

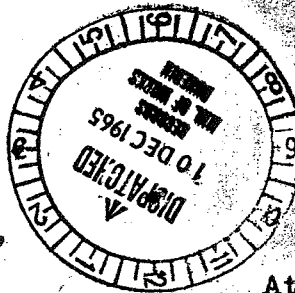
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P.W. 15/2

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DUNEDIN

10 December 1965



The Commissioner of Works,
WELLINGTON.

Attention: Civil Engineers

IDA VALLEY IRRIGATION SCHEME

As you know, together with Mr George M.P., I attended a meeting of the Ida Valley irrigators to discuss the question of augmenting the existing supply by way of a 16,000 ft tunnel to bring in Hopes Creek to the storage system.

Over ninety percent of the irrigators attended the meeting.

The Minister's decision, conveyed by Mr George, did not have the support of the meeting. Mr George, whilst explaining the difficulties of Government in meeting such a large capital expenditure, agreed with the irrigators that the Minister should refer the matter to Government and informed that he would discuss this point with the Minister. It was emphasised by irrigators that increase in production, if an eighteen inch quota could be reasonably assured, would be substantial. Many admitted that present stock was well below what could be carried by a regular supply of fourteen inches. I gained the impression that possibly an additional 30,000 to 40,000 E.E. would be carried if Hopes Creek supply was brought in.

The cost at 35/7 was not queried and this represents a substantial increase over the existing rates. It could be held, therefore, that the increased cost of water, if the scheme was proceeded with, would make it essential to farmers to carry additional stock to meet the charges and maintain present living standard.

The present system of calculating the economic benefit of irrigation has always been suspect in this district. At 30,000 E.E. (minimum) the overseas earnings would increase by £100,000 p.a. on present prices for wool and meat. A very high proportion of this amount would find its way to treasury by way of taxation. A fair assessment would be that the £500,000 capital would be returned by this method in ten years. When one considers the high rate of capital development expenditure at the present time compared with the low percentage of increased production, it is apparent that few, if any, of the new capital works are achieving increased production that could be expected if the present proposal was proceeded with.

After expressing some doubts on the advantages of having an Irrigation Advisory Officer stationed in Central Otago, due primarily to the lack of practical experience of junior officers, the meeting supported the need for such an officer.

C.O.W.,
WELLINGTON.

M.O.W., DUNEDIN.
10.12.65

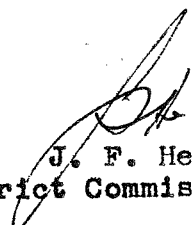
IDA VALLEY IRRIGATION SCHEME (Cont'd)

The irrigators also stressed the need for Government to provide a service in preparing border-dykes etc. This is now becoming a hardy annual and it must be admitted that no suitable service is available through private contractors at the present time. It may be advantageous to seek the views of the Contractors Federation on this point as it is apparent that sufficient work is available in Otago to keep a small unit fully occupied.

In view of the keen interest, it is recommended -

- (a) that a survey be made and likely cost assessed more accurately,
- (b) a survey be carried out to determine the likely increase in production with the augmented supply.

I will be interested in due course in having your approval to both these recommendations.


J. F. Henderson
District Commissioner of Works