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**Dam Issues Need To Be Sorted**

Talking Point

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Over the past couple of months, I have been labeled as anti-growth because I won’t publicly support the Hawkes Bay Regional Council’s planned Ruataniwha Water Storage scheme. While I am not against the principle of water storage at all, my stance on this development has remained consistent in that I have a number of concerns that need to be addressed. If these concerns are alleviated, then I am happy to support the project.

Let me outline these concerns:

**1. Financial viability**. When investing millions of dollars of ratepayers money, it is imperative that any scheme is financially viable over the medium-to-long term. In the dam’s case, this means that there is sufficient up-take to ensure at least an average rate of return is earned on the money invested.

I am told that only around 20 landowners (out of 150) have indicated a formal expression-of-interest in participating in water uptake. I recall being informed by the HBRC that there needed to be at least 70% (or 105 landowners) uptake for the scheme to be financially sustainable. It may be that given time, more farmers will sign up, but it is concerning that only 13% of the landowners in the affected catchment have signed the aforementioned expression of interest (which is in no way a binding contract) considering the highly targeted strategy employed by the HBRC over the past few months. One explanation may be found in a conversation with a Fonterra contact, who told me that water priced at the rate proposed by the HBRC, would make dairying marginal.

**2. Environmental sustainability.** Any project undertaken in this day-and-age must be environmentally sustainable. Clean green is the Nation’s global brand and managing our natural resources for future generations should not only be a statutory requirement but a moral duty.

Environmental experts have informed me that the proposed increase in nitrate levels the HBRC is recommending is significant to the point where it will adversely affect the Tukituki’s ecosystem. Once nitrate levels increase to certain levels, aquatic life diminishes due to weed that is nearly impossible to eradicate. In fact, the same problem in Lake Taupo has resulted in a forced reduction in cattle stocking levels in an attempt to restore the health of the Lake.

**3. Protection of the region’s strategic assets.** Quite simply, the dam should not be held in the same Regional Asset Holding Company that other strategic assets, like the Port of Napier, are also located.

For a number of strategic, financial, commercial reasons, I would be a lot happier if the dam was in its own holding company at complete arms length from any of the region’s other strategic assets.

**4. Economic development.** I have made it clear that I see economic development as the greatest challenge facing the Bay over the next 10 to 20 years.

If the forecast increase in produce and productivity resulting from the dam’s presence is going to result in the construction of down-stream manufacturing plants that permanently and directly employ a significant number of people earning a decent wage who wouldn’t be otherwise in work; then great. If EIT is going to have to expand their educational offerings in order to train Bay men and women who can then take advantage of the increased opportunities created, then fantastic. Two thousand Bay workers earning decent wages, paying taxes, participating in their regional and local economies and helping create sustainable wealth and economic growth is worthwhile.

If, however, the dam will substantively create minimum wage on-farm in-paddock jobs filled by imported Pilipino workers and Island Labours, harvesting produce that exits the region to other cities, then I personally don’t think this is a good use of scarce economic development dollars.

Those who know me or have read anything I have written over the past few years will know that I am passionate about regional economic development and creating intergenerational economic growth and wealth for the people of the Bay. No one wants to see our cities prosper and thrive more than I do.

Alleviate my concerns as outlined above, and I will be an advocate for the dam. If, however, they are not adequately addressed then I will continue to express grave doubts about the viability of this project.