

BEFORE THE BOARD OF INQUIRY

IN THE MATTER

of the Resource Management
Act 1991

AND

IN THE MATTER

of Applications by Transpower
New Zealand Limited for
resource consents and Notices
of Requirement for the Upper
North Island Grid Upgrade
Project between Whakamaru
and South Auckland.

STATEMENT OF EVIDENCE OF MICHAEL BEVAN O'CONNOR

Effects on Agriculture – Matamata-Piako District

1.0 INTRODUCTION

- 1.1** My name is Michael Bevan O'Connor. I hold an M Ag Science (Hons) from Lincoln University. I am a Fellow of the NZ Institute of Agricultural and Horticultural Science and a life Member of the NZ Grassland Association. I also hold current CPAg status (Certifying Practising Agriculturalist). I retired 2 years ago after 40 years as an agricultural scientist 35 years of which was spent at the Ruakura Research Centre, Hamilton. I now undertake agricultural consulting on a part time basis. I am based in Hamilton.
- 1.2** I am very familiar with farming and have worked very closely with farmers in the Waikato and elsewhere over a number of years. Much of my research in the past has been "on-farm" looking at pasture responses to fertilisers and trace elements, the mineral nutrition of animals and the utilisation of wastes onto land. A major part was knowledge transfer of research results to farmers at field days, discussion groups and seminars. I am thus very aware of all aspects of farming and farm management and I believe I have a good understanding of how farmers think and operate.
- 1.3** I am familiar with Transpower New Zealand's Notice of Requirement ("NoR") for the Upper North Island Grid Upgrade Project ("the Project") and have read closely Part X Section 15 - Agricultural Impacts by James Allen and John Hall of AgFirst Waikato Ltd.
- 1.4** I am familiar with the evidence lodged by Transpower with the Board of Inquiry on 1st February 2008. This includes that lodged by John Craig Miles (Property Acquisition and landowner liaison), Francis John Hall (Agricultural issues) and Allan James Nichol (Aerial Topdressing).
- 1.5** I am familiar with the evidence lodged by Federated Farmers of NZ (Inc) with the Board of Inquiry.

2.0 SCOPE OF MY EVIDENCE

- 2.1** I undertook a survey of landholders in the Matamata-Piako District Council (MPDC) who will have the proposed Upgraded Transpower line running through their properties. The survey was done for MPDC to provide the basis for my evidence on the effects of the proposed upgrade on agriculture in the district. The landowners were asked a series of 7 questions the answers to which I will elaborate on below.
- 2.2** I wanted to gauge some of the wider aspects of the effects of Transpower lines on agriculture. To this end I interviewed (by phone or personally) two leading farmers, the chairman of Environment Waikato (Peter Buckley), a land valuer with experience in valuing farms with Transpower lines (John Sweeney) and a leading rural real estate agent in the Waikato (Mike Fraser Jones).

3.0 SURVEY RESULTS

3.1 A total of 49 survey forms were sent to landholders affected with some 10 responses (25%). Time constraints prevented follow up of non respondents but I believe the messages conveyed in the responses still give a very good indication of people's feelings.

3.2 For each question asked, I have taken a range of replies to illustrate how people feel. Where appropriate I have added comments from others that I interviewed outside of the survey.

Question1. What effects do you see high voltage lines having on your farming operations?

Day to day operations

- disruption during construction.
- stock movements hindered by noise from pylon insulators.
- electrical interference to fences affecting stock management.

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Fertiliser and effluent spreading

- aerial topdressing costs will increase due to reduced payloads (needed to clear lines) and or increased manoeuvring (to place fertiliser).
- it will restrict the use of travelling irrigators for effluent spreading or normal irrigation.

Pastures

- concerns over restrictions on cropping in the easement area.
- concerns about possible contamination from the lines (e.g. zinc, copper).
- restrictions on aerial weed spraying near the lines (an added cost to do by ground).

Dairy shed location

- in general this was not impacted on, but there were concerns about limitations for siting new sheds in the future (due to power lines).

Other areas

- major concerns about construction of pylons - time involved, disruption to normal operations, timing of operations (e.g. winter time disastrous on heavy clay soils) and possible need to de-stock certain areas of the farm.
- major problems where horses are present.
- it is felt that the farmer will need to be available while construction crews are operating (OSH).
- staff acceptance of power lines—difficulties in recruiting and accommodating families a possible problem.
- existing trees which may be fine for the ARI-PAC-A line may need to be severely trimmed or removed for the new line.

My summation. Although there are difficulties these are generally surmountable but may add additional costs to the farming operation. In this regard the Transpower submission by James Allen and John Hall (Agricultural Impacts) is generally acceptable. Nevertheless the question

of compensation remains (see section on compensation later in my evidence).

Question 2. Do you see any limitations to land diversification as a result of the Transpower upgrade?

- the Transpower project will call a halt to any subdivision potential of affected properties. No one will wish to buy lifestyle blocks with pylons.
- it is difficult to think of diversifying into horticulture or forestry where the lines will pose operational difficulties. These are lost opportunities for the owner. We are in the main dealing with high class 1 and 2 soils (see evidence by Gary Orbell) which are capable of growing high return crops e.g. grapes, kiwifruit, maize and other crops. The future potential is unlimited on such soils.
- the siting of future buildings may be compromised by the Transpower lines.
- most farmers are proud guardians of their land and aim to nurture and landscape their farms to the best of their ability. Trees are a prominent part of this. The Transpower pylons will affect the farmer's ability to utilise trees properly.

My summation. This is indeed an area of concern for farmers where the presence of the Transpower pylons and lines will severely limit the use to which the land can be put. This will have potentially large financial implications for the farmer (see the section on compensation later in my evidence).

Question 3. Describe any land related interactions you have had with Transpower

- Initially Transpower treated the farmers with little respect e.g:
 - o 12 months to receive communications directly.
 - o 14 months to receive minutes from a meeting with them.
 - o Ignored advice to service pylon in summer; came in winter when much mess, delays and inconvenience.
 - o No communication whatsoever to one landholder on the edge of the line corridor.
 - o One farmer had had little satisfaction with certain requests on matters he believed to be of great concern to him.
 - o Some have found Transpower to be totally arrogant and pushy.
- There is evidence to suggest things are improving somewhat although Transpower consultation still concentrates on the broader issues of whether or not lines should be in a particular location rather than on the detail of the relationship between Transpower and landowners across whose land the lines are proposed to pass.
- Landowners who have sold to Transpower however have generally been pleased with the process. Those who have leased back properties have also been happy with the contracts arranged.

My summation. There has been a lot of dissatisfaction in the way Transpower has interacted with landowners. Farmers are pragmatists. The Transpower-landowner interaction has been fraught with difficulties from the word go. Farmers have felt betrayed, they have not got the answers they have wanted to questions and have often been left worrying

unduly about the future. The way farmer submissions have been answered in Transpower's latest evidence to the Board of Inquiry (the John Craig Milne document) illustrates the narrow focus taken relying on reference to various Acts to answer submissions rather than any appreciation of any personal and underlying worries the submission may embody. There is better communication, where straightforward sale and purchase agreements have been negotiated with Transpower.

Question 4. Do you believe the proposed Transpower upgrade will have any effect on your land values or on saleability of your land?

- all my land would be able to be subdivided if the pylons were not there (zoned rural residential). Therefore a huge effect on my land value.
- we have not been successful in attempts to sell our land at the market value it would have without pylons.
- the lines will definitely reduce the value of our land. It also has subdivision potential which will now not be realised.
- people are put off buying land with pylons on it. **Comment:** 80% of my potential buyers show no further interest once they realise pylons are present (Mike Fraser Jones, Rural Real Estate agent).
- lifestyle blocks in our subdivision (with pylons) have stopped selling over the last 18 months. Values have potentially halved. **Comment:** land valuations take into account the impact of pylons on a property. Those near a house and buildings will have a greater impact on depressing values than those close to a boundary (John Sweeney, Land Valuer, Hamilton).
- I have a large property (110 ha) with 4 pylons on it. Selling or leasing is becoming a major concern for me.
- there may be some sales as a result of location (near to the purchaser's home farm) but these are rare.

My summation. Land values and saleability of land is one of the biggest issues facing landowners affected by the Transpower upgrade. To my mind these issues will not be solved until Transpower either buys the land (which they have done to some extent), pays compensation (the difference between selling price and market value without pylons) or that some annual compensation figure be agreed upon. Farmers are dealing with their life's saving/reward. They are not prepared to forgo this in any way because someone wants to put pylons on their property.

Question 5. Have you experienced health issues as a result of the Transpower upgrade proposal?

- we have suffered emotional stress at the thought of high pylons desecrating our family farm (of 67 years) with its landscaped trees and attractive appearance. We would have 3 new pylons on our property relatively close to our house.
- it has been very stressful for our family.
- I have developed a serious disease of my immune system. This I feel is in part due to the worry and negative attitude of Transpower.
- I have suffered a lot of stress and been to my GP for stress relief.
- much anguish and many sleepless nights.
- we are worried about possible long term effects of the lines on our children's health.

My summation. Health issues suffered by landowners is a side of the whole Transpower upgrade project that little is said about. People are suffering in various ways with stress and anxiety. Their families are suffering as well. They have their life's savings at stake and they are unable in many cases to see a way forward for themselves. The fact they are told where pylons are going on their land irrespective of whether it is the most valuable part of their farm or not or that it disrupts stock movements in some way is hurtful and showing a degree of arrogance not experienced by these landowners before.

Question 6. How (if at all) would you like to be compensated by Transpower for having high tension lines on your property?

- I don't want compensation . I want Transpower to buy my farm.
- we need to be paid an annual rental on each pylon much like some energy companies are doing with wind turbines.
- I suggest an annual rental of \$10,000 per pylon to compensate for all the things involved in having the lines (mentioned throughout this submission).
- there should be a fund established to deal with unidentified health issues which may arise.
- in our case we are happy with the compensation offered.
- I list all the areas in which I would want compensation from Transpower:
 - o Would want 15% of the land value or perhaps higher if it is able to be subdivided.
 - o Compensation for loss of an airstrip.
 - o Compensation for nuisance value while constructing the pylons.
 - o Compensation for reduced stock numbers while constructing the pylons.
 - o Compensation for removal of buildings.

It is recognised that some of these would be compensated anyway.

My summation. Compensation is an important issue for farmers. The Public Works Act clearly states that no one should be disadvantaged as a result of an activity. What farmers are pointing out here is that they believe they will be disadvantaged in many ways and will want compensation. What form this compensation takes, is open at this stage. Some favour complete buyout by Transpower; some favour top - up of the sale price achieved to be more in line with market value (without pylons). Others favour an annual compensation figure per pylon.

Question 7. Do you have any other comments?

- grazing clients may be reluctant to have stock on land with pylons.
- there has been a large time commitment for us—attending meetings, making submissions.
- a lawyers comment on one easement agreement: "it is all for Transpower and nothing for us as landowners".
- only 2 paddocks on the farm are not affected by roads needed to construct the new pylons. This will have a direct effect on stock movements.

My summation. These are just some of the additional points farmers were making showing their concerns about the Transpower project.

4.0 CONCLUSIONS

- 4.1** The Transpower Project has received a lot of negative feedback from landowners in the Matamata-Piako District Council region. Many of these have been captured in the survey results presented in this submission.
- 4.2** If the Transpower Project were to proceed, the concerns around agriculture are not so much in the everyday farming operations around pylons (these are surmountable) but in all the other issues around the Transpower Project namely an inability to subdivide land for improving land values, major perceived inconveniences around pylon construction, the inability to communicate with Transpower on matters that will lead to farmer satisfaction, the inability to attract buyers for the affected farms once pylons are mentioned and the inability to sell land at anywhere near the market value it would be without pylons.
- 4.3** Added to these concerns are the health issues --the stress and anxiety of not knowing where you stand with Transpower. Will they buy our farm or not, when will we see the easement agreements and will they be fair to us? Will our labour be happy to continue working on our farm? Why does Transpower not respond to our questions?
- 4.4** The final issue is that of compensation. You cannot have farmers with pylons derived of potential economic benefit e.g. by not being able to subdivide and sell land or by knowing the selling price of your farm will be below market value. There are 3 options that I can see:
 - Transpower buys the farm outright at an agreed value (this is being done to some extent in the MPDC region).
 - Transpower pays the difference between the selling price of a farm and its true market value without pylons.
 - Transpower pay an annual compensation figure on a per pylon basis which is inflation proofed and is sufficient to cover all the inconvenience and personal stress involved so allowing the farmer to continue farming happily. This would be in addition to any easement agreement.
- 4.5** Unless Transpower move to recognise the difficulties they are facing with farmers over this line upgrade and agree to interact closely I see continuing difficulties ahead.

Michael Bevan O'Connor
Private Consultant