


**WAIRARAPA REGIONAL
IRRIGATION PROJECT**


**REPORT TO REGIONAL
STAKEHOLDERS**

MAY 2006




BACKGROUND

- ◆ Scheme designed to provide access to water to areas where it is impractical for individuals to achieve access
- ◆ Based on water harvesting, storage and distribution
- ◆ Goal of a minimum of 30,000 ha serviced



**WHY THIS IS IMPORTANT TO
LOCAL STAKEHOLDERS**


- ◆ Irrigation is proven to add 11% to GDP
 - ◆ MAF Study 2004
- ◆ In Wairarapa this equates to \$93 million
- ◆ A proportion of this will be spent in local economy
- ◆ Positive Economic Activity is a positive driver of social and cultural wellbeing



POTENTIAL IMPACTS


- ◆ A translation of South Canterbury effects to Wairarapa shows:

	Farm	Wairarapa	Wgtn Region
Output (\$m)	131	159	424
Employment (FTE's)	359	587	1,249
Value Added (\$m)	79	93	155




ACHIEVEMENTS TO DATE

- ◆ Two reports showing technical viability within Fresh Water Management Plan
- ◆ Theoretical affordability studies completed for various landuses
- ◆ Capital Structuring study completed
- ◆ Base level of interest among landowners generated
- ◆ Securing of commercial partner



THE PATH FORWARD

- ◆ Wairarapa Regional Irrigation Trust
- ◆ Relationship with Meridian Energy Limited
- ◆ Alternative Delivery Solutions



Wairarapa Regional Irrigation Trust

- ◆ Private sector leadership and endorsement
- ◆ Ability to “sell” benefits of irrigation as a management tool to farmers/land users to drive demand
- ◆ Gives project credibility due to status of Trustees
- ◆ Ability to seek funding
- ◆ About to be formed



WAIRARAPA REGIONAL IRRIGATION TRUST

- ◆ Whatever the scheme structure, it must be based on strong demand for irrigation water
- ◆ This demand generation is the key to making the plan a reality
- ◆ The Trust is driver of this demand via education and examples



RELATIONSHIP WITH MERIDIAN ENERGY

- ◆ Partnership agreement with Meridian Energy
- ◆ Gives us access to their expertise and capital
- ◆ We give them exclusive access to involvement in the project
- ◆ Their interest is on a purely commercial basis as owner of infrastructure and supplier of water



WORK UNDERTAKEN BY MEL

- ◆ Internal assessment of investment viability = positive return
- ◆ Commissioned HortResearch to completed study on productivity gains from secure water supply on 3 Wairarapa soils = up to 40% increase in production and reduction in variability by up to 23%
- ◆ Ready to undertake detailed flow monitoring at potential storage site



ALTERNATIVE DELIVERY SOLUTIONS

- ◆ New model is based on one large storage at top of valley and use of existing waterway
- ◆ Allows the servicing of whole region including existing irrigators
- ◆ New storage can be developed down valley as demand grows



ISSUES

- ◆ Support and resources for Trust
- ◆ Ownership of consent to take and store water
- ◆ Cost of consent process
- ◆ Central Government policies
 - ◆ RMA
 - ◆ Freshwater Plan of Action



CONCLUSIONS

- Key driver of scheme is demand for water
- Requires private sector to drive this
- Also requires information on costs & benefits
- There is “regional benefit” to justify continued public sector participation

