

INFORMATION FOR THE STAR

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What is your role on CPW and what is your background?

I am currently the Chairman of the Central Plains Water Trust and was the chairman of the Central Plains Water Enhancement Steering Committee. I am a Christchurch-based professional director and Honorary Consul for the Republic of Korea. I am a life Fellow of the New Zealand Institute of Management and Fellow of the New Zealand Institute of Directors. I am also the past-President of the Canterbury Employers' Chamber of Commerce and was the inaugural President of Business New Zealand.

What is CPW and what companies, organisations make it up?

The proposed irrigation scheme will consist of a main headrace canal, a network of distribution races and a water storage reservoir (a lake) capable of irrigating 60,000ha of land between the Waimakariri River, the Rakaia River, State Highway 1 and the Malvern Foothills.

The Central Plains Water scheme is designed to improve the economic security and prosperity of Central Canterbury. Because the irrigation scheme will make farmer's water supply much more reliable, particularly during drought, it will increase our region's agricultural and horticultural diversity.

We have also put much thought and planning into ensuring the scheme also enhances central Canterbury's ecological and recreational resources – something that regular irrigation schemes don't do. That's because the project is being driven by the Central Plains Water Trust (CPW Trust). It was conceived and established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of central Canterbury's water resource.

The CPW Trust is a charitable trust established by the Christchurch City Council and Selwyn District Council. That makes the scheme a public, not private, venture. In 2003, the CPW Trust established a company – Central Plains Water Limited (CPWL) – to raise the money required and obtain the resource consents needed for the project to commence on behalf of the CPW Trust.

If the resource consents are granted, the CPW Trust will license their use to CPWL which will be responsible for implementation and operation of the scheme. The consents will be owned and administered by the CPW Trust and water will be allocated to CPWL.

What benefits will the scheme bring to Canterbury and Christchurch city?

It is important to note that export income from Canterbury's rural sector accounts directly and indirectly for 60-70% of Christchurch's economic activity. Canterbury farmers spend around \$750 million every year on goods and services provided by Christchurch businesses.

Research conducted for the scheme's feasibility study concluded that the impact of the scheme on spending in Christchurch would result in a yearly increase of between \$55m and \$76m in expenditure from farm working expenses and increase in farmers' personal expenditure. In addition to these permanent annual gains there would be

a one-off expenditure gain due to on-farm development and this is predicted to add \$131m to the Christchurch economy and \$156m to the smaller servicing towns.

There appears to be widespread opposition from both city and rural people. What view do you have of this?

While there is opposition to the scheme, there is also a lot of support for the scheme. The company is working with some of New Zealand's leading technical experts to ensure that the scheme will have the minimum adverse impact on the environment.

In order to receive water from the proposed scheme individual farmers must commit to the scheme's Sustainable Management Agreement. This requires them to adopt best farming practices in relation to fertiliser application and rates of water use so as to best maintain and enhance healthy groundwater and river systems. While the Sustainable Management Agreement is still under development it is likely to involve restrictions on certain farming practices, ongoing monitoring and independent auditing of individual farmer activities. It will also require positive actions that will enhance the environment.

We have consulted with people directly affected by the scheme and have been able to refine the plans to minimise the impact on their land.

We are also proposing an Environmental Trust Fund that will be used to support and encourage various environmental enhancement initiatives, for example riparian planting and habitat restoration within and 'downstream' of the scheme area. We plan to partner with local communities to identify areas that will benefit from the Fund.

At the end of the day it will be the independent commissioners who decide whether or not resource consents and designations should be granted and, if so, what terms and conditions will apply to them. The resource management process is rigorous and transparent and we have faith in that process.

Can you give people a guarantee there will be no drinking water contamination from the scheme and the huge increase in dairy farming that will follow?

Research conducted on behalf of the company concludes that should the proposed scheme go ahead:

- The potential for nitrate to contaminate the city's drinking water supplies such that it is unsuitable for public supply is essentially zero.
- The potential for significantly increased groundwater contamination in other areas across the Central Plains is low and mitigation measures are available.
- The potential for raised natural groundwater levels in Christchurch is real and will have a positive effect.
- The effects on the Christchurch aquifer recharge are positive in that more water will be available to recharge the aquifers.

In Canterbury 90 percent of dairy farmers do not come into contact with waterways. And in fact, due to Canterbury dairy farmers meeting their obligations under the Fonterra Clean Streams Accord, 96 percent of dairy farmers have culverts or bridges on water crossings, and most stock is excluded from waterways by fencing.

Who will make money out of the CPW scheme?

Everyone – that's because the scheme will have such a huge economic benefit the city and greater Canterbury. It's not just farmers who benefit, it's also the companies that supply goods and services to farmers, the companies and their employees who will process the increased agricultural output and all the people living in the city who aren't aware how much Christchurch's own economy is dependent on its rural neighbours.

Once the scheme is fully operational, annual direct and indirect regional agricultural output is expected to increase by \$357 million. As a consequence of these output increases, agriculture is estimated to generate 'added value' totaling \$201 million. Processing is estimated to generate an additional \$485 million a year, with \$152 million of added value.

Direct and indirect employment is estimated to increase by around 2,400 jobs (1,000 in agriculture and 1,400 in processing) while the scheme's total increase in direct and indirect impacts are estimated at \$1.2 billion a year, including \$353 million in added value.

The CPW scheme's contribution to GDP will be the equivalent of a Rugby World Cup – every year.

What happens if CPW does not get the consents to proceed?

People are misguided if they think that by opposing CPW, they will have halted the development of irrigation schemes on the plains.

That's because the available water will instead be allocated to private companies and there will be limited community gain. And unlike CPW, these private companies or small groups of farmers that apply to take water from Waimakariri and Rakaia will not be required to make the same commitment to sustainable community, recreation and environmental benefits as the Central Plains Water Trust.

Is CPW anticipating a lengthy process in obtaining consents to proceed?

We hope to proceed to the resource consent hearings later this year.

Opponents say the scheme is not an efficient use of water. Is that so?

That is absolutely incorrect. There is a huge amount of water flowing through the Canterbury Plains. The majority of water comes from glaciers and melting snow and flows straight out to sea. The proposed Central Plains Water irrigation scheme involves channelling river water into an irrigation network and storing surplus flows in a reservoir for future use.

It is the storage reservoir that makes Central Plains Water unique. It acts like a water bank that farmers can draw upon to irrigate drought-prone farmland in the middle of summer when river flows may be restricted.

Most farmers in the 60,000 hectare scheme area are Central Plains Water shareholders, meaning they are entitled to receive water, and of those, an estimated 50% currently pump water from underground aquifers.

If the scheme goes ahead many of these farmers will close down their wells, which will improve the viability of many of the remaining wells, taking significant pressure off the aquifers.

This will allow the aquifers to naturally replenish, some rising by up to 20m in parts of central Canterbury. Our research indicates that the scheme will also result in increased flows in lowland streams like the Selwyn and the Irwell, which will return to more natural levels.

What can the average man and woman in Christchurch gain from this scheme?

Essentially the city will benefit economically. Our vision is also to incorporate recreational facilities that cater for a wide range of activities into the proposed scheme's ultimate design and operation. These facilities would turn Central Canterbury into a major recreational destination which would have significant benefits to the city and communities in the area.

However these decisions would be made in consultation with the communities and recreational groups and the final decisions on what will be built will be developed in with them and the scheme's shareholders

Are you a company director, and what are they?

Yes. Directors advise businesses on all matters.

How many hours do you work a week?

Time worked is irrelevant. The scorecard is about unmitigated success and satisfying stakeholders.

What are your interests outside of work?

I am a chronically addicted fly fisherman.