

**IN THE MATTER OF**

the Resource Management Act  
1991

**AND**

**IN THE MATTER OF**

applications by Central Plains Water  
Trust to:

Canterbury Regional Council for  
resource consents to take and use  
water from the Waimakariri and  
Rakaia Rivers and for all associated  
consents required for the  
construction and operation of the  
Central Plains Water Enhancement  
Scheme

Selwyn District Council for resource  
consents to construct and operate  
the Central Plains Water  
Enhancement Scheme

**AND**

**IN THE MATTER OF**

a notice of requirement by Central  
Plains Water Limited to:

Selwyn District Council for the  
designation of land for works  
associated with the construction and  
operation of the Central Plains  
Water Enhancement Scheme

---

**BRIEF OF EVIDENCE OF DOUGLAS GEORGE MARSH**

---

**BUDDLE FINDLAY**  
Barristers and Solicitors  
Christchurch

Solicitor Acting: **Rachel Dunningham**  
Counsel: **Dr E D Wylie Q C**  
Tel 64-3-379 1747 Fax 64-3-379 5659 PO Box 322 DX WP20307 Christchurch

## **Qualifications and experience**

1. My full name is Douglas George Marsh. I reside in Christchurch and I am a Company Director.
2. I am involved with the proposal to implement the Central Plains Water Enhancement Scheme (“the Scheme”), both as a trustee of the Central Plains Water Trust, and as a director of Central Plains Water Limited.
3. My evidence focuses on the reasons for the establishment of the Central Plains Water Trust (“the Trust”), and the vision the Trust and its predecessors have for Canterbury and for the opportunities which the Scheme can open up for the region. I also discuss the function the Trust will play in overseeing the use of the resource consents by Central Plains Water Limited (“the Company”), or any successor to that entity, for the benefit of the wider community of Christchurch and mid-Canterbury.

## **My background**

4. I am a Christchurch based professional director and advisor to businesses. I am also the Honorary Consul for the Republic of Korea. My governance roles are diverse and have encompassed heavy engineering, forestry, electricity, agriculture, horticulture, manufacturing, information technology, civil engineering and management and governance education. I am a Life Fellow of the New Zealand Institute of Management and Fellow of the New Zealand Institute of Directors. I am a past president of the Canterbury Employers Chamber of Commerce and was the inaugural president of Business New Zealand.

## **Involvement with the Scheme**

5. My involvement with the Central Plains Water project began in 2000 when I was appointed chair of the Central Plains Water Enhancement Steering Committee, which was a joint committee of the Selwyn District Council and Christchurch City Council established in March 2000.

## **Councils’ Vision**

6. The Councils’ vision for the Christchurch and Selwyn future comprised two dimensions. Firstly, environmental sustainability, by protecting and enhancing the environment and secondly, pursuing transformational change, by leveraging Canterbury’s natural attributes comprising the flat central plains

of Canterbury, climate and water to achieve significant economic growth for the region.

7. The Central Plains Water Enhancement Steering Committee, was charged with investigating ways to improve the security and prosperity of Canterbury through water enhancement schemes that could enhance ecological, recreational values and cultural values (mahinga kai and mauri) while providing opportunity for agricultural and horticultural diversity.
8. An independently conducted social and economic impact assessment carried out for the Steering Committee, published in September 2000, concluded a large water enhancement scheme could be the catalyst for future regional economic growth in Canterbury.
9. Pre feasibility and feasibility studies undertaken by the Central Plains Water Enhancement Steering Committee included extensive consultation culminating in February 2002 with a report to the two Councils. This report concluded that the technical feasibility, affordability and consentability of the scheme to provide water to irrigate 84,000 hectares between the Rakaia and Waimakariri Rivers had been established to a level of confidence that justified taking further steps. The concept proposed had potential to deliver significant and sustainable environmental benefits as well as the social and economic benefits identified in the earlier report. These benefits include protection of the quality and quantity of Canterbury's aquifers and enhancement of the lowland spring fed streams that derive from these groundwater sources.
10. The Christchurch City and Selwyn District Councils accepted the findings of the feasibility report and provided funding for the project to continue. The funding from Christchurch City Council was through Canterbury Economic Development Fund, following an application made by Central Plains Water to that fund.
11. In November 2002 on the recommendation of the Steering Committee Christchurch City and the Selwyn District Council decided that the most appropriate way forward for the project was through a trust. The formation of the Central Plains Water Trust was to enable consents to take and use water to be retained in public ownership, while at the same time, providing the ability to raise the funding required to complete preparation for a scheme independent of Council involvement and rate payer risk.

12. This understanding is recorded in a Memorandum of Understanding dated 4 April 2003 between the two Councils. That Memorandum recorded the role and structure of the proposed water trust, the competencies which the Trustees were expected to hold and the expectations of the two Councils of the role of the trust, and the outcomes for their respective districts.

### **The Trust**

13. On 15 April 2003 the two Councils (as settlors) established the Central Plains Water Trust, and a Trust Deed was duly executed, to facilitate the implementation of the Central Plains Water Enhancement Scheme and to hold the resource consents required for the Scheme. **Attached** to my evidence is a true copy of the Trust Deed of 15 April 2003.

### **Trust's Objects.**

14. The Settlers of the Trust declared that the Trust was being established for charitable purposes for the benefit of the present and future inhabitants of the Regions (i.e. Selwyn and Christchurch City), and that the Trust Fund was to be applied and used exclusively by the Trustees for the following general purposes (the objects), namely:
  - (a) to encourage, support and facilitate sustainable development of the water resources of the Regions for the benefit of the inhabitants;
  - (b) to provide and facilitate opportunities for agriculture and horticulture diversity in the Regions;
  - (c) to provide and facilitate education to the inhabitants of the regions in relation to water issues affecting the Regions;
  - (d) to appropriately balance enhancement of economic benefits for the Regions with the enhancement of ecological, social and recreational values for the Regions.
15. The two Councils appointed 13 trustees; two of these appointments were made on the recommendation of the Parliamentary Commissioner for the Environment, and two on the recommendation of Te Runanga O Ngai Tahu.
16. The Trust formed Central Plains Water Limited in 2003 to primarily assist the Trust carry out the concept refinement of the Scheme and to conduct the application for the resource consents in the name of the Trust.

17. A Memorandum of Agreement dated 5 November 2004 between the Trust and the Company set out the roles and intent of the parties, resource consent use provisions and remedies for breach and is discussed in more detail in the evidence of another trustee, Mr O'Rourke.
18. In summary the document defines the role of the Trust, namely that the Trust will own the resource consents but, in consideration of the Company's services in procuring the consents, the Trust will make the consents available on an exclusive basis subject to the terms of the Memorandum of Agreement.
19. As is explained in the Trust Deed, the primary focus of the Trust is to ensure that the relevant water resources are managed and developed in a sustainable way for the benefit of the Christchurch City and Selwyn Regions, and to ensure that in doing so, the enhancement of economic benefits is balanced against the enhancement of ecological, social, cultural and recreational values for the region.
20. In saying this I consider it is generally accepted that Canterbury faces an environmental crisis arising from the increased competition for the available water resource. Lowland streams are drying up, underground aquifers are falling and many are over-allocated and are now "red-zoned" by the Regional Council. Arguably, the way Canterbury has irrigated the Central Plains has been to allow a "Topsy-grown" model to develop with scant regard for ecological outcomes. Farmers are drilling down into depleted aquifers using scarce and increasingly expensive energy to pump water to the surface. Despite that, much of summer the Central Plains of Canterbury are drought affected.
21. Canterbury has some of best arable land in the world; some of the best soils; and a favourable climate and yet produces to a fraction of its potential. Canterbury's future economic growth is potentially being hindered because there is no more water available from ground sources.
22. This simply because of a supply/demand imbalance. Water is not available when needed. The large resource of snow from the Southern Alps melts and runs out to sea faster than crops grow.

### **The Trust's Vision.**

23. The Trust's vision is that a decade from now Canterbury will be a vibrant successful example of agricultural and horticultural diversity and the Scheme

will be a catalyst for economic prosperity built on a platform of environmental sustainability.

24. The driver for this success is extracting water from the Rakaia and Waimakariri rivers above minimum flow levels (which have been set to protect in-stream values), and then storing and using that water to recharge aquifers by irrigating dry farms.
25. Storing water is an important aspect of the Scheme. Storage is the key difference between this application and other Canterbury community water schemes. With storage, it will be possible when drought conditions coincide with low river flows, to irrigate from the reservoir. The size of the reservoir has been set to achieve high levels of reliability. This reliability will give farmers confidence to invest in high return land use options.
26. As a pre-condition of being supplied water, users must commit to principles of efficient usage and best practice environmental standards.
27. The bottom line of the Trust's mission is ensuring that the remaining Canterbury surface water resource is not just allocated to be used for the benefit of individual farmers improving farm income and who would not be required to make a significant commitment to community, recreation and environmental benefits. Instead the Trust is committed to an all encompassing strategy to ensure that Canterbury's remaining water can be taken safely and efficiently without undue adverse effects on the Rakaia and Waimakariri River systems or on ground and surface water quality.
28. If the Scheme is allowed to proceed, the problem of dry wells and at-risk aquifers could be reversed, lowland streams restored, and economic growth afforded to the region as a consequence of land use change. It would open up opportunities for vertically integrated, value-add processing for export growth leveraging off Canterbury's clean green image. Opportunities would thereby be created for more jobs, more secure rural communities, with schools and medical centres, and for recreation and tourism expansion. Reliable water provided by the Scheme will give farmers the flexibility to embark on a wide range of agricultural and horticultural uses of land depending on national and international market requirements. While dairying currently delivers high returns to farmers and valuable overseas earnings for New Zealand, the Trust recognizes that, with water, many other opportunities will open up and farmers will be well positioned, with the Scheme in place, to take advantage of those opportunities.

29. Central Plains Water has applied for consents to take what is in effect, the last remaining blocks of water in both the Rakaia and Waimakariri Rivers. If relinquished, this water would vanish to competitive market forces, piecemeal development and, potentially, overseas interests. The opportunity for a public water enhancement scheme designed for overall economies of scale, environmental sustainability and community good, would be lost forever. In addition, the opportunity to replenish lowland streams and, in particular, to protect flows in the Avon and Heathcote rivers will be lost, as will the reliability to recharge underground aquifers.

### **Ashburton Community Water Trust**

30. The December 2001 application for water from the Rakaia and Waimakariri Rivers was made in conjunction with the Ashburton Community Water Trust ("ACWT"). ACWT had been proposing to undertake a community managed water scheme on the South bank of the Rakaia River and using Rakaia River water. As a consequence of discussions between the CPWES joint committee and ACWT it was determined that a co-operative approach to using water from the Rakaia River was the most appropriate way forward. This would ensure there was no competition for priority between the two applicants, and would allow complementary use of the total block of water obtained under any consent which was seen as an added benefit
31. The two parties entered a Memorandum of Understanding between them to record the agreement as to water sharing of the water obtained under the joint application. This agreement is currently being renegotiated by the two Trusts to take account of changing circumstances, including the reduction in the amount of water available from the Rakaia as a consequence of ECan recalculating the effect of hydraulically connected groundwater takes, and the potential for a subsequently applied for take to have priority. However, at the time of preparing this evidence a renegotiated agreement has not been executed. A true copy of the most recently executed Memorandum of Agreement between ACWT and the Trust dated 15 May 2006 is **attached** to my evidence.

### **Work of the Trust to date**

32. The role of the Trust to this point has been assisting and monitoring the Company in the conduct of the resource consent applications and raising funds.

33. The Trust has also consulted widely with interest groups and neighbouring irrigation schemes. It has taken a lead role in promoting the vision of economic transformation and what Canterbury is capable of becoming. Harvesting and storing a fraction of the abundant quantities of Canterbury's snow fed rivers that flow out to sea provides the solution to the single biggest problem of managing the region's moisture environment. By achieving that goal reliably it is possible to unlock the vast potential of the Canterbury rural heartland.
34. Promoting the Scheme benefits and communicating has characterised the work of all trustees. This has included conducting workshops and consultative briefings with local and national politicians. The Trust has released reports on key aspects of the concept to affected parties as and when appropriate. It has disseminated information regularly via media interviews, press releases "fact sheets", a web site and "FAQ" answers. I regularly present to community service and business groups, educational institutes regulatory bodies and key interest group meetings.
35. A particularly important aspect of the work of the Trust has been developing a sustainable farming protocol in conjunction with The Ritso Society Inc., as will be discussed in more detail in the evidence of Denis O'Rourke and Claire Mulcock.
36. The Sustainable Farming Protocol provides for an environmental levy payable annually for as long as the Scheme is in operation. This levy will be used to fund an Environmental Trust Fund administered by the Trust which will be used to support and encourage environmental enhancement initiatives; for example riparian planting and habitat restoration within and 'downstream' of the Scheme area.

### **Role of the Trust once the Scheme is established**

37. The Trust is tasked with ensuring that the proposed Central Plains Water Enhancement Scheme meets the recreational and environmental needs of the community. A benefit of the Scheme is that the storage reservoir and irrigation canals, as a portal to the Southern Alps, opens up opportunities for organised sport, family-based leisure and recreation activities, and, as Mr O'Rourke explains, the Trust is obligated to work with the Company to develop such opportunities. The Trust has also consulted with recreational groups and other interested parties to ensure that, as far as possible, their activities are not affected by the building and operation of the Scheme.

38. The Trust is developing a water education resource kit focussed on the “Importance of Water” aimed at primary, intermediate and secondary school children, their families and the community. The outcomes of the project are developing a water education resource kit that encompasses disseminating knowledge and understanding about the Scheme and its benefits. The kit will be designed to fit within the current school curriculum in order to ensure that it is used in schools, particularly those within Scheme’s command area and possibly elsewhere in Canterbury.
39. The role of the Trust after the issue of resource consents will be continuing to monitor the activities the Company, compliance with the terms of the resource consents, and assisting raising the required investment for subsequent phases of the Scheme development.
40. However the Trust’s real strength and utility is that it retains the resource consents (most importantly the water take consents) and must ensure they are exercised in a way that achieves the objectives of the Trust. Ultimately, the Trust’s most powerful tool is the ability to withdraw the right to use the water if those objectives are not being met. This puts it in a unique position as compared with any other applicant for water take and use, where the holder of the consent has a vested interest in continuing to exercise the consent regardless of the effects of doing so.

---

**Douglas George Marsh**