

12. CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT



General Manager responsible:	Director of Strategic Investment, DDI: 941-8411
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PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of a draft Statement of Intent ('Sol') received from Central Plains Water Trust ('CPWT'). Pending receipt of the legal opinion, the Council deferred consideration at its meeting on 4 May 2006 of this Sol for Central Plains Water Trust. The legal opinion is provided for the Council in the public excluded section of the agenda.

STATUTORY REQUIREMENTS

2. Schedule 8 of the Local Government Act 2002 provides:

“2. **Statements of Intent for council-controlled organisations**

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. **Completion of Statements of Intent**

The board must:

- (a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year.”*

3. The draft Sol was received from CPWT on 20 February 2006.

STAFF RECOMMENDATION

That the Council approve the Central Plains Water Trust's Statement of Intent for 2006/07.

BACKGROUND ON CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT

4. CPWT was established in 2003 by Christchurch City and Selwyn District Councils as joint-settlers to create a sustainable development of central Canterbury's water. CPWT is a council-controlled organisation within the meaning of the Local Government Act 2002, and hence is obliged to prepare an annual Sol.
5. Central Plains Water Limited ('CPWL') was formed by Christchurch City and Selwyn District Councils (one share each) in May 2003 to procure consents and operate a water enhancement scheme, providing water for community farmers within the Central Plains. The company works in close consultation with the Trust, in accordance with a Memorandum of Agreement, to achieve its goals and the trustees monitor the performance closely. The company is now owned by a number of external shareholders following the issue of a prospectus in November 2004 and a successful equity raising. Christchurch City Council now owns one share out of 376,000. CPWL is not a council-controlled organisation and is not required to prepare a Sol.
6. CPWT's financial report for the six months ended 31 December 2005 provides an update of progress to date. Points of note include:
 - Resource consents to use water have been lodged with ECan by CPWL on CPWT's behalf, but CPWL has yet to lodge consent applications for land use and land designation with Selwyn District Council (however, it is still intended to have all applications brought to a single hearing in the current year).
 - CPWL has been granted the status of a Requiring Authority by the Minister for the Environment.
 - CPWT has embarked on a visionary process to define the recreational opportunities that the scheme could deliver to the Canterbury region, with ideas such as a walking and biking network, wild life reserves, wetlands, kayaking, orienteering, international rowing venue, white water park, camping, canal barging etc.
 - CPWT's costs for the six months ended 31 December 2005 were \$20,065 compared to \$113,424 for the year ended 30 June 2005.

STATEMENT OF INTENT

7. Attached is CPWT's draft Sol for 2006/07. There are no changes of significance from the previous year's Sol, and its objectives remain as follows:
 - To provide assistance to, and monitor, CPWL as it pursues resource consent for the irrigation scheme on behalf of the Trust.
 - To implement and monitor a sustainability code of practice.
 - To develop and implement scheme recreational opportunities, and environmental community enhancers.
8. It is noted that there are no detailed financial performance measures included within the Sol. However, given the relatively low cost structure of the Trust, probably of more significance are the non-financial performance indicators set out on page 6 of the draft Sol.