view this weed infested wasteland with metres of mud below the launching ramp? See below!





Opuha dam. A wasteland of weeds. Hardly recreational!!





More weeds & desolation!

Access to many area of riverbank and other areas will be compromised due to canals and there will be many added dangers for children near canals. It will be impossible to adequately fence all the waterways. **What price a child's life??**

9. Scheme Economics

Probably the greatest flaw in this scheme is the sheer cost, meaning it is totally uneconomic. CPW have their collective heads in the clouds if they think they can build it for the cost they are quoting. When I first heard of the scheme back in the early 2000's it was touted as a \$350 million scheme. This figure has only changed with a few additions like a longer tunnel taking it to \$409 million. Any figures above this are said to include on farm irrigation structures. How can they possibly still be quoting the same figure 7 years later? This company is totally irresponsible in this matter. Infrastructure costs have skyrocketed world wide in the last few years, and if the scheme ever proceeds it will be still some years away. Fuel cost increases alone will kill construction costs!!

This scheme would cost in excess of \$1 BILLION dollars on my reckoning. Consider the dam alone. This dam is to be 55 metres high and 2 KILOMETRES long. The Benmore dam on the Waitaki is an earth dam and is 90m high and only 800 metres long built in 1960. What did this dam cost then? \$50 million? This is \$206 million in today's terms at only 3% inflation. And the Waianiwaniwa dam is 2 ½ times the length even though lower!! And this is only the dam!

Lets say the scheme **could** be built for \$500 million. The total area able to be watered is given as 76,000 hectares. But 38,000 hectares is already irrigated, or due to be. That leaves 38,000 hectares to be irrigated by the scheme. So \$500m divided by 38,000 ha gives \$13,157 per ha.

And that's without interest. At the more realistic cost of \$1 BILLION then that is \$26,300 per ha. Given 300 farmers in the scheme and half already have irrigation then 150 shareholders over 38,000 ha is an average of 253 ha per farm, which may be about right. So each farmer will have a new debt of \$6,660,000 per farm. Add interest to that over a 10 year term at 8% gives nearly \$1 million (\$969,000) yearly repayments on a 253 ha. Probably another \$500,000 say at least for irrigators (\$72,790 annually) and the total cost is ridiculous!! Even dairying would be pushed to cover this.

CPW may say the costs can be spread over the 35 years of the initial consents but they are not likely to get finance for that term and refinancing could not be guaranteed every 10 years or so.

Why would a farm that already has wells and consents give that up to join the scheme? They may save some costs on electricity but that's about all. On top of the above are annual water costs. Have CPW really done their homework?? In fact has anyone, including the farmers, who think they will be onto a good thing?

Lets say 60,000 ha is watered. At the low figure of \$500 million (dream on) over 10 years at 8% (if they can get risky finance at that rate) plus interest = \$728 million total over 60,000ha which is \$12,133 per ha = \$1213 / ha /year plus say \$200/ha/yr for on farm = \$1413/ha/yr!!! That is \$357,489 annually per farm with best case (unlikely) figures.

Again we have annual water costs to add. Figures of around 5% of scheme capital costs per year are quoted by CPW. On \$1 BILLION this is \$50 million or \$1250/ha PER YEAR on 40,000 ha. Seems totally ridiculous but them's the figures. If \$25,000,000 on all 60,000 ha it is \$416/ha or \$105,000 per average farm.

At the more likely figures of say 40,000 ha and \$1 BILLION with \$500,000 per on farm costs annual returns will have to increase by \$1,042,000 per farm just to stand still. Who hasn't done their maths? And that's assuming all the 150 currently unirrigated shareholders take up their options. If some don't (as some won't) then those left have to shoulder the burden of the scheme and their share increases.

All CPW's figures seem to skite about the benefits to the region without taking into effect the costs to the region in dollar and in social terms.

I support Tim Hazledine in his analysis previously heard by yourselves, except that I think his construction cost over runs will be considerably in excess of the 20% he quotes.

And what of the effect of all this with consequential debt levels on the farmers who are expected to borrow and go through all the setup costs of the scheme. A large proportion can be excused for saying "stuff this" and just selling up or ignoring the whole thing. CPW may say that is fine but it doesn't take into account the enormous social and emotional costs.

Hopefully at my presentation to you I will have these figures in a manner easier to understand.

10. The Social Cost of the Scheme

The scheme social costs will be truly traumatic. I guarantee you that if this scheme should proceed you will see a NUMBER OF SUICIDES as a direct result of all the emotional and economic turmoil it will produce. Just imagine the upset and distress as land is forcibly taken from people and their economic stability is ruined.

CPW can bleat all they like that they will ensure it will not happen but they have absolutely no control over people's mental state. In fact I have noticed that the CPW response to any queries and concerns put at the submission hearings has been to say they will mitigate or take account of everyone's concerns. What a plaintive load of rubbish!! They are just paying lip service to massage peoples concerns and when the time comes they will claim it is unnecessary or too expensive. Their conduct to date over the whole scheme has been positively shabby and I have absolutely no faith in their platitudes.

The social costs are many and varied. The most direct being loss of land and livelihood. It just is not possible to replace land farmed for generations. Already there are many people upset and distressed as you have witnessed and that's before the scheme even starts!! The displacement of long time farming families will have a flow on effect as many have to sell up and move, unwilling to take on the onerous burden of debt this scheme would produce. Farmers are not afraid of hard work but most have become wary of the crushing burden of debt that they can be encumbered with. If this scheme should proceed then there will be a mass exodus of experienced and long established farmers.

The likely gap filler will be dairying, and corporate dairying at that, bringing absentee owners, itinerant workers and temporary sharemilkers with the attendant upheavals. School's rolls will further diminish as families are replaced by single mens quarters. Labour shortages will mean imported labour from overseas with no ties to the area or local family affiliations. The long established social structure of farming areas will breakdown with volunteer and social support groups finding it increasingly harder to attract helpers, to the detriment of the whole community.

Smaller farms will be bought out and amalgamated into larger units for economy of scale with the loss of many families. These larger farms will require less labour per hectare so the total population will decrease with the effects noted above. Long term there could well be devastating farm walkoffs and defaults on debt as commodity pricing in the rural sector is cyclical and what goes up, inevitably comes down, and with the high levels of debt brought about by the scheme, many farms will become unsustainable. Banks will be the new unwilling corporate farmers. What social cost the inevitable suicides and distress. This may all sound dramatic but it has happened before with drought and far less debt levels.

Why should this level of social disruption be thrust upon communities just because some farmers or financiers wanted to make a quick buck? If the dairying boom continues it will be increasingly driven by absentee owners who will farm for maximum profit with little consideration for people or communities and when they deem the time right, sell out, take their profits (or losses), and leave the ruined land (more on this later) for others to distress over.

11. Unsustainable land use

If the scheme should proceed with debt levels anywhere near those outlined in the economics above then the only land use that may be viable at the present time is dairying. But what happens if the scheme proceeds and then part way through with a dam half built prices fall and it is deemed uneconomic to proceed. Consider the consequences and bleating for assistance to councils and government that would ensue from CPW and those farmers silly enough to participate.

The soil structure of the Canterbury Plains is mostly totally unsuitable for dairy farming. The wholesale destruction of forests, removal of shelter belts etc that is happening is a disgrace. Cows left without shelter in seas of mud. Good and responsible farming is about balance. Balance with nature, balance with the environment, a balance in society and mostly emotional balance. The type of farming practices where the grass is force fed with fertiliser and then wash it all down with heaps of water is totally out of balance. It is turning the land into pate. These soils are porous and excess fertiliser nitrates run through to the groundwater. Reports are increasingly being received of groundwater contamination etc. as you have heard. Some protagonists promote nitrogen inhibitors but these are increasingly being questioned as to their effectiveness. ("Canterbury Farming" July 2008 Page 27) Fertiliser companies have been taken to court by the Commerce Commission for making unsubstantiated claims as to their effectiveness!!

As you are aware Christchurch city is concerned about it's water supply and the effect nitrates and other chemicals are likely to have on their water, and other smaller country towns are more likely to be affected sooner. Once contaminated it is too late as it is likely to take many years of no farming to mitigate and that is not likely to happen. Do you really think Central Plains Water Trust is going to turn off the irrigation water if contamination happens?

Dairying on this scale and on this land is environmental vandalism. It is akin to the sluice blasting of goldfields in the 1800's. Look at the devastation that left on the landscape! Would mining in that manner get a resource consent today? Definitely not! It is most definitely not sustainable.

The removal of shelter belts that were planted on the plains to control nor'westers will lead to soil loss on cropped land. I have witnessed dust storms from forests cleared down here in the Dunsandel area.

The sight of cows huddling in cold groups in muddy paddocks sometimes 200mm deep is just pathetic. And this is happening down the road from me now!!! This land is meant to be free draining and it is without cows. But they create a sealed pan with their hoof pugging that stops drainage and has to be ripped to re-aerate the soil. There is no balance in any of this!! Good shelter is the premise of good husbandry, so surely removing shelter is irresponsible??

And what of low lying land east of the main south road. Water tables here will rise under intensive irrigation as is already starting to happen. They will be back to draining swampy land in years to come. This scheme has far reaching effects outside it's area.

12. Stock water races

Water races currently criss cross the plains. What is to become of them? I have one on my property which I use for stock water and amenity value. Dairy farmers hate them as they have to fence them off and they lose \$\$ as they are seen as unproductive land. The almighty \$\$\$!! Are we expected to put down our own wells or pay for water to replace them? Or will CPW claim to feed them from the headrace? Surely water will not flow in the scheme all the time as it will only be used when needed and will be shut off for maintenance etc. What happens to stock watering downstream then. Another effect outside the scheme area!!

13. Construction horrors.

Just imagine the social and economic disruption a scheme of this size will entail!! The dust and noise right across the Canterbury Plains will be horrendous. This cannot be mitigated and I'm sure CPW have no intention of compensation for this. The number of road bridges needed will be considerable along with access bridges for many farms. I imagine CPW will be allowing for only one access bridge across any canal per farm so the re-fencing and re-aligning of farm operations will be an onerous burden again on the land owners. Will CPW pay for all this as well as land loss compensation? I think not!!

14. Suitability of the Waianiwaniwa Valley for a dam and reservoir?

The Waianiwaniwa valley was rejected for a waste dump due to fault lines in the upper reaches. So CPW now think it OK to build a dam, which is far more dangerous, in the same valley. How bloody irresponsible is that!!

Gerry Brown, of Coalgate, has a map showing surveyed faults in what was once his land which is the very land the western end of the dam wall will be built into. And CPW claim there is no danger to Coalgate residents. Give us a break!!!

In the early 1970's we built a farm stockwatering dam on TARA. This was a major construction planned by engineers at Lincoln College and built by commercial contractors, Maugers Construction. The requirement was for the valley bottom to be excavated to solid ground for the construction. SOLID GROUND WAS NEVER FOUND and the design had to be changed with consequent costs. So what are CPW going to find when they start? They claim to have done tests but the true state of the ground will only be found upon excavation.

And the Homebush hill is purported to be porous. What about the water pressure on this? Will there be water pouring out over Homebush through the hill? Just think of the cost of mitigating this, even if it was possible. A 55 metre high dam has 81 lbs of force at it's base per SQ INCH. That's 11664lbs per sq foot = 5.3 tonnes. That's 56 tonnes per sq metre. A 2 km dam 55 metres high has 137500sq metres of wall. Even at half pressure (averaged over wall height) that's 3.75 million Tonnes pressure on the wall. And CPW **think** Coalgate residents should have no concerns!!

Consider the pressure on the bottom of the dam and the surrounding walls from all this water in a dam built over known faults. Engineers for CPW may well pooh pooh all this but can they really give any categorical assurances there will never be any issues from this? I doubt it!

And this dam is planned as concave out, not convex in!!!

On another issue. When we built the dam on TARA we found a lot of the clay to be unsuitable. When compacted it turned to a plasticine type consistency with rolling waves in front of the machinery. How do CPW know they will find enough suitable material for a structure of this size. What cost to mitigate or will they just say “she’ll be right” and not tell anyone?

As mentioned to you in my brother Brian’s submission, a wall of liquidised clay swept across the road from a slip on TARA. (I too remember that vividly. The slip has been planted to stop further slippage. These trees will be removed by CPW opening a whole can of worms!) If, on completing the dam a similar slip should occur, (and it cannot be guaranteed that it won’t) then there could be a miniature Tsunami caused, with dire consequences to the dam wall! – and hence those below. Don’t underestimate the power of water!! Slippage is a major concern in these hills. The hydraulic gradient line from the water’s edge into the hills could well trigger slips that have absolutely disastrous consequences!!

The coalmines up Bush Gully and elsewhere in the dam catchment could well be an issue with pollution into the dam, loss of dam water through the many kilometres of tunnels, land collapse while clearing the dam waterline and subsequent collapse when filled. There is no way these issues can be mitigated against.

All this is only for the dam. When we get into the hundreds of kilometres of canals. What issues will arise there. I realise a lot of these issues can be overcome but at what cost to the scheme? What corners will be cut? This is not a government funded scheme where cost is not an issue and everything is done to a specification. It is a PRIVATE COMMERCIAL scheme where cost will always be an issue and every effort will be made to cut costs, and therefore corners. Rumours from the Opuha dam suggest when engineers were on site all went according to plan, but when they left the soil was poured in with little compaction. CPW may say these are unfounded rumours but we all know where there’s smoke there’s fire!! Can they be trusted? On their current performance I think not.

15 Financial issues.

Where do CPW think they are going to get the finance from for this scheme. Money will have to be found long before water, and therefore any profits, flow. A lead time of maybe 3-5 years from requiring finance to seeing any returns. In the current market there is no chance of advances from finance companies who traditionally lend on risk ventures. Banks will do their own financial assessments and come to the same conclusions I did above. Farmers certainly don’t have spare money lying around and no bank would lend to them to mortgage their farms for capital with no means of repaying interest let alone capital for years afterwards.

Comments have been made of any finance being council or government guaranteed. This would be a suicidal mistake by any council or government and would not be countenanced by ratepayers/taxpayers. On the finances as suggested, the scheme would fall over financially,

even if it did get started. Imagine the contractors all walking off the job with a half finished scheme gone bankrupt. This is the most likely scenario if it proceeds.

I don't think the directors of CPW have a clue of the complexity of this scheme. They have never issued any detailed financial information to the public (it's meant to be a public scheme isn't it!!) so how can we have any chance of assessing it?

There are numerous unanswered questions about corporate dairy involvement, councils taking sides, ratepayers money used for private benefit, and the list goes on. Will we ever get the answers we, as the public, ratepayers and taxpayers deserve??

The financial state of CPW itself is parlous with shareholders themselves reluctant to put up further money and CPW having to have it's finances bolstered from corporate dairying with the attendant questions of corporate involvement and lack of independence. The requiring authority obtained was said to be illegal as CPW was rumoured to be insolvent at the time. Who can we trust? The CPW Trust is also said to be out of money.

You may have noticed at the hearings in Darfield that at least five of the submitters against the scheme are CPW shareholders who have seen the light and changed their minds about the scheme. How many more will follow? Many I suggest!!

This whole thing is a complete joke and the directors should be ashamed of themselves. They should be removed from office and replaced with people who know what they are doing. CPW at the beginning of this whole consent process made a statement that the scheme should only be judged on the facts and not any emotional rhetoric. But just think about that statement for a moment in light of the requirements of the Resource Management Act that states (I again reiterate) “ enables people and communities to provide for their social, economic & cultural wellbeing.”

16. Conclusion

We are all on this planet for a few short years in the scheme of things, and we try to provide for our social needs. Money and finance are only a means to do all the other things we choose to and we only choose to do these things because it brings us a sense of happiness and wellbeing - which is all emotional. So CPW have totally missed the point of the whole exercise. It is ALL ABOUT EMOTION and FEELINGS and WELLBEING. NOTHING ELSE MATTERS!! That's what mankind is all about.

For a scheme such as this there should have been public discussion, public consent, public agreement, and public involvement. None of this has happened to any satisfactory degree.

So please, as commissioners charged with an awesome responsibility, deliberate carefully and then throw this flawed uneconomic ridiculous scheme out on it's ear with the strongest recommendation that all resource consents be declined and that the Notices of Requirement be withdrawn.

Thankyou in anticipation that you will do the right and just thing.

Rory Deans - Dunsandel - 29th July 2008