

## Hunter Downs Reliability – further questions.

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A question was raised at the Waimate consultative workshop.

- *Bill Penno asked in relation to this how well could the modelling on land use respond to changed scenarios such as the food processing factory closure.*

The short answer is that the modeling on land use could respond to changed assumptions regarding land use scenarios. The following explanation indicates that we do not see the need to consider changes based on the change in status of the processing sector within the District.

The core irrigated land use scenario that was analysed and reported in the AEE information was described in the AEE report<sup>1</sup> as being formulated as follows:

*“The land use mix for the with, or Irrigated, modelling has been based on an analysis of the land use capability of each of the zones based on the soils, topography and current land use capabilities. The land use assumptions have been further informed by reference to irrigated land use capability assessments of the area made in the Opus study and evidence presented to the Waitaki Allocation Board<sup>2</sup>. This material has been further informed by knowledge of land use uptake mixes in other recent irrigation scheme developments in Otago and Canterbury.”*

This explanation indicates that land use capability and known relativities in the profitability of different land uses under irrigation has driven the assumptive choices made rather than the processing infrastructure available immediately within a District. Therefore the potential closure of a vegetable processing facility and its replacement with a dairy factory in the Waimate District would not in itself lead us to consider the need to change our core land use assumptions away from or in favor of either land use. At present there are alternative processors (based outside the Waimate District) operating within both industries that consider the potential command area of the Hunter Downs Irrigation Scheme as being within their supply catchments. As a result the farm gate returns from either of those industries will not change sufficiently to influence us to consider a change in the core land use assumptions as warranted.

The flow on impact modeling reported the impact on the combined Waimate and Timaru Districts therefore a re arrangement of the location of processing capability within the combined Districts would not change the results reported.

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<sup>1</sup> The AgriBusiness Group (2006): Hunter Downs Irrigation Scheme. Assessment of the Agricultural Impacts of Different Reliability of Irrigation Water, the Importance of Irrigation and the Economic Impact of the Proposed Irrigation Scheme.

<sup>2</sup> Ford S J (2005) : Evidence submitted to the Waitaki Water Allocation Board on behalf of Meridian Energy Ltd.