

HEARING COMMISSIONERS

IN THE MATTER of the Resource Management Act 1991
("the Act")

AND

IN THE MATTER of the Resource Management Act 1991
and the Environment Canterbury
(Temporary Commissioners and
Improved Water Management) Act 2010

AND

IN THE MATTER of Plan Change 5 (Nutrient
Management and Waitaki)

**SUPPLEMENTARY STATEMENT BY STUART JOHN FORD
FOR HORTICULTURE NEW ZEALAND IN RESPONSE TO QUESTIONS FOR
THE HEARINGS COMMISSIONERS**

4 OCTOBER 2016



ATKINS | HOLM | MAJUREY

Helen Atkins
PO Box 1585
Shortland Street
AUCKLAND 1140

1. This supplementary statement is in response to a question from Commissioner van Voorthuysen asked of me when I gave evidence to the Commissioners on Plan Change 5 of the Canterbury Land and Water Regional Plan on behalf of Horticulture NZ. Commissioner van Voorthuysen drew my attention to the fact that Mr Ian McIndoe had furnished some supplementary evidence as to the costs to farmers in Canterbury of achieving GMP under his alternative rules and the costs that they would incur under the portal as it stands. He asked me to read that evidence and give my opinion on it.
2. I have read the supplementary evidence of Mr Ian McIndoe and my comments are as follows:
 - (a) He has calculated that the area of current irrigation that would fall into his alternative rule is 42,000 ha which is based on Dr Brown's analysis of the various irrigation and soil types in Canterbury.
 - (b) He does not detail what the areas of each irrigation type and soil type are included in his supplementary evidence.
 - (c) He has compiled a list of costs of the transitions of the irrigation systems after a discussion with a Director of WaterForce Ltd. I agree that the figures that he has assumed are a fair reflection of the costs of upgrading irrigation based on my experience in relation to the costs of upgrading irrigation systems.
 - (d) Because he has not detailed the areas of irrigation upgrade type it is not possible for me to comment on his calculation of the total cost being between \$170 m and \$220 m.
 - (e) However by my calculation his analysis shows that the total costs for his alternative rules would be between \$4,048 and \$5,238 per hectare. These figures would appear to fit well with the list of costs which he has compiled.
 - (f) In comparing his calculation with his estimate of the costs under the portal rules he points out that his closest possible estimate is for between 30,000 ha and 45,000 ha of irrigation requiring upgrading.

- (g) He says that he has used similar costs to those used in his calculation for the alternative rules to estimate that the range would be between \$120 m and \$234 m.
- (h) If we break down these costs it works out to be \$4,000 per hectare for the lowest range of costs, that is using 30,000 hectares and \$5,200 per hectare using the highest range of costs, that is using 45,000 hectares.
- (i) Although these two ranges are calculated in different ways it is still possible to get an idea of the total costs by averaging the two. This results in an average figure of \$195 m for the alternative method and \$177 m for the portal method.
- (j) This represents to me that, given the two different methods of calculation used, the total costs of the alternative method and the portal method are roughly similar.

Stuart John Ford

4 October 2016