

**REPORT TO PARLIAMENT**

Report No 2

**Introduction**

The sale of the community irrigation schemes previously funded and owned by the Crown is proceeding under the provisions of the Irrigation Schemes Act 1990. The Act is administered by the Minister of Agriculture.

The Act authorises the Ministers of Agriculture and Finance, acting jointly on behalf of the Crown, to sell or otherwise dispose of any irrigation scheme owned by the Crown. The Act sets out procedures for the transfer of assets and disposal of the schemes.

**Requirements of the Act**

Section 3(2) requires the Minister of Agriculture, as soon as practicable after a sale has been agreed, to publish in the Gazette and lay before the House of Representatives a statement containing such details relating to that agreement as the Minister considers appropriate.

This statement covers the sale of 14 irrigation schemes to 13 Irrigation Companies. It is the second of several statements that will report the sale of the irrigation assets. The last report will summarise the costs of the sales to the Crown and the revenue received.

**Source of Financial Information**

The source of the financial information is given on below. This information must be read with the statement on each scheme.

JOHN FALLOON, Minister of Agriculture.

Dated: 14 October 1992.

**ARROW RIVER****1. Description**

The scheme was purpose built for irrigation over 4 years from 1926 to 1930. It draws up to 1.75 cumec from the Arrow River at a concrete weir intake in the Arrow Gorge. Rivetted 0.8m diameter steel pipes carry the water 5.4 km down the gorge to the Arrow flats. The irrigation area is rolling country, much dissected by glaciation, and is served by a race system now reduced to 61 km including 6 km of steel pipe syphons.

Originally 1200 hectares and 60 properties were irrigated but this area reduced during the 1970's to about 900 hectares due to disinterest in irrigation and major failures of some of the distribution races. While many of the smaller structures are functional, the future of the scheme will depend on the maintenance of the old gorge pipeline and the risk of slip damage.

The assets sold include 2 houses.

**2. Previous Gazette References**

8 March 1926, *NZ Gazette* No 15, page 655

**3. Purchaser**

Arrow Irrigation Company Ltd

<b>4. Effective Date</b>	4.8.89
<b>5. Date of Purchase</b>	10.7.90
<b>6. Date of Financial Settlement</b>	7.6.92

**Amount of Settlement (\$)**

<b>7. Purchase price paid for the assets</b>	0
<b>8. Water rates revenue refunded</b>	56,313
<b>9. Other payments by the Crown</b>	250,000
<b>10. Net Settlement by Crown</b>	286,122
<b>11. Debtors transferred to Purchaser (\$)</b>	2,394

**Assets & Liabilities of the Crown before Settlement (\$)**

<b>12. Historic Capital Cost</b>	317,079
<b>13. Accumulated Liabilities</b>	2,154,721
<b>14. Liabilities Retained by the Crown</b>	None

**BANNOCKBURN****1. Description**

Water for this small scheme is drawn from tributaries of the Nevis River and carried in a high level race over the Carrick Range to irrigate pockets of land south of Bannockburn. The race was constructed during the 1880s for gold mining and now irrigates an area of 330 hectares.

The Carrick Race is 27 km long and passes through 2 tunnels. The race fell into disrepair. In 1922 a group of farmers formed the Bannockburn Water Board and borrowed finance from the Vincent County Council to restore the race. The Water Board maintained the race from annual charges for water.

Successive attempts to involve the Government were declined until the Crown took over the scheme and the mining rights from the Council in 1957. The Government then paid for repairs and recovered the cost from annual rates.

**2. Previous Gazette References**

None

**3. Purchaser**

Carrick Irrigation Co Ltd

<b>4. Effective Date</b>	12.8.89
<b>5. Date of Purchase</b>	10.7.90
<b>6. Date of Financial Settlement</b>	22.10.91

**Amount of Settlement (\$)**

<b>7. Purchase price paid for the assets</b>	0
<b>8. Water rates revenue refunded</b>	2,347
<b>9. Other payments by the Crown</b>	36,000
<b>10. Net Settlement by Crown</b>	38,347
<b>11. Debtors transferred to Purchaser (\$)</b>	0

**Assets & Liabilities of the Crown before Settlement (\$)**

<b>12. Historic Capital Cost</b>	12,482
<b>13. Accumulated Liabilities</b>	3,764
<b>14. Liabilities Retained by the Crown</b>	None

**LEVELS PLAIN****1. Description**

Levels Plain Scheme was built in the 1930s to provide employment near Timaru. Construction of the Scheme was completed in 1937 to serve 4850 hectares. On-farm development was very slow and by 1954 only 6% of the area was border dyked. Apathy and wide seasonal variations in use were the main problems. Initially water was sold on demand and it was not until 1949 that water contracts were introduced.

A proposal to renew the scheme was supported by the landowners and approved by Government in 1986. The