



MEDIA RELEASE

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Council, irrigators, and Crown formally agree to partnership

The partnership between Tasman District Council (TDC) and Waimea Irrigators Ltd (WIL) for the Waimea Community Dam project has taken a further step forward with the co-signing of a letter proposed to them by Crown Irrigation Investment Ltd (CIIL). The letter sets out agreement on the terms for capital raising, water supply and the obligations of each party.

The terms themselves are not legally binding, but the letter does obligate the parties to use reasonable endeavours to complete the remaining steps, including public consultation with Tasman residents, WIL successfully raising capital through the sale of shares, securing the necessary land, an agreed pre-construction cost allocation, and finalising a successful tender for construction of the dam - milestones that are already scheduled to take place in the coming months.

Council Chief Executive Lindsay McKenzie says the Council authorised him to co-sign the letter at its 7 September meeting, which was an indication of their support for the progress the project partners have made.

“All parties have been working hard to reach the agreement we now have in place and I’m very pleased with our progress,” Mr McKenzie says. “Each of us now has a job to do.

“The key issue for Council is to talk to our ratepayers about what we’re trying to achieve. Next month’s consultation will be focused on the proposal to create a council-controlled organisation between us and WIL and on the proposal to allocate costs to urban water users and ratepayers generally for the Council’s portion of the dam scheme. I am confident the proposal is sound and deliverable. Yet, I’ve learned from past consultation on this project that our ratepayers need certainty.

“With this agreement, we can give our ratepayers that certainty.”

The letter confirms CIIL will proceed with its involvement in the Waimea Community Dam project subject to the parties meeting key milestones. CIIL had made provisional commitment to provide a loan to WIL for up to \$25 million and an additional \$10 million interest-free loan to the Council recognising the environmental benefits from increased flows on the Waimea River.

WIL’s Strategic Advisor John Palmer says this project has many advantages for the community, including all parties agreeing to secure an important part of the Nelson Tasman region’s future by ensuring water will be available for the next 100 years.

“For more than a decade we have worked toward this scheme,” Mr Palmer says. “Now, we’ve made a very significant step with agreement between Council, irrigators, and central government on a funding model that is fair to all stakeholders. We all recognise our obligation to care for our rivers, and we can also see building the dam is currently the most significant economic development

project for our region. It has the potential to realise more than \$1 billion in GDP over the next 25 years. That's \$40 million per year, a huge opportunity.

"WIL is grateful for the work TDC has undertaken. Their actions are an example of smart, collaborative local government leadership."

Mr Palmer says irrigators have taken up the challenge to take responsibility for nearly half of the dam's construction costs.

"Business owners on the Waimea Plains know a secure source of water means they can be successful, contribute to regional GDP, grow the regional economy, and provide new jobs.

"We've got a job to do and I expect to reach our goal to raise \$15 million."

Mr McKenzie says the three parties will work closely in the coming months. "We all recognise that we can keep the Waimea River healthy and, through nature's infrastructure, also provide a secure, long-term supply of water within the Plains to meet the demands of urban growth."

Tasman District Council will open public consultation on 21 October to seek feedback on the funding and governance models. Waimea Irrigators Ltd will release their product disclosure statement to potential shareholders in November.

ENDS

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