

**BEFORE COMMISSIONERS APPOINTED ON
BEHALF OF OTAGO REGIONAL COUNCIL**

RM20.007.01; and RM20.007.02

IN THE MATTER of an application for resource
consent

AND **SMALLBURN LIMITED**

Applicants

BRIEF OF EVIDENCE OF PETER RAYMOND MORTON

**GALLAWAY COOK ALLAN
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BRIEF OF EVIDENCE OF PETER RAYMOND MORTON

Background

1. My name is Peter Raymond Morton, I am a director and shareholder of Smallburn Limited.
2. I represent the water users of the Amisfield and Parkburn catchments, supplying water to horticulture, viticultural and pastoral farming.
3. My background is pastoral farming on Smallburn, a property that has been in my family 99 years.
4. For 160 years the water from the Amisfield and Parkburn catchments has flowed onto our land by way of open channel water races designed and built by Chinese gold miners. Firstly used for goldmining then for pastoral farming. It is the life blood of our land.
5. I personally have an in-depth knowledge of the behaviour of these catchments after working with them for more than 50 years. I think this gives me a great deal of intellectual knowledge of both the seasonal behaviour and the history of ownership and usage of these waters. It can be referred to as my hononga.
6. The purpose of this evidence us to describe how the Amisfield and Parkburn schemes operate together and have been managed by water users to ensure everyone's needs are meet as effectively as possible given the nature of the waterways, local climate and differing demands.
7. I also discuss how we use the water on Smallburn and the infrastructure development that we have carried out in anticipation of the water permit renewal process.

Overview

8. With the end of the First World War, the government at the time, introduced a scheme to help returned soldiers, this was known as the soldier resettlement scheme. Mt Pisa station was divided into 7 runs and 2 smaller parcels of land. One of the smaller parcels was Smallburn, which my grandfather drew in a ballot in 1921.

9. Smallburn is now farmed by my son Bradley and I, who are owners and directors of the company. I am third generation to farm this land and Brad is fourth.
10. Smallburn comprises of 1009.27 hectares, with a further 210 ha leased off a neighbouring property.
11. Stock numbers are approximately:
 - (a) 3600 ewes;
 - (b) 3800 hoggets;
 - (c) 100 rams/killers;
 - (d) 90 in calf cows;
 - (e) 160 1 & 2 year old cattle.
12. This has only been achieved by constant development and use of up to date technology to achieve high per head performance and maximising the benefits of the available water. We have effectively been able to double our stock units with the upgrades to spray irrigation. During the summer we now carry approximately 10,000 sheep, compared with 5000-6000 prior to the irrigation upgrades. It probably goes without saying that we need to be able to sustain these production increases in order to support the significant costs associated with the upgrades to achieve them.

Water

13. Water is gold.
14. Water has the biggest effect on management of any agricultural operation in Central Otago. As farmers we learn to work with rather against nature, making strategic decisions about stock management, sooner rather than later, being proactive.
15. Water is the key to help balance some of the highs and lows, giving us some insurance to retain our capital stock, while selling any non-capital stock in a feed shortage year.

Working towards October 2021

16. Over the past 10 years, we have been working toward October 2021 and the replacement of our water permits. Little did we know how complex this process would become.
17. From early on we have been working to achieve the level of efficiency that the Council indicated would be required of us. This was essentially to use 27l/s to irrigate 50ha. 27l/s is roughly equivalent to a 'head' which was the metric often used in the old mining permits.
18. We have invested heavily to ensure that we are utilising water efficiently. We have put in water meters, extended and built storage dams, destroyed a well maintained border dyke watering system (all gravity feed), removed shelterbelts and installed 5 centre pivot irrigators (240 hectares), 32 hectares of k-line irrigation, as well as a small area of static pole irrigation giving a total of 278 hectares of irrigation. There is still potential for more development, however this is entirely dependent on securing sufficient water for an acceptable term..
19. We have notified and met affected parties, Iwi and DOC. We have also completed flow testing on both the Amisfield and Parkburn creeks, to see whether they connect to Lake Dunstan.
20. The need for water for an adequate term is essential to give us the opportunity to reach the potential of the development that has been undertaken as well as to begin the process of repaying the debt incurred.
21. So far, we have spent over \$1.5M on pivots, \$130K on electricity network extensions and almost \$400K on storage dams. We have also spent almost another \$1.5M on tree removal, fencing, regrassing and fertiliser to prepare, reconfigure and renew the pastures for the new irrigation systems.
22. Storage will be the key in the future, but stored water is expensive water, for this reason a 25-year minimum period is essential for certainty moving forward. We have the potential to establish further storage by increasing the capacity of our second dam. However, we

will be unable to pursue that unless we obtain reasonably long-term access to water.

Priority Rights

23. The water users of the Amisfield & Parkburn catchment have agreed to continue with the status quo, so that those permit holders that currently hold priority retain it.
24. The effect of this is to essentially consolidate water takes (to the highest priority user) as flows reduce. This helps reduce scheme losses. We all know that there much less water loss with a larger volume of water. By dividing smaller volumes of water, perhaps 4 ways, there is a much higher percentage of water loss.
25. This system also helps maintain residual flows, in that there is always water going past the priority user's intake, thus ensuring that the ecological values of the creeks are maintained.
26. The way it works now, priority rights are effectively only engaged when water flows drop. This is controlled by a structure at the intake. Fortuitously within the overall scheme each permit holder holds a priority. This means that everyone has access to some of the more reliable water during periods of low flow. As flows reduce during the season water users with lower priority have less water available to them and they increasingly rely on their high priority or stored water.
27. For our takes, this means early in the season (when water demand is a bit lower) we are able to largely rely on our Parkburn take which is our closest supply and the storage dams. As flows drop in November and December we begin to rely more heavily on our Amisfield Burn take because our water demands are higher.
28. The scheme and our on farm infrastructure has been designed to accommodate this regime and it generally speaking works very well for everyone, hence the decision by the group to retain it.
29. As a user of what I would describe as "hill water", we are very aware of the impact that weather conditions in later winter / early spring have on

availability of water for irrigation later in the season. Essentially, what happens during the winter and early spring dictates water availability for the following irrigation season. We keep a close eye on what happens during this period as it gives us a good indication of how things are likely to look as the irrigation season progresses

30. The best-case scenario for us is a good snow fall late winter followed by winds on the top of the range which drive the softer snow into the hollows. This 'banked snow' then melts slowly and maintains flows in the Creeks well into the irrigation season.
31. These conditions can be undermined by warm winds or heavy rain in October/November causing accelerated snow melt and creating large flows down the creeks which can cause damage to any instream infrastructure. Our supply is vulnerable to the vagaries of the weather and can vary significantly from season to season. We must farm with this in mind always. As such, we do not waste water. We simply cannot afford to.
32. Thanks for considering our application.

Peter Morton

Smallburn Limited

20 August 2020