

Dear Raewyn,

Thank you for the opportunity to comment on the above.

As a follow-up to our submission, HydroTrader Ltd would like to commend the steering group for producing an excellent framework for moving the management of this Region's water forward from the current impasse.

Obviously the draft strategy is a high level document, and there will be much discussion when it comes to developing the next level of detail.

HydroTrader has a vital interest in any discussions around water permit transfers and the proposed "brokering system" as the strategy is fleshed out. It is currently unclear to us how such a brokering system will operate, and what differences are envisaged from the current transfer system.

We would very much like to have an input to these discussions, not just because we have a commercial interest, but also because we have several years of practical experience in making such transfers work for all parties, while ensuring that the environment is protected. Whatever system is put in place needs to be workable.

Along with the rest of Canterbury, HydroTrader is interested in promoting the efficient use of water, particularly that which is already allocated. Hence we would like to know what sort of incentives are contemplated for existing water users to meet efficiency targets, and what the "necessary signals" to do so might be (pg 53).

HydroTrader considers that it would be worthwhile exploring options for the Water Infrastructure and Services Entity to take an active role in the management/brokerage of water permit transfers. This would ensure that transfers are integrated with the provision and movement of water from storage, and the goal of moving surface water takes up the Plains, and groundwater takes below State Highway 1. HydroTrader Ltd would be happy to explore joint venture options that would deliver the advantages outlined on page 46 of the strategy.

Finally, HydroTrader does not request a further meeting with the steering group to speak to these comments. However should the steering group wish to meet we would be happy to do so.

Yours sincerely

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Page 2 of 2 of 2

Submissions October 2009 - HydroTrader Ltd.txt
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