

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

Consent No. RM20.039

BETWEEN

**VARIOUS – COLLECTIVELY
KNOWN AS PIGBURN WATER
USERS GROUP**

Applicant

BRIEF OF EVIDENCE OF CHRIS MULHOLLAND

**GALLAWAY COOK ALLAN
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BRIEF OF EVIDENCE CHRIS MULHOLLAND

INTRODUCTION

1. My name is Chris Mulholland. I am a partner of our farming operation with my wife Dale. We are an applicant in relation to this hearing.

FARM OPERATION

2. CP and DE Mulholland Partnership own Brechen farm a 340ha property within the Pig Burn Catchment. We operate it as a sheep and beef farm and run approximately 50 steers, 2000 ewes, and 600 hoggets.
3. I am the sole operator on the farm and am assisted by my wife Dale in the weekends as she works off farm during the week.
4. 320ha of the property is irrigated. Water for irrigation is sourced from the Pig Burn and Maniototo East Side Irrigation (MESI). Water allocation per hectare is currently stretched to cover this land. Some of the water from the MESI scheme is transferred to a dam and then used by two pivots and K line to irrigate some of the property and the remainder of the property is irrigated by contour flooding from water from the MESI race and the Pig Burn. Pig Burn water is also used for stock water.
5. We also have a hill block located in the Serpentine consisting of 770 hectares. Due to the high altitude of this block it is only used to graze our ewes from the Brechen farm for approximately 4 months of the year. (December until April) The irrigated land on the Brechen farm is then used to fatten lambs and hold remaining stock. The ewes are shifted to the Serpentine block due to the limited carrying and feed capacity of the Brechen block.

IRRIGATION INFRASTRUCTURE

6. In the past the farm has been fully contour irrigated. In 2020 we built a dam to provide storage to enable more efficient spray irrigation to be installed. We had been preparing for this development for at least the past five years due to high expenditure and workload associated with this. It was a significant development for our relatively modest operation. It is also the development that was foreshadowed in the Assessment of Environmental Effects.¹

¹ Refer Assessment of Environmental Effects Figure 9, Page 34,

7. The storage dam is 180,000m³ and was completed in November 2020. Two pivots were installed at this time and we were able to start utilising this system to irrigate 95 hectares of land. The cost of this was significant, \$973,000 in total. This was a huge financial outlay for us as a small farm. The ongoing cost of electricity to maintain the spray irrigation system is also significant, being approximately \$40,000 annually.
8. Pressure to follow government/council policy and the desire for more efficient use of water was the driving force behind this change. We are currently installing K-line to spray irrigate another 20Ha of land but intend to continue using contour irrigation with the remainder of the property.
9. At this point in time we cannot commit to further efficiency upgrades. We need to pay down the significant debt we have taken on to complete the upgrades done to date. We would also need much greater certainty with respect to water availability in the longer term before we could have the confidence to commit to further development and borrowing. It is simply not possible for us to do more at this time. Likewise, reverting the contour irrigation areas to dryland would severely compromise the productivity of our overall operation.
10. Under the proposed Pig Burn regime we will store water from the Pig Burn in the dam to assist with spray irrigation. That is why there is provision for a higher rate of take at high flows. However, we will only be able to take water into the dam when the MESIC water scheme is operating, because we use common infrastructure (MESI race) to convey water. This period is between September until April.
11. Regardless, this water storage will be crucial for effectively managing our spray irrigation and ensuring pasture/crop growth to produce hay, winter crops and pasture for fattening stock. This is vital to enable us to maximise both the environmental best practice of water use, farm management and enable us to meet our financial obligations.
12. We have long-term aspirations to replace all the remaining contour flooding with spray irrigation. However, we cannot afford to do this until we have reduced the debt we have taken on to undertake the first phase of the development discussed above. The costs of this type of development is exceptionally high, particularly for a small operation like ours. Future plans need to be carefully

managed to maintain our financial sustainability whilst managing the normal seasonal risks and variations that are inherent in farming.

13. Water security is a huge part of this equation because it helps us manage seasonal weather variability so that we have a degree of certainty about our ability to produce feed and maintain our baseline stock levels.

UTILISATION OF IRRIGATION ON BRECHAN FARM

14. Irrigation on the property is an essential element within our farming system. It is vital for the viability of our operation. Irrigation on the property is utilised for the use of growing specialist crops such as Rape, Kale, Turnips, Oats and Fodder beet. Our farming system relies on the growth and success of our winter crops as well as summer production of hay for essential supplementary feed to see us through the winter period. We typically produce about 800 bales of hay. Without these cropping systems and supplementary feed, we are unable to support our stock for optimal condition and therefore sale price.
15. Due to the extreme nature of the climate, an annual rainfall of 300mls per year and a short growing season irrigation is essential for the success of our crops. Due to our climate it is really important that we are able to make the most of the growing season. If we can't ensure germination of our crops etc they would be delayed affecting their ability to meet maturity before temperatures slow growth etc.
16. We really do have to make hay while the sun shines.

EXPERIENCE WITH THE PIG BURN

17. We have been farming in this location since 1990. Our current take at the Pigburn is approximately 380 meters up stream of the Patearoa-Waipiatā Road.
18. We are proposing to move our primary take to the combined take for irrigation purposes and enter it into the MESI race. This will then get added to my MESI roster.
19. In my experience water on the Pig Burn dries every year in stretches, and pops back up in different locations. There has not been a season yet where this has not occurred. From my observations, it would have to be an extremely wet season for this not to occur.

INTENTION IF CONSENT IS GRANTED

20. It is very important to us to have a reasonable degree of certainty regarding access to water. As I have discussed above, we have committed to some significant upgrades which we have planned to pay down over time and ensure we have the resources for other planting and wetland restoration plans we would like to implement.
21. A short-term consent brings uncertainty and uncertainty creates challenges. From a banking perspective a short-term consent makes borrowing difficult and impedes the ability to source future borrowing.
22. When building our dam the ORC initially granted us a 6-year term consent. When we took this to the bank to arrange finance the bank rejected our application because the short term did not provide adequate security and repayment terms were unachievable. As a result, we approached the ORC again and sought a longer consent. Thankfully we were granted a 20-year consent for the dam which enabled us to secure the necessary finance to complete the development.
23. Obviously, this created significant financial stress for us. But it was also an exceptionally emotionally stressful time for us. We knew that we needed to improve our efficiency and our investigations had demonstrated that to do this storage was critical. So, the rejection of our initial application to the bank really set the cat amongst the pigeons.
24. The granting of a short-term consent for the water to fill the dam we have committed to would have the same effect. From my perspective it would seem crazy to have granted a 20 years consent to store water and then only a 6-year consent to take water to storage. Particularly given the inter-relationship with MESIC water on our farm.
25. We have worked as part of the Pig Burn water users group for some years with water monitoring and carrying out investigations to figure out the best approach to this application. This has been a considerable investment in terms of time and resources.
26. Under this proposal the Combined take rate has been reduced considerably (during times of lower flow) to support environmental outcomes.

27. Our access to water during these periods will be reduced and we will need to further adapt our system to accommodate this. We accept that we need to farm within these limitations albeit it is a significant challenge. Our management of pasture, stock, water and finances will need to be based around this reduction in water take.
28. The potential further restrictions that would arise if the increased minimum flow proposed by Dr Allibone is adopted will place our operation at severe risk. At this point we really cannot see how we will further adapt to accommodate this. It will certainly limit our long-term goals to complete our conversion of contour flooding to spray irrigation.
29. Granting the Pig Burn proposal would enable us to move forward with these plans and provide security for us to maintain good farming and environmental practices and meet financial commitments,

Chris Mulholland

Brechen farm

30 August 2021