

# Economic Studies Joint Venture

The Economic Studies Joint Venture is a project initiated by the Ministry for Primary Industries, Ministry for the Environment and Department of Conservation. The primary aim of the initial phase of the project was to provide analysis to central government to inform its decision making on water-related limit setting and allocation policy. These agencies have sought to work with regional councils and others to assess the economic, environmental, social and cultural implications of different water quality and quantity management scenarios. This central government project has carried out work in Southland, Canterbury and Waikato as a sample of possible impacts across the entire country.

This assessment is likely to have value in informing other decision-making processes at a regional level, and this encouraged a number of parties to establish the Waikato Joint Venture Project (the project) in early 2013. The primary partners in the project are the Ministry for Primary Industries<sup>1</sup>, Dairy NZ, Waikato Regional Council (WRC) and the Waikato River Authority (WRA).

## The joint venture and Healthy Rivers/Wai Ora Project

The work of the Waikato joint venture is not intended to prejudice any of the co-management or collaborative processes established by Treaty settlement legislation or the Healthy Rivers/Wai Ora project.

It is also acknowledged that the targets and limits to be determined in the Waikato-Waipā catchment will be driven by the Vision and Strategy for the Waikato River. As such, the scenarios that were modelled in phase 1 of the joint venture project, while informing the generic national policy, may not be directly relevant to the Waikato River catchment situation.

It is anticipated that much of the information generated by the joint venture project will be of use to the Healthy Rivers/Wai Ora project, and that the modelling framework that is being established by the joint venture project will assist in evaluating policies, as required under section 32 of the Resource Management Act 1991.

## Methodology

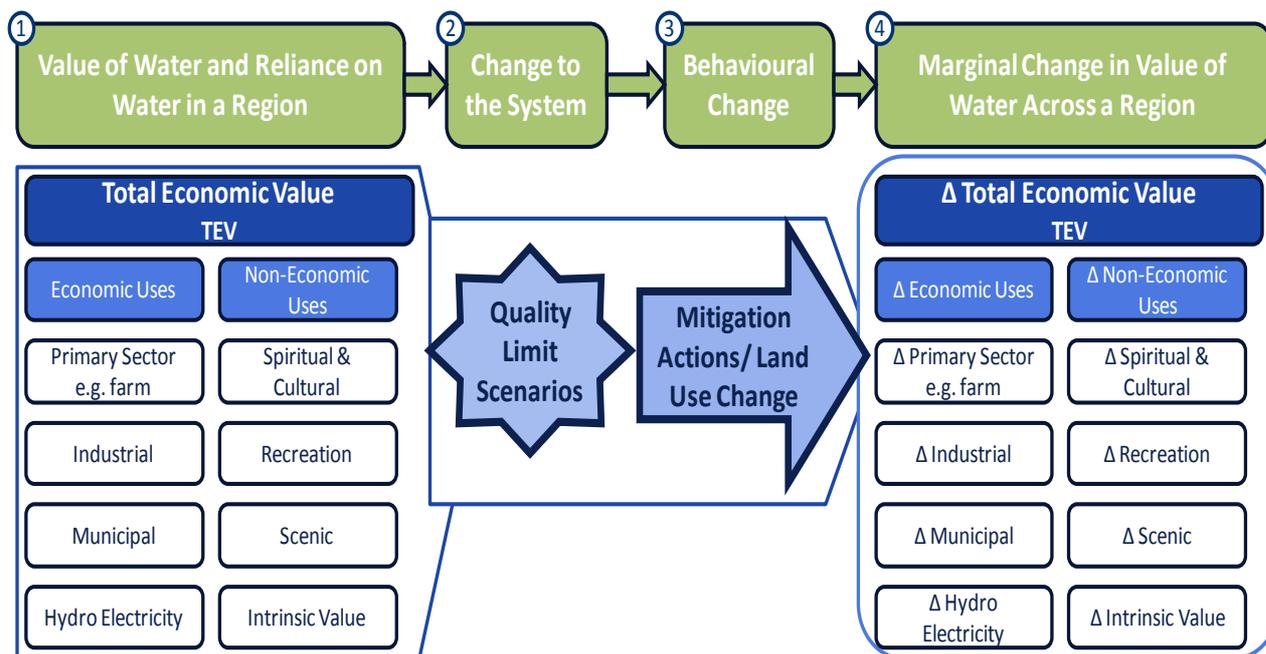
The project has adopted a 'total economic value' framework (illustrated in figure 1). This involves identifying the range of economic values associated with water quality, and analysing how those values are affected as a result of different water quality scenarios. In this way, the effects of policies to achieve water quality targets and limits can be described.

It should be noted that while, in principle, the 'total economic value' seeks to identify and evaluate *all* values associated with water quality, practical considerations mean that the scope of the analysis has focused on identified key areas.

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<sup>1</sup> Central government leadership of the project was previously based in the Ministry for the Environment, but has moved to the Ministry for Primary Industries.

**Figure 1: Total Economic Value Framework**



## Phase 1

The timing of phase 1 was dictated by central government deadlines for analysis to be included in their proposed revisions to the National Policy Statement. For practical reasons, the scope of catchment modelling was limited to the upper Waikato catchment. Water quality scenarios tested were based on the draft National Objectives Framework, and the NPS requirement to ‘maintain and enhance’ water quality.

It was acknowledged that the Vision and Strategy for the Waikato River would prevail over the NPS in the terms of setting water quality outcomes for the Waikato River catchment. It was also acknowledged that the scenarios tested were driven by central government’s needs, and that it was important not to prejudice any of the collaborative processes being established under the Healthy Rivers: Plan for Change/Wai Ora: He Rautaki Whakapaipai project.

Peer review of phase 1 reports has not yet been completed. It is expected that it will take place over the next few months. Briefings to industry groups and a public release of documents will follow. Waikato Regional Council communications staff are assisting with this process.

## Phase 2

Phase 2 is now underway. Phase 2 differs from phase 1 in that:

- It incorporates the entire Waikato River catchment below Taupo (including the Waipa river and tributaries); and
- The water quality scenarios to be tested will be directly relevant to the Waikato Region.

The timeline for Phase Two identifies work which began in September 2013. Data is currently being gathered on land uses and farm systems for input to catchment scale models. Consideration will be required as to the water quality scenarios that will be modelled

in the first instance, but it is intended that the catchment model will be available to support the Healthy Rivers/Wai Ora project.

**Figure 2: Project timeline**

