

Central Plains Water Trust

Annual Report

**for the year ended
30 June 2023**

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Directory

Trustees

Pat McEvedy (*Chairman*)
Elle Archer
Les Wanhalla
Olive Webb
Rob Lawrence
Viv Smart

Trust settlors

Christchurch City Council
Selwyn District Council

Auditors

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
PO Box 2
Christchurch

Solicitors

Lane Neave
PO Box 13149
Christchurch

Chairman's Report

CPWT Annual Report 2023

Overview

Central Plains Water Trust (CPWT or the Trust) in the past year has concentrated on performing its core duties while continuing to build relationships with the Settlor councils, Ngai Tahu and Nga Runanga Arowhenua, Te Taumutu Runanga, Te Ngai Tuahuriri and Wairewa Runanga along with Central Plains Water Limited (CPWL).

Scheme

The Scheme became operational in 2015 and was completely operational by 2018, with these years of data collection we are now starting to get a clearer picture of how the performance of the scheme is year to year. During the 2022-23 season the scheme provided 110 million cubic metres of water with 50% again being stored water. The continued development of technology to not only record the operational performance of the scheme but also provide on farm efficiencies on the application of water and other inputs is starting to have a positive impact. The environmental developments throughout the greater Selwyn area are starting to become apparent encouraged by the Environmental Management Fund and other biodiversity initiatives. With the latest La Nina weather pattern behind us and the predicted El Nino for the coming season the Central Plains Water Scheme will provide the certainty that farmers require to continue to produce the many foods and proteins that are vital to our local economy. During the year, long serving Trustee Viv Smart retired from the Trust, Viv had served on the Trust during the planning, construction, and operational phases of the scheme.

Environmental Management Fund

During the 2022-23 year the EMF received 14 applications from throughout the Selwyn District totalling \$209,214.30 and allocated the \$97,112.00 that was available for distribution.

Sustainability Report

The Trust has given instructions to Brydon Hughes of Land Water People (LWP) to produce an independent assessment of CPWL's monitoring results for 2022-23 season. This year we have asked Brydon to provide a condensed version with easier to understand commentary. This will be part of a Sustainability Overview Report that is intended to offer more context to the data presented. For those who wish to dig into the data that will also be made publicly available.

The 2022-23 La Nina Weather pattern saw larger rain fall events throughout the year and generally a wetter season. This helped provide higher groundwater levels (highest recorded since the 1970's). While the trigger levels for water quality were exceeded at all monitoring sites the monitoring results remained within the historical range recorded before commencement of the CPW Scheme operations.

Governance

The Trust met with the Settlers on several occasions. Formally on the 16th of September 2022 and 5th May 2023 to report on outcomes. There were also several informal meetings with the Bus tour of the scheme an ideal opportunity for wide ranging conversations with attendees. The Chairman also met Christchurch City Council (CCC) staff twice to understand CCC requirement for information which CPWT and CPWL were to present to CCC councillors, the Chairman also met along with CPWL Chair and CEO and Papatipu Runanga during the 2022-23 year to discuss representation and environmental and cultural performance. The Chairman also maintained regular contact with Cr Lydia Gliddon who is Chairing the Settlers Joint Committee, to ensure there was a clear understanding of the many issues that arise during a calendar year. To address Audit New Zealand's concerns the Trust encouraged the Settlers to review the trust deed so it reflected the actual community communication opportunities and other updates, the Trust Deed will be ratified by the councils in December and accepted by the Trust in their AGM. The Trustees were due to have their appointments reviewed during 2022-23 but this has now been delayed until March 2024.

Community Education Update

The Story of Water

This project is an educational initiative being developed by CPWT.

It is focussed on achieving the Objects of the Trust, outlined in Section 4 of the Trust Deed, and the objectives defined in the CPWT Strategic Plan.

Delivered to date: Scoping and Imagery (repository submitted to the scheme), Mixed Reality Capture (2D, 3D, Drone, Augmented Reality, VR), presentations to various events (outlined within the settlor presentation), CPW Ecosystem Bus Tour, Wai Water Video (currently awaiting on far video capture), and Scoping of the Mixed Media Platform.

A proposal has been submitted to CPWT entitled 'The Story of Water'. A mixed media platform providing and facilitating an education program for the young people of Selwyn District, focussing on the benefit and significance of water to sustainable agricultural/horticultural development, to ensure future focus sustainability and resilience of environmental, social, health, cultural, and economic wellbeing within the region.

There is a great story of water representing Water's mauri (life force) and focussing on the cultural and spiritual values and relationships relating to a range of uses and issues, language, indigenous music and stories, sacred places, customary usages, the plants, animals, and kai associated with water, drinking water, and recreational or commercial activities.

The outline and quote for the project have been completed and presented to the local Rūnanga, CPWL, and the Settlers (Selwyn District Council (SDC) & CCC). Funding options are being investigated to greenlight the initiative.

Benefits of the Scheme

- Mahinga Kai
- Biodiversity and environmental
- Groundwater recharge
- Economic: agricultural pastoral arable production and stability
- Rural Well-being
- Community development
- Farming best practice development

Pat McEvedy

Chairman

Central Plains Water Trust

Statement of Service Performance

Performance Measure	Target	Achievement
Reporting to the public on the performance of the Scheme	Continue use of Liquid Earth (Brydon Hughes) to obtain data from CPWL and prepare the Annual Sustainability Report	Achieved (2022: Achieved) This report has been published for 2023, please refer to our website
	Continue to publish 'a user-friendly' Annual Sustainability Report on our website	
Environmental leadership	Instigate informal talks with water users	Achieved (2022: Not measured) Talks have been had during the financial year however due to the nature of informal talks, there are no available records of these discussions.
	Develop a financial plan to support our education initiatives including CPWL funding (based on surplus funds from our operations), use of the EMF, and possible other external sources	Not measured (2022: Not measured) This area will continue to be reviewed as funding in all areas has been reduced so there are fewer avenues to fund this particular project.
Community engagement and Education	Improve the website to make it more effective and accessible	In progress (2022: Not measured) This piece of work is estimated to be completed before the end of the 2024-25 financial year
	Education and engagement of youth and other generations within the Selwyn District	Not achieved (2022: Not achieved)
	Company, Trust, Council and Ecosystem strategic alignment	Achieved (2022: Achieved) The Trust has aligned itself to CPWL's strategic vision by drawing out key parts of their strategy to report on in the Sustainability Report which will continue into the future.
	External opportunities, e.g. partnerships, innovation, and intergenerational learning	Not achieved (2022: Not achieved) This area will continue to be worked on with the appointment of two new Trustees
Engagement with Selwyn District Council and Christchurch City Council	Continue six-monthly briefings by CPWT with additional briefings by exception	Achieved (2022: Not achieved) The Trust achieved this target by meeting with and reporting to the Settlers (Christchurch City Council and Selwyn District Council) of the Trust on more than 2 occasions.

Education Targets	Undertake an ecosystem Bus tour	Not achieved (2022: Not achieved) Bus tours were not undertaken
	Visits to four schools within the Selwyn District	Not achieved (2022: Not achieved)
	Dissemination of video programmes	Achieved (2022: Not measured) The Trust put together several tools and activities to tell the “Story of Water” of which the Trust considers as an important connection in educating the community on the vital life force that Water Well Used provides.
Environmental Targets	To ensure compliance of resource consents	Achieved (2022: Not achieved) CPWL has maintained it’s primary duty of providing oversight over the Trust’s operations and performance. CPWL has also assured the Trust that all resource consent, water rights and statutory requirements have been met.
	To ensure compliance of water rights	The 2022-23 year resource consents were compliant.
	To report on any non-compliance	
	Commitment to meeting all legal, statutory and regulatory requirements	
Relationship targets	Stakeholder engagement and advice	Achieved (2022: Not achieved) The Trust achieved this target by meeting with and reporting to the Settlers (Christchurch City Council and Selwyn District Council) of the Trust on more than 2 occasions.
	Trust meetings with the Joint Settlor Committee	Achieved (2022: Not achieved) The Trust liaised with Chairperson Cr Lydia Gliddon to keep the Settlor councils informed of any issues with the scheme that might arise and any possible non-conformance’s.

Financial statements

**for the year ended
30 June 2023**

Entity information

for the year ended 30 June 2023

Legal Name

Central Plains Water Trust (the Trust).

Type of entity and legal basis

The Trust was formed by declaration of trust dated 15 April 2003, which was restated on 9 October 2012 to facilitate the implementation of the Central Plains Water Enhancement Scheme and to hold the Resource Consents for it.

Under clause 14.5 of the Trust Deed the trustees are required to provide the settlor Councils with the Trust' Annual Report and under clauses 14.7 to 14.9 must make copies of the Report public. Accordingly copies of the Report will be sent to the Selwyn District Council and the Christchurch City Council along with an invitation to meet with representatives of the Councils to discuss the Report. The obligation to make the Report public will be met by publishing it on the Trust's website.

The Trust's purpose or mission

Pursuant to clause 4.2 of the Trust Deed, the objects of the Water Trust are to promote the development of agriculture in the Central Canterbury Plains area of New Zealand for the benefit of all of the inhabitants of the Canterbury Region by:

(a) encouraging, supporting and facilitating:

(i) sustainable development of water resources in the Region;

(ii) agricultural and horticultural diversity in the Central Canterbury Plains area; and

(iii) an appropriate balance of the benefits of agricultural development with the enhancement of ecological, social and recreational values in the Central Plains area;

(b) providing and facilitating education to the inhabitants of the Region in relation to water issues and sustainable agricultural development.

The Trust has been established as, and will continue to operate as, a charitable trust for the benefit of the present and future inhabitants of the Region (however the Trust is not registered as a charitable Trust under the Charitable Trusts Act 1957) and to pursue the particular charitable objects set out in the Trust Deed.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of Trustees who oversee the governance of the Trust, of whom a Chairperson is responsible for the day-to-day operations. Trustees may be appointed as follows:

(a) by notice of appointment by the Settlers (Selwyn District Council and Christchurch City Council acting together),

(b) by resolution of the Trustees by co-option

(c) by notice of appointment by Runanga O Ngai Tahu

Main sources of the Trust's cash and resources

The Trust has contracted with Central Plains Water Limited for the provision of all of the funding required for the operation of the Trust.

Statement of financial performance

Central Plains Water Trust

For the year ended 30 June 2023

Account	2023	2022
Revenue		
Management and Administration Fee	116,847	82,464
Environmental Management Fund	0	5,000
Total Revenue	116,847	87,464
Expenditure		
Audit Fees	12,299	8,397
Bank Fees	25	25
Consulting & Accounting	17,602	17,216
Depreciation	7,873	0
Insurance	4,900	3,042
Office Expenses	0	117
Subscriptions	494	434
Trustee Expenses	2,892	2,478
Trustee Honorarium	42,000	39,895
Trustee Meeting Fees	15,643	15,860
Total Expenditure	103,726	87,464
Surplus / (deficit) after tax	13,121	0

The accompanying notes form an integrated part of these financial statements.

Balance Sheet

Central Plains Water Trust

As at 30 June 2023

Account	30 Jun 2023	30 Jun 2022
Assets		
Current Assets		
Bank accounts and cash	231,077	18,758
Central Plains Water Limited	52,210	37,723
Christchurch City & Selwyn District Councils' Capital	1	1
Prepayments	858	16,420
GST	243	1,210
Total Current Assets	284,389	74,111
Fixed Assets		
Computer Software	20,994	0
Less Accumulated Depreciation on Computer Software	(7,873)	0
Total Fixed Assets	13,121	0
Total Assets	297,510	74,111
Liabilities		
Current Liabilities		
Selwyn District Council Current Account	245,493	37,100
Accounts Payable	0	46
Accrued Expenses	12,832	17,280
Honorarium Payable	17,283	10,904
Total Current Liabilities	275,608	65,330
Total Liabilities	275,608	65,330
Net Assets	21,902	8,781
Trust Equity		
Contributed Capital	1	1
Current Year Earnings	13,121	0
Retained Earnings	8,780	8,780
Total Trust Equity	21,902	8,781

The accompanying notes form an integrated part of these financial statements.

Statement of Cash Flows

Central Plains Water Trust

For the year ended 30 June 2023

	2023	2022
Operating Activities		
Receipts from customers	217,781	196,982
Payments to suppliers and employees	103,410	(85,246)
Agency payments on behalf of Central Plains Water Limited	(103,435)	(116,513)
Net GST	(5,437)	(7,116)
Net Cash Flows from Operating Activities	212,319	(11,893)
Investing Activities		
Net Cash Flows from Investing Activities	-	-
Financing Activities		
Net Cash Flows from Financing Activities	-	-
Net Cash Flows	212,319	(11,893)
Bank accounts and cash at beginning of period	18,758	30,651
Cash and cash equivalents at end of period	231,077	18,758
Reconciliation of surplus / (deficit) to net cash flow from operating activities		
Surplus / (deficit)	-	-
Movement in working capital items:		
Trade and other receivables	2,041	(789)
Trade and other payables	210,278	(11,104)
Net cash flow from operating activities	212,319	(11,893)

The accompanying notes form an integrated part of these financial statements.

Authorised for issue on behalf of the Trust 22 April 2026 by:

Pat McEvedy
Chairman

Trustee

Statement of accounting policies

for the year ended 30 June 2023

Basis of preparation

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

All amounts are presented in New Zealand dollars.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and creditors, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of debtors or creditors in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Significant accounting policies

The following significant accounting policies have been applied in preparing the financial statements for the year ended 30 June 2023 and the comparative information presented for the year ended 30 June 2022.

Going concern

The financial statements of the Trust have been prepared under the going concern assumption.

The Trust has contracted with Central Plains Water Limited to fully fund its operating expenses as set out in a Memorandum of Agreement.

Central Plains Water Limited operates a water management scheme for the Central Canterbury Plains. The Trust holds in its name the necessary resource consents for the scheme issued by the consenting authorities and the Trust has granted the company an exclusive licence to use the resource consents as part of its Memorandum of Agreement agreed with the company.

CPWL has completed the construction of the scheme which is now fully operational.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from a contract to provide services is recognised by reference to stage of completion of the contract at year-end balance date.

Interest revenue is recorded as it is earned during the year.

The management and administration fees are the equivalent to the operational costs of the Trust.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or saving accounts and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. The Trust has not elected to revalue any of its classes of property, plant and equipment after initial recognition.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset (for example, the Trust no longer provides the service supported by the asset).

If there is any indication that an impairment charge recorded in prior periods may no longer exist or has reduced, an impairment reversal is recognised. The reversal of impairment shall be all or part of the previous impairment charge. However, it must not result in the carrying amount of the asset (net of depreciation) being recorded at more than it would have been had the impairment not been recorded.

For all property, plant and equipment assets, except land, depreciation is provided on a diminishing value basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Computer software 50%

Trustee Honorarium, meeting fees and expenses

Trustee Honorarium, meeting fees and expenses are recorded as an expense as Trustees provide services and become entitled to the Honorarium, meeting fees and expenses.

Environmental leadership*Environmental Management Fund (EMF)*

The EMF has in the 2023 year received applications totalling \$209,214 and has allocated \$97,112 which was the total funding available to 15 applicants throughout the Selwyn District.

Income Tax

Up to 30 June 2008 the Trust was a Charitable Trust exempt from income tax under sections CW34 and CW35 of the Income Tax Act 2004. The Trust has not registered as a charitable entity under the Charities Act 2005 and its charitable tax exemption lapsed on 1 July 2008.

As the Trust does not trade, and its costs are reimbursed under a Reimbursement Agreement with Central Plains Water Limited, the Trust does not have any tax expense, liabilities or assets.

Changes in Accounting Polices

There have been no changes in accounting polices during the financial year (2022: Nil).

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Notes to the financial statements

for the year ended 30 June 2023

Note 1: Transactions with related parties

During the reporting period the Trust entered into the following transactions with related parties:

Central Plains Water Limited

During the year, the Trust provided management and administration services to the company to the value of \$116,847 (2022: \$82,464). At year end the company owed the Trust \$52,210 (excluding GST) (2022: \$37,723) in respect of these services.

Selwyn District Council

Selwyn District Council makes payments to suppliers on behalf of the Trust which then reimburses the Council. These payments totalled \$208,393 for the reporting period (2022: \$179,209).

At year end the Trust owed the Council \$245,493 (2022: \$37,100).

Selwyn District Council provided accounting services to the Trust for which no charge was made.

Trustees

There were no transactions directly with the Trustees other than the payment of honorarium, meeting fees and expenses as disclosed in the Statement of Financial Performance.

Note 2: Statement of commitments

The Trust has no capital or lease commitments as at 30 June 2023 (2022: \$nil).

Note 3: Statement of contingencies

The Trust has no contingent assets or liabilities as at 30 June 2023 (2022: \$nil).

Note 4: CPWL Funding

The Trust has entered into Loan Agreements and General Security Agreements with Central Plains Water Limited and various lenders to facilitate the raising of loans by Central Plains Water Limited.

Under the loan agreements with various lenders, the lenders are able to make use of resource consents granted to the Trust if Central Plains Water Limited does not meet the terms of its loans.

Note 5: Property plant and equipment

	Computers and software
	\$
Carrying amount at 1 July 2022	-
Additions	20,993.50
Disposals (net of accumulated depreciation)	-
Depreciation expense	7,873.00
Carrying amount at 30 June 2023	13,120.50

Note 6: Events after balance date

The Trustees are not aware of any significant events between the preparation and authorisation of these financial statements. (2022: \$nil).

Note 7: Statutory deadline

The 2023/24 Annual Report of Central Plains Water Trust within the statutory deadline, as required by section 67 of the Local Government Act 2002 due to resource constraints



Independent Auditor's Report