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PRATT, ANZ LINK TO PROVIDE WATER SAVING LOANS

Visy Industries' Chairman Richard Pratt and ANZ Chief Executive Officer John McFarlane today announced a business alliance to significantly increase lending for water saving irrigation systems.

The alliance will result in additional funds and advice being made available to encourage more Australian irrigators to convert to the most efficient irrigation practices.

Under a heads of agreement signed between Pratt Water and ANZ's asset finance business Esanda, Mr Pratt's Visy group would allocate up to \$100 million (\$10 million a year for 10 years) to assist in the provision of a total funding package for irrigators seeking to convert to water saving drip and sprinkler irrigation.

The availability of the Pratt financial support would enable ANZ to provide additional lending for irrigation loans to the rural sector at competitive interest rates. The product will be linked to the provision of independent on-farm water savings consulting services and advice on the most appropriate water savings technologies for each farm.

A joint committee will be formed to develop the new lending product with the aim of trialling it with irrigators in the Murrumbidgee Valley over the next four months. If the product proves successful, it will be rolled out nationally in the second half of this year.

Mr Pratt said the \$100 million in financial support follows his pledge to personally contribute to water efficiencies to help secure Australia's future.

"The work being carried out by the Pratt Water Group in the Murrumbidgee Valley has confirmed that one of the greatest opportunities for water efficiency gains is conversion to on-farm high technology irrigation. These funds should make it easier for more irrigators to switch," Mr Pratt said.

He said while he continued to believe that the Federal and State Governments must make massive investments in water infrastructure to ensure the long-term sustainability of the Australian economy and the health of our rivers, the lending

initiative was a way of making a significant impact on water savings in a comparatively short space of time.

"I have long believed that many Australian farmers know the benefits of switching to high technology irrigation which can result in water savings of 50% and more. But often they lack the funds or the confidence to proceed. If we can work with a major bank like ANZ to enhance the credit status of farmers wanting to make the switch we can achieve real water savings."

He said while ownership of water savings resulting from the ANZ / Pratt initiative would remain with the farmer, the product provided a potential model for the Federal Government to help produce water savings for the environment.

"If this model proves successful the Federal Government should consider providing funds for farmers to make on-farm water savings with the saved water going back to our rivers," Mr Pratt said.

ANZ Chief Executive Officer Mr John McFarlane said: "Embedding environmental and social considerations into our products and services is an important part of creating a more sustainable business.

"Our innovative partnership with Richard Pratt's Visy Group to promote the use of water saving irrigation systems is a demonstration of how business can make a practical contribution to important national issues such as water conservation," Mr McFarlane said.

Information packs will be made available closer to the program trial launch, and education forums held to encourage take up by irrigators.

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