JOINT STATEMENT

18 February, 2013

Government funding for Central Plains Water Irrigation Scheme

The Central Canterbury community is one step closer to a more reliable and sustainable supply of water for irrigation and for lowland stream flows.

The Central Plains Water project, which proposes development of water infrastructure in Central Canterbury, has gained co-funding from the Government's Irrigation Acceleration Fund (IAF).

The IAF, which is administered by the Ministry for Primary Industries, has committed \$1.71m for the preliminary design and planning for the headrace canal and pipe distribution network. The programme is on track for canal construction to commence in September.

MPI has already approved in principle a further \$4.04m of IAF funding for this phase, subject to several key milestones being achieved in March.

This will enable the 20,000ha Stage 1 area, which lies between the Rakaia River and Selwyn River, to be irrigated from surface water rather than deep groundwater. Relieving pressure on groundwater and springs to provide both environmental and economic benefits is a key aim of the Canterbury Water Management Strategy.

Ultimately CPW will enable irrigation of 60,000ha. One half of this will replace existing irrigation sourced from groundwater.

Water for the CPW scheme will come from the Rakaia River from existing allocations. These allocations were set to preserve and protect the outstanding natural characteristics, habitats and features of the Rakaia River. Recent amendments to the Rakaia Water Conservation Order have made storage in Lake Coleridge – which is part of the river system – available to the CPW scheme.

The CPWL scheme has already achieved resource consents. The consent conditions include requirements for farms to be best practice and for water quality monitoring and nutrient management.

The CPW team has been fully involved in the collaborative process to set environmental limits being run by the Selwyn Waihora Zone Committee as part of the CWMS.

The zone committee's recommendations on environmental flows and nutrient limits for the whole catchment are due to be provided to the Environment Canterbury Commissioners in March for inclusion in the Selwyn-Waihora section of the proposed Land and Water Regional Plan. Any new plan provisions will apply to the CPW scheme.

Derek Crombie, CEO of Central Plains Water, said that the funding has given CPW the means to boost its team working on the project from four up to 20, which includes outside consultants.

"This funding has allowed key activities to continue including:

- · Securing water reliability.
- · Implementing consent requirements.

- Developing water user agreements and Farm Management Plans with farmers.
- · Completing detailed design of the river intake, canal, pipe distribution and control systems.
- · Finalising all the costs of the scheme, reconfirming economics and securing committed funding for farmers and loan providers.

"We are now aiming to have water to parts of the scheme by September next year," he said.

Selwyn District Mayor Kelvin Coe says the council is very pleased that Central Plains Water's funding application has been successful. "Government investment in this project supports the contribution the Council has made through a \$5 million loan. It is great to see that the Government recognises the value of this project to both Selwyn and Canterbury's future."

MPI's IAF Manager, Kevin Steel says the Fund supports schemes that will help meet regional strategies for water management, address requirements for sustainable growth and include community engagement.

"Projects like Central Plains are important to drive sustainable economic growth of the primary industries."

About Central Plains Water

The concept behind Central Plains Water was first introduced as far back as 1999, but it was not until 2010 that resource consents were granted for CPW to take water from the Waimakariri and Rakaia Rivers to irrigate 60,000ha of Canterbury farmland that comprises the Central Plains Scheme Area. The funding from the IAF is for the 20,000 ha first stage of the scheme.

The Scheme lies between the Southern Alps to the west, and SH1 and the Waimakariri and Rakaia Rivers, lying entirely within the Selwyn District Council's area. The irrigation scheme has been designed for 60,000Ha, with potential to irrigate up to 80,000Ha if more water is available.

With a current estimated construction cost of \$500 million (excluding on-farm costs), the consented CPW Scheme will be one of the largest construction projects ever undertaken in the South Island.

The Scheme will utilise run-of-river water from both the Rakaia and Waimakariri Rivers. The Rivers will be linked with a 56km headrace canal running around the foothills and will channel via a piped gravity distribution system through 500km of reticulation. Water within the canal will be about 4m deep and 20–25m wide at the surface. Irrigable land above the canal can be watered via pumped systems.

Critical to Central Plains Water is its desire to protect Canterbury's water quality. If it cannot protect and enhance the water resource, then it has no future.

About the Canterbury Water Management Strategy

The CWMS is a collaborative and community-led process that has been set up to find the best uses for water within an environmentally sustainable framework.

About the Irrigation Acceleration Fund

The Government established the Irrigation Acceleration Fund in 2011 to support the development of regional-scale, rural water infrastructure proposals to investment-ready stage. To meet IAF criteria, projects must aim for environmentally sustainability and plan for best-practice water use.

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MEDIA CONTACTS:

For Ministry for Primary Industries: Jackie Bedford, ph 04 894 0654 or jackie.bedford@mpi.govt.nz

For Central Plains Water: John Durning, ph 03-355-4590 or 0274-373-286 john@durningpr.co.nz

For Environment Canterbury: Gerald Raymond, ph 03 345-9310 or 027 261-4827 Gerald.Raymond@ecan.govt.nz

For Selwyn District Council: Allanah Jarman, ph 03 347 2807 Allanah.Jarman@selwyn.govt.nz