

## **Crown investment in water storage and distribution infrastructure**

### **Facts & Figures**

The Government has set a target (Business Growth Agenda) of raising the value to the economy of exports from 30 to 40 per cent of GDP by 2025. The primary sector is an important contributor to export earnings, accounting for 72 percent of merchandise exports (September 2012 quarter). Access to reliable water is critical for primary production.

A report by the New Zealand Institute of Economic Research (NZIER) in 2010 suggests the Government's equity funding in regional water infrastructure could support the development of 340,000 hectares of new irrigation. This could boost exports by \$1.4 billion a year by 2018 and \$4 billion a year by 2026.

NZIER modelling assumed that the resulting land use change would see 42 per cent of the area go to dairying, 16 per cent to mixed livestock, 27 per cent to arable (cropping), 11 per cent to dairy support and four per cent to horticulture.

The Government estimates (*Building Infrastructure* report, from Business Growth Agenda, 2012) current infrastructure proposals could provide an additional 420,000 ha of irrigation, as well as improving the reliability of current irrigation. Most of the new area involves storage.

Approximate figures quoted in the report:

Canterbury – 260,000 ha

Hawkes Bay – 40,000 ha

Wellington – 30,000 ha

Nelson/Tasman – 6000 ha

Water infrastructure development will create better environmental outcomes, for example:

- Storage will make water available during periods of lower rainfall which can help reduce ecosystem stress
- Water storage will take the stress off over-allocated groundwater aquifers and lowland rivers
- Application of modern smart technologies that enable efficient use of water and less wastage
- More efficient use of water will reduce leaching of nutrients from land to neighbouring waterways.