



Media release

Thursday 10 March 2016

Central Plains Water Loan Terms Confirmed

Selwyn District Council has approved the conditions for a loan of up to \$8 million to be made to Central Plains Water Limited (CPWL).

The loan conditions were approved at a recent meeting of the Council's Audit and Risk Subcommittee.

The funding would be released in a series of five instalments of between \$1 and \$3 million, and would generate interest for the Council of 10 percent per year.

Stage 1 of the Central Plains Water scheme, which covers 20,000 hectares between the Rakaia and Hororata Rivers, began operating last year.

The Council's investment would be used to assist with design work on Stage 2+ of the Central Plains Water scheme, which is expected to cover around 25,000 hectares between Hororata and Darfield. Construction of this stage is scheduled to start in 2016. Other funding for Stage 2 design work would be provided by CPWL and the Ministry of Primary Industries, which would match the Council's contribution through its Irrigation Acceleration Fund.

Selwyn District Council previously provided a \$5.84 million loan to assist with design work on Stage 1 of the scheme. This loan was fully repaid in 2014, along with \$1.2 million in interest on the loan.

Consultation on the proposal to invest in Stage 2+ of the scheme was undertaken during September and October 2015. 132 submissions were received on the proposal. Of these 72% supported the Council advancing the loan, and 27% of submissions opposed the loan. 2 submissions were unclear whether they supported or opposed the loan. Three public meetings were also held on the proposal which around 100 members of the public attended. The majority of submissions to the Council saw significant potential benefits to the district from the Central Plains Water scheme from economic benefits to farms and local businesses as well as environmental benefits from improving ground water resources in Selwyn.

By way of security for the loan, CPWL is offering the Council, in the unlikely event the scheme were to fail, the ability to use the scheme's water and development rights and the right to use the scheme's Stage 1 intake and headrace infrastructure, provided this does not limit the operation of Stage 1 of the scheme. There are a number of other conditions associated with the loan.

Ends

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