



Media release

Friday 27 November 2015

Irrigation loan proposal moves forward

Selwyn District Council has voted to approve, in principle, a loan of up to \$8million being made to Central Plains Water Limited, subject to a satisfactory loan agreement being negotiated.

The terms and conditions of the loan will be presented to the Council at the 9 December Council meeting.

Central Plains Water is planned as one of the largest irrigation schemes in the South Island, irrigating 60,000 hectares of the Canterbury plains west of State Highway 1 between the Rakaia and Waimakariri Rivers. Stage 1 of the scheme, which covers 20,000 hectares between the Rakaia and Hororata Rivers, began operating this year.

Consultation on a proposal to make a loan was undertaken during September and October. 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 funding would be used to assist with design work on Stage 2+ of the Central Plains Water scheme, which is expected to cover approximately 33,500 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.

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. Stage 1 has recently been completed.

Selwyn Mayor Kelvin Coe says 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.

Ends

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