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NEW PARTNERSHIP WILL DEVELOP RAKAIA NORTH BANK IRRIGATION SCHEME



Central Plains Water Limited (CPWL) and dairy company Synlait Limited (Synlait) have signed a preliminary agreement to build an irrigation scheme on the north bank of the Rakaia River.

CPW chairman Pat Morrison and Synlait CEO John Penno, jointly called the partnership a welcome step forward for agriculture in Central Canterbury.

“This is a positive way to relieve the groundwater resource in one of Environment Canterbury’s ‘red zones’ while also providing farmers with the prospect of reasonably priced water,” Pat Morrison said.

John Penno said the partnership with CPWL would be good for sustainable irrigation in the Central Plains.

“This is a step in the right direction for farming and the environment, with positive medium and long term consequences.

“Using the water that is available in the Rakaia to ease pressure on the aquifers and improve the profitability of agriculture in this area is the initial goal. Ultimately, it would be ideal for the whole region if we were able to make the proposed scheme part of a much larger infrastructure solution to more effectively manage Canterbury’s water resources,” he said.

Under the agreement with Synlait, CPWL intends to build a scheme to irrigate 4,000 hectares around Te Pirita, within the area between the Rakaia and Selwyn rivers, the Gorge and State Highway One.

By removing the legal impediments that have previously existed between the two companies, and incorporating the resource consents that Synlait has already been granted, it should be possible to build such a scheme within the next two years.

“We believe this partnership and the irrigation scheme we expect to grow from it, can be a significant step towards a much more comprehensive water management scheme for Central Canterbury, which has been the objective of CPW and our shareholders since the company was established,” Pat Morrison said.

Pat Morrison said costings and other detail on the proposed Rakaia North Bank irrigation scheme were still in preparation.

Under the agreement Synlait will purchase shares in CPWL and will transfer its consents to use water from the Rakaia River into a new 100 percent owned subsidiary company that CPWL will set up. The transfer will be to the extent necessary to establish the initial 4,000 hectare Rakaia North Bank irrigation scheme. Synlait’s other consents will be transferred to the Central Plains Water scheme for CPWL to allocate.

Ends

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