



New Zealand Gazette

OF THURSDAY, 1 AUGUST 1996

WELLINGTON: FRIDAY, 2 AUGUST 1996 — ISSUE NO. 79

SALE OF CROWN-FUNDED IRRIGATION SCHEMES

Report to Parliament

December 1995

REPORT TO PARLIAMENT

Report No 4

Introduction

The 51 community irrigation schemes constructed by the Crown have all been sold except the Beggs Scheme in Central Otago which is managed under contract to the Crown by the irrigators.

The sales were authorised by the Irrigation Schemes Act 1990. The Act authorised the Ministers of Agriculture and Finance, acting jointly, to sell any irrigation scheme owned by the Crown. The Act sets out procedures for the transfer of assets and registration of easements or notices in place of statutory rights. The Act continued the benefit of statutory rights for the purchasers until 3 July 1995.

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 the agreement as the Minister considers appropriate.

This statement covers the sale of 8 irrigation schemes to 7 Irrigation Companies. It is the fourth statement on the sale of the irrigation assets. The fifth and final report will cover the remaining schemes and summarise the costs of the sales to the Crown and revenue received.

Source of Financial Information

The source of financial information appended to this notice must be read with the statement on each scheme.

JOHN FALLOON, Minister of Agriculture.

Dated: 14 November 1995.

BLACKSTONE**1. Description** (see Glossary)

The Blackstone Irrigation Scheme lies in the eastern side of the Upper Manuherikia Valley and consists of a race 10 km long from an intake on the Manuherikia River. Four mining privileges are involved, the earliest dating back to 1881, the latest to 1925. Water to the scheme has been supplemented during low summer flows since 1935 when the Falls Dam in the upper Manuherikia Valley was completed.

The Falls Dam was purchased by the Omakau Irrigation Company from the Crown. The Falls Dam Company has since been formed of the water users in the Blackstone, Omakau, Manuherikia and Galloway Irrigation Schemes.

The Blackstone irrigators have always operated and maintained their scheme and have paid the costs so there are no Crown accounts for the scheme. The irrigators also paid rates to the Omakau Scheme for use of the supply from Falls Dam (see Reference 7). Water supply agreements with the Blackstone farmers were first negotiated by the Crown in the mid 1980's when water charging processes were improved for the whole of Central Otago.

2. Previous Gazette References

None.

3. Purchaser

Blackstone Irrigation Company Limited.

4. Effective Date	NA
5. Date of Purchase	10.7.90
6. Date of Financial Statement	21.11.93

Amount of Settlement (\$)

7. Purchase price paid for the assets	1
8. Water rates revenue refunded	0
9. Other payments by the Crown	13,200
10. Net Settlement by Crown	15,104
11. Debtors transferred to Purchaser (\$)	0

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

12. Historic Capital Cost	-
13. Accumulated Liabilities	-
14. Liabilities Retained by the Crown	None

IDA VALLEY**1. Description**

Ida Valley is located approximately 25 km east of Alexandra, stretching in a north-easterly direction between the Raggedy Range and Rough Ridge. The Ida Valley scheme draws water from the Manorburn and Poolburn Creeks and their respective storage dams. Construction of the scheme began in 1912 using the remnants of former mining races. The Upper Manorburn Dam, which submerged the Greenland Dam, was completed in 1914. The dam supplies water to the Ida Valley and the Galloway Irrigation Schemes. Water for the latter is obtained from the Lower Manorburn Dam (see Reference 6). The Poolburn Dam was constructed as part of the Ida Valley Scheme during 1931 using labour available during the depression.

There are 160 kilometres of distribution races, including the races to the Manorburn and Poolburn weirs and the Bonanza Race. The area irrigated is 5,000 hectares in mostly pastoral use with some cropping for supplementary feed. Water is applied to the land using border dykes, "wild" flooding from contour races, as well as some spray systems. The scheme is reliant on long-term storage from the two reservoirs (Upper Manorburn and Poolburn) and water from the two creeks. Water rationing is often necessary. Supply commenced in 1917.

The scheme was funded under the 1910 amendment to the Public Works Act 1908. The Crown paid the full cost of the off-farm works.

The Ida Valley and Galloway (see Reference 6) Irrigation Schemes were managed as one accounting unit until they were sold separately. The historic capital and accumulated liabilities shown below therefore include the Galloway Scheme costs incurred over the life of the Scheme.

The assets sold include 5 racemen's houses and a depot.

2. Previous Gazette References

29 February 1912, *NZ Gazette* No 19, page 883
19 November 1925, *NZ Gazette* No 55, page 3024

3. Purchaser

Ida Valley Irrigation Company Ltd

4. Effective Date	2.10.89
5. Date of Purchase	2.11.90
6. Date of Financial Statement	1.6.94

Amount of Settlement (\$)	
7. Purchase price paid for the assets	1
8. Water rates revenue refunded	245,252
9. Other payments by the Crown	727,900
10. Net Settlement by Crown	801,780
11. Debtors transferred to Purchaser (\$)	0

Assets & Liabilities of the Crown before Settlement (\$)	
12. Historic Capital Cost	740,469
13. Accumulated Liabilities	4,440,664
14. Liabilities Retained by the Crown	

The Upper Manorburn and Lower Manorburn dams are a potential Crown liability if proposed dam safety legislation, which will have a materially adverse effect on the viability of the Scheme, is passed within 10 years from 2.11.90, the Date of Settlement. The owners have up to 18 months after that time to register a claim.

LAST CHANCE

1. Description

The Last Chance Irrigation Scheme is strung out along the west bank of the Clutha River below the Old Man Range, south of Alexandra. The scheme is based on many small historic water races and mining privileges acquired by the Crown prior to 1918. Shingle and Gorge Creeks to the south and Butchers and Conroys Creeks to the north are the main water sources.

The intakes are located in steep mountain gorges that are susceptible to storm damage. Many small races run across steep slopes and these are prone to damage also. Water is stored in Butchers and Conroys Dams which were completed in 1936 and 1935 respectively. The scheme initially irrigated 983 hectares of orchards and supplied water from the Butchers Dam to the Alexandra Borough until the 1970's, but in later years most of the water has been used for pasture irrigation. Some orchards and vineyards use stored water for frost-fighting. Water application is mainly contour and wild flooding with some spray systems.

The scheme was funded under the 1910 amendment to the Public Works Act 1908. The Crown paid the full cost of the off-farm works and there was no support for on-farm works.

The assets sold include 2 racemens houses.

2. Previous Gazette References

24 January 1923, NZ Gazette, No. 7, p.266

3. Purchaser

Last Chance Irrigation Company Ltd

4. Effective Date	12.8.89
5. Date of Purchase	10.7.90
6. Date of Financial Statement	30.3.94

Amount of Settlement (\$)	
7. Purchase price paid for the assets	0
8. Water rates revenue refunded	61,251
9. Other payments by the Crown	591,053
10. Net Settlement by Crown	606,607
11. Debtors transferred to Purchaser (\$)	3,806

Assets & Liabilities of the Crown before Settlement (\$)	
12. Historic Capital Cost	248,751

13. Accumulated Liabilities	1,821,655
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14. Liabilities Retained by the Crown

The purchaser has the right to seek a review of its liabilities for the Butchers and Conroys Dams if dam safety legislation, which will have a materially adverse effect on the viability of the scheme, is passed within 10 years from 10.7.90, the Date of Purchase.

MORVEN-GLENNAVY-IKAWAI

1. Description

The assets of the Morven-Glenavy and the Redcliffs Schemes were combined for the sale.

Redcliffs The Scheme draws water from the Waitaki River at Blackpoint. The 30 km of water races supply 1,700 ha in a narrow strip of land alongside the Waitaki River known as Ikawai. The Scheme was constructed under the Finance Act 1936 which enabled access to private land for construction of public works for employment after the depression. Water supply commenced in 1937.

Morven-Glenavy The Scheme is supplied from an intake on the north bank of the Waitaki River downstream of the Redcliffs intake. Water for the area is diverted through an intake into ponds. These provide for settlement of silt from the River and storage of water during fluctuations of river levels due to operation of the Waitaki Power Scheme. Water is reticulated throughout the scheme in open races. The scheme also supplies additional water to farmers at the tail end of the Redcliffs Scheme which released water for irrigation of other properties within the scheme area.

The area irrigated is 12,283 hectares mainly in pastoral farming and some cropping. In the early years, sheep farming predominated but many of these have converted to dairy and some deer farming. Irrigation is by border strip and some spray. Water supply commenced in 1974.

The Morven Glenavy Scheme was constructed under the 1960 amendment to the Public Works Act 1928 with a 100% grant for off-farm works. The policy provided for annual water charges to include interest on one-quarter of the capital.

The assets sold include 1 raceman's house, a depot and ancillary buildings.

2. Previous Gazette References

Redcliffs Not gazetted
Morven-Glenavy 7 May 1970 NZ Gazette, No.27, p.793 and 795

3. Purchasers

Morven Glenavy Ikawai Irrigation Company Limited

4. Effective Date	15.89
5. Date of Purchase	3.7.90
6. Date of Financial Statement	30.6.94

Amount of Settlement (\$)	
7. Purchase price paid for the assets	550,000
8. Water rates revenue refunded	324,362
9. Other payments by the Crown	7,800
10. Net Settlement by Purchaser	255,892
11. Debtors transferred to Purchaser (\$)	8,889

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

12. Historic Capital Cost	4,221,165
13. Accumulated Liabilities	1,560,318
14. Liabilities Retained by the Crown	

Claims for compensation that were notified to the Crown before 1 May 1989.

PUKERIMU**1. Description**

The Pukerimu Irrigation Scheme shares the same intake as the Waipa Rural Water Supply Scheme which were constructed at the same time. Water is pumped from the Waikato River into a pressurised pipe reticulation system. The water is chlorinated and filtered. The irrigation scheme was constructed anticipating 433 ha of horticultural development but only a dairy farm and a market garden used water for irrigation. The supply is used mainly for a sand washing plant and 30 or so rural-residential blocks. Up to the time of sale, over 90% of the water from the intake was used by the rural water supply scheme for domestic supply. The low use of water by the irrigation system made operations inefficient.

The original scheme was designed for trickle and micro-spray water supply systems for horticulture and travelling irrigators for pasture. Supply commenced in September 1986. Funding was provided in terms of the 1983 amendment to the Public Works Act 1981, which allowed for a 70% grant for off-farm works. There was no funding for development of water supply systems on orchards (unlike the Kerikeri and the Tablelands Irrigation Schemes). The rural water supply scheme received a 50% subsidy.

The Pukerimu Irrigation Scheme was purchased by the Pukerimu Water Company comprising, in equal shares, the shareholders of the Pukerimu Irrigation Society and a trading enterprise under the Waipa District Council. Shortly afterwards the assets were taken over by the Council and combined with the Council's domestic reticulation systems to Cambridge and other rural towns.

2. Previous Gazette References

1 August 1985 NZ Gazette, No.142, p.3250

3. Purchaser

Pukerimu Water Company

4. Effective Date	1.9.89
5. Date of Purchase	1.3.93
6. Date of Financial Statement	16.5.94

Amount of Settlement (\$)

7. Purchase price paid for the assets	1
8. Water rates revenue refunded	0
9. Other payments by the Crown	60,000
10. Net Settlement by Purchaser	37,400
11. Debtors transferred to Purchaser (\$)	0

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

12. Historic Capital Cost	2,565,180
13. Accumulated Liabilities	375,617
14. Liabilities Retained by the Crown	None

RIPPONVALE**1. Description**

The Ripponvale scheme originally drew water from the Kawarau River to irrigate 366 hectares in horticulture and pasture. Pumps lifted water from the river to a headrace for gravity distribution in races throughout the irrigated area. A secondary pump lifted a small quantity of water from the headrace to a higher area for horticulture. The system supplied on-farm storage for trickle/overhead and frost-fighting applications. Supply commenced in 1957. The intake in the Kawarau River suffered from siltation problems which caused a constant and costly wear of the pumps.

The creation of Lake Dunstan through the construction of the Clyde dam forced the relocation of the intake and pump station. Silt is still a problem at the intake as it has to be removed regularly to keep the intake clear for the pumps to operate.

The original scheme was constructed under the Public Works Act 1928 and fully funded by the Crown. Full operating and maintenance costs were not recovered and electricity was supplied without charge under the Fraser Power Agreement with the Central Otago Electric Board. The Crown's previous interest in the power agreement is now shared by the Earnscleugh, Ripponvale, Pisa, and Galloway Irrigation Companies.

Construction of the new intake and pump station was carried out by the Crown as a charge to the Clyde Dam before the irrigation assets were transferred to the Irrigation Company.

2. Previous Gazette References

17 November 1955 NZ Gazette, No.70, p.1761

28 November 1957 NZ Gazette, No.89, p.2211

3. Purchaser

Ripponvale Irrigation Company Ltd

4. Effective Date	1.9.89
5. Date of Purchase	26.10.90
6. Date of Financial Statement	15.6.94

Amount of Settlement (\$)

7. Purchase price paid for the assets	0
8. Water rates revenue refunded	30,116
9. Other payments by the Crown	157,088
10. Net Settlement by Purchaser	158,804
11. Debtors transferred to Purchaser (\$)	82

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

12. Historic Capital Cost	987,208
13. Accumulated Liabilities	804,801
14. Liabilities Retained by the Crown	None

TEKAUWHATA**1. Description**

The Te Kauwhata Irrigation Scheme pumps water from the Waikato River to a head tank which provides a gravity supply to orchards. The water is chlorinated and filtered to 150 microns. The scheme was designed for trickle and mini or micro spray systems for horticultural development of 651 hectares but development faltered due to falling kiwifruit prices in the mid 1980's, the withdrawal of

interest in the area for vineyards, and soil and aspect limitations. Several landowners who initially contracted to receive a supply for horticultural development later sought legal avenues to have their irrigable assessment significantly reduced. The irrigated area is now about 220 hectares.

The intake for the irrigation scheme also serves the Whangamarino Rural Water Supply

Scheme which was constructed by the Waikato District Council. Funding of the irrigation scheme was in terms of the 1983 amendment to the Public Works Act 1981 which provided a 70% grant for the works. There was no funding for construction of water supply systems on the properties. The rural water scheme received a 50% subsidy. Water supply to the irrigation and rural water supply schemes commenced in September 1985. Supply has extended to the Meremere township after the sale.

The two schemes are now managed jointly under a water board appointed by the Council, the irrigation association, and representatives of the Meremere and Te Kauwhata townships and rural ratepayers.

2. Previous Gazette References

3 May 1984 NZ Gazette, No.70, p.1432.

3. Purchaser

Te Kauwhata Irrigation Association Inc.

4. Effective Date	1.10.89
5. Date of Purchase	10.7.90
6. Date of Financial Statement	25.2.93

Amount of Settlement (\$)

7. Purchase price paid for the assets	7,000
8. Water rates revenue refunded	0
9. Other payments by the Crown	8,000
10. Net Settlement by Purchaser	8,232
11. Debtors transferred to Purchaser (\$)	0

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

12. Historic Capital Cost	1,007,532
13. Accumulated Liabilities	287,312
14. Liabilities Retained by the Crown	None

SOURCE OF FINANCIAL INFORMATION

The financial information in this report has been prepared by the Ministry of Agriculture and Fisheries from the best historical information available to the Ministry when it took over responsibility for Community Irrigation Schemes owned by the Crown on 1 April 1988. The approach taken by MAF was determined and assessed by Touche Ross, Accountants, and found to be valid. The Audit Office reviewed the accounts prepared by MAF for presentation and reasonableness of the accounting treatment.

Accounting by the Crown

The Crown's irrigation assets and liabilities were not recorded in the Crown Accounts during the management of the assets by the Ministry of Works and Development prior to 1 April 1988. After the assets were transferred to MAF on 1 April 1988, expenditure from that date was recorded in the accounts of MAF Technology until 30 June 1990. From 1 July 1990, all expenditure on the operation and maintenance of the schemes, and the costs and revenue from their sales have been recorded in the Crown accounts.

The full balance sheets for the Crown Accounts were established on 1 July 1991. The values of the assets and liabilities were based on the estimated amounts due to be received by and paid by the Crown after 1 July 1991 under the terms of the Sale and Purchase Agreements.

Settlement Payments to or by the Purchasers

The financial settlements with the Purchasers were carried out by MAF. The final outcomes of the settlements were reviewed by Deloitte Ross Tohmatsu. The sources of the information were not audited, nor were they reviewed in terms of the New Zealand Society of Accountants Statement of Review Engagement Standards. The financial information has, however, been accepted by the Irrigation Companies concerned as full and final settlement of their Agreements for purchase of the assets.

Prior to making payment, the settlements were referred to Treasury to confirm that they reflected the intentions of the Sale and Purchase Agreements.

GST Liability

These financial statements do not include GST although the settlement payments by the Crown covered the Purchasers liability for GST. The Purchasers paid GST on work carried out by the Crown after the effective date, but were not required to pay GST on the price paid for the assets.

List of Crown-funded Irrigation Schemes Sold

Purchased as	Crown Scheme	
Amuri Plains	Waiau Plains, Waiareka Downs, Balmoral	3
Arrow	Arrow River	1
Ashburton-Lyndhurst	Ashburton-Lyndhurst	1
Bannockburn	Bannockburn	1
Beggs	part of Ardgour	1
Blackstone	part of Omakau	1
Burn Cottage	Burn Cottage	1
Earnsclough	Earnsclough/Blackmans	1
Eiffelton	Eiffelton	1
Galloway	Galloway	1
Glenbrook	Glenbrook	1
Glenmark	Glenmark	1
Greenstreet	Greenstreet	1
Hawea	Hawea Flat	1
Hawkdun Idaburn	Hawkdun and Idaburn	2
Ida Valley	Ida Valley	1
Kerikeri	Kerikeri, Puketotara, and Kapiro Pungaere	3
Last Chance	Last Chance	1
Levels Plain	Levels Plain	1
Loburn	Loburn	1
Lower Waitaki	Lower Waitaki	1
Luggate Creek	(mining rights previously leased)	0
Maerewhenua	Maerewhenua Settlement	1
Maniototo	Maniototo	1
Manuherikia	Manuherikia	1
Maungatapere	Maungatapere	1
Mayfield-Hinds	Mayfield-Hinds	1
Morven Glenavy Ikawai	Morven Glenavy and Redcliffs	2
Omakau	Omakau	1
Pisa	Pisa	1
Pukerimu	Pukerimu	1
Rangitata Diversion Race	Rangitata Diversion Race	1
Ripponvale	Ripponvale	1
Tablelands	Tablelands	1

Tarras-Ardgour	Ardgour and Tarras	2
Te Kauwhata	Te Kauwhata	1
Tebbutts Road	Tebbutts Road	1
Teviot	Teviot	1
Upper Waitaki	Upper Waitaki and Upper Waitaki Extension	2
Valetta	Valetta Farm Settlement	1
Waiaua	Waiaua	1
Waimea East	Waimea East	1
Wolds	Wolds	1

42 Schemes sold	Total number of irrigation schemes constructed	50
1 Scheme not yet sold (Beggs)		

VALUING THE IRRIGATION SCHEMES

A valuation model was developed jointly by the Ministry of Agriculture and Fisheries and the Treasury. This model formed the basis for the Crown's negotiation with irrigators. In effect, values determined by using this model became upper bounds on the sale process.

The model first calculated the price that the irrigators could pay for water, based on the production differential between dry land and irrigated land. The expected operating and maintenance costs were then added into the model and pre-tax and post-tax cash flows were calculated. The post-tax cash flow was discounted at a 7.5% real, post-tax rate of return (approximately equivalent to 11% pre-tax) to produce an economic value for the scheme. The discount rate was based on expected rates of return for other rural investments.

The above value was then adjusted downwards in recognition that as a normal commercial product, water can be used as an input for a wide range of products on farm. Therefore, it cannot be sold to individuals at different prices reflecting different land uses. As the predominant land use was for pastoral irrigation for sheep farming, the valuation was recalculated assuming that the gross margins for sheep applied to the total area currently irrigated. In essence, the value calculated was the marginal value for sheep farming.

The values calculated by the model were dependent on a number of key assumptions. The most important of these is that all past costs incurred by both the Crown and irrigators were sunk, that a uniform water charge is applied across all the users of each scheme, and that the charge must be affordable to a substantial majority of those users.

It was also recognised that a scheme's value derives from past investment by both the Crown and the irrigators. The Crown in the form of capital costs and accumulated liabilities; the irrigators in the form of on-farm development costs and, in some cases, a share of the off-farm costs. It was also recognised that the two sets of investments are equivalent to shares in a partnership, with one partner having the opportunity to buy out the other.

A number of other factors could not be included in the valuation model but nonetheless played a role in determining sale prices. Through the negotiation process, these factors, for example the level of risk and historical debt, generally acted to reduce the estimated value of the schemes.

The sale process was also constrained by the absence of competitive bidders because the Government directed that schemes would be offered first to irrigators. While this undoubtedly had the effect of reducing sale prices, it also minimised monopoly and regulatory

questions that would have arisen if schemes had been sold to a party other than the irrigators. The offers that were finally accepted from irrigators were below the Treasury's estimate of the irrigators' share of the commercial value of the scheme derived by the above valuation process. It is believed that for many of the schemes there would have been few, if any, alternative buyers.

GLOSSARY

1. Description

This section describes the main features of the assets sold by the Crown that relate to the sale and purchase agreement. Two or more adjacent irrigation schemes constructed by the Crown as separate legal entities may have been combined for the purposes of sale.

2. Previous Gazette references

These are the Order or Orders in Council defining the Irrigation District(s) for the scheme(s) constructed by the Crown. These Orders were automatically revoked under the provisions of the Irrigation Schemes Act 1990 when the ownership of the assets transferred to the Purchaser.

3. Purchaser

The legal entity that purchased the assets. They are all irrigators.

4. Effective Date

The date from which the Purchaser accepted financial responsibility for the scheme.

5. Date of Purchase

The date on which the sale and purchase agreement for each sale became unconditional.

6. Date of Financial Settlement

The date on which the Purchaser legally became the owner of the assets. This date was agreed between the parties after the net settlement was finalised.

7. Purchase Price Paid for the Assets

The negotiated price for the assets.

8. Water Rates Revenue Refunded

Revenue collected by the Ministry of Agriculture and Fisheries for water supplied during the irrigation season or seasons prior to the effective date and paid to the Purchaser. If the Crown continued to operate the scheme after the effective date, the operating costs were deducted from the revenue due to be refunded to the Purchaser. This revenue was not included in the assets valued for sale.

The revenue was returned because of the cash flow effects of changing from a system of charging in arrears to current invoicing. In the past, irrigators were invoiced annually after the end of the irrigation season. This meant that in a year the irrigators took over responsibility for the scheme, water rates paid to the Crown for operating the scheme during the previous irrigation season occurred at the same time as the irrigators commenced payments for current operations under their own company structure.

9. Other Payments by the Crown

These are grants to complete the initial construction of new schemes or to cover the liabilities of completed schemes such as compensation for cancellation of water supply agreements,

completion of dam investigations, provision of new works to improve or extend the water supply, refurbishment of water races.

10. Net Settlement

The amount of settlement had regard to the purchase price, water rates revenue refunded less any work done by the Crown for the Purchaser after the effective date, payments by the Crown and penalty interest.

Financial settlement was concluded with a payment by either the Purchaser or the Crown. Late payments attracted penalty interest where there was an agreement to do so.

11. Debtors Transferred to the Purchaser

Revenue not collected by the Crown for water supplied during irrigation seasons prior to the effective date. The debtors ledger was transferred to the purchaser with the right to collect the debts.

12. Historic Capital Costs

These are the costs incurred by the Crown on the construction of the irrigation scheme and are reported in the dollars of the day. These costs include refurbishment of the old Central Otago schemes. The historic costs also include on-farm development for schemes approved between 1975 and 1983 plus any amounts unpaid by participating farmers for their 50% share of the cost.

Historic costs, in the main, represent the cost of the off-farm works prior to the commencement of the water supply as given in the description for each scheme.

13 Accumulated Liabilities

These comprise both operating losses and non-operating losses over the life of the scheme up to the effective date. The sums shown are in dollars of the day.

Operating losses are those day to day costs incurred in the operating and maintenance of the scheme. They include unpaid water rates levied on the users for payment of those activities.

Non-operating losses are those costs arising from the accumulation of capital charges. These apply only to schemes constructed after 1975 where the users were required to pay a portion of the capital spent on the construction of the scheme as a loan. The non-operating losses also include interest on a portion of the capital

spent by the Crown and applies to all schemes but in different portions. Penalties on water rates are also included under this heading.

14. Liabilities Retained by the Crown

The Crown retained liabilities where the cost is uncertain and likely to be significant

These largely relate to unsettled compensation claims arising from scheme construction and possible liabilities pertaining to the irrigation dams.

REFERENCES

1. *Corporate Structure for Private Ownership of Community Irrigation Schemes in New Zealand*, Touche Ross, September 1988
2. *New Zealand Community Irrigation Schemes Historical Accounts up to the Completion of the 1987/88 Irrigation Season*; 2 volumes, Ministry of Agriculture, December 1989
3. *Irrigation Schemes Annual Accounts for the 1988/89, 1989/90, 1990/91 and 1991/92 Irrigation Seasons*, 4 volumes, Ministry of Agriculture
4. *The Process for Disposal of Crown-funded Irrigation Schemes*, Audit Office, July 1991
5. *Crown Irrigation Schemes Disposal Accountants Statement*, Volumes 1 and 2, Ministry of Agriculture and Deloitte Ross Tohmatsu, October 1991 and August 1992
6. *Sale of Crown-funded Irrigation Schemes*, Report to Parliament, March 1992
7. *Sale of Crown-funded Irrigation Schemes*, Report to Parliament, November 1992
8. *Sale of Crown-funded Irrigation Schemes*, Report to Parliament, July 1994

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