
In the matter of: the Resource Management Act 1991

and

In the matter of: an application for resource consent for the Hunter
Downs Irrigation Scheme

Brief of evidence of Wendy Anne Smith in relation to the Timaru area.

Dated: 23 February 2010

Brief of Evidence of Wendy Anne Smith in Relation to the Timaru District

Introduction

1. My name is Wendy Anne Smith.
2. I am the Chief Executive Officer of the Aoraki Development Trust the economic development agency for the district, the South Canterbury Chamber of Commerce and the Central South Island Tourism Organisation. Previous roles include Chief Executive of the Aoraki Polytechnic and board member of the national training provider Agribusiness Limited.

Background and Scope of Evidence

3. The South Canterbury Chamber of Commerce has previously submitted evidence to the Hearing Panel as to the economic benefits of the Hunter Downs Irrigation Scheme (HDI) within the South Canterbury District.
4. Following the discussions at paragraph 10 of the Commissioners Minute dated 11 December 2009 regarding the possible exclusion of the Timaru District component from the HDI command area (approximately 4,000 ha), Aoraki Development Trust and the SC Chamber of Commerce now wishes to comment on the economic benefits of the HDI to the Timaru District.
5. The Aoraki Development Trust and the South Canterbury Chamber of Commerce (submission dated 1/6/2007) supported both proposals being the Hunter Downs Irrigation Scheme and North Bank Tunnel Concept given that both schemes together will create the best possible sustainable economic development outcomes for the South Canterbury region as well its southern regional neighbour, North Otago.
6. Due to the central location of the South Canterbury region it is impacted by the wealth, productivity, regional domestic product outputs and opportunities afforded by its regional neighbours to the north, south and west. We support the contention that economic development is less effective with isolated regional pockets of development and irrigation.

The Opuha Dam Study

7. In terms of existing economic modelling on the impact of an irrigation scheme and more particularly one within our own region, the Opuha Study (*The Opuha Dam: An ex post study of its impacts on the provincial economy and community*¹) is important referential work as it is based on the actuals of economic growth from irrigated land, ten years post installation.
8. The Opuha Dam installation was not without challenging developmental issues however the scheme is delivering everything that was promised - water in a drought, recreational facilities, augmented flows in the Opihi River, on-farm development, additional jobs, and an economic boost to South Canterbury.
9. In this study, it was found that the surveyed properties total revenue was 2.4 times as high at \$2073/ha for irrigated farms than dryland farms at \$862/ha with similar farm working expenses of 76% and 73% respectively. Additionally as well

¹ Simon Harris, Geoffrey Butcher and Willie Smith, August 2006

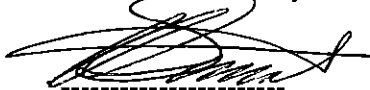
as having similar farm cash surpluses at 24% and 27% respectively the dollar value of the surpluses on the irrigated farms is substantially higher (175%) in dollar values \$570/ha versus \$208/ha.

10. The study also reports that irrigated farms generate 2 times as many jobs and 3 times as much household income per ha as dryland farms.
11. Additionally, any on farm activity gives rise to further activity, forward linkages and factored increases in the regional economic base.
12. Taking into consideration the results of the Opuha Study which showed that for every thousand hectares of irrigated land there was \$7.7m added in farm output, \$2.5m in value added and \$2.1m added in household income per year as well as 30 FTEs and applying this to the irrigation of the Timaru District area of approximately 4,000 ha, it is estimated that this will add:
 - 12.1. \$31 million per year in farm output,
 - 12.2. \$10m in value added,
 - 12.3. \$8.4m in household incomes and,
 - 12.4. 120 FTEs.

Outcome Sought From the Consent

13. The ADT and the SC Chamber of Commerce seek the full command area as applied for, to be granted consent.

Dated 23 February 2010



Wendy Anne Smith

For the ADT and SC Chamber of Commerce