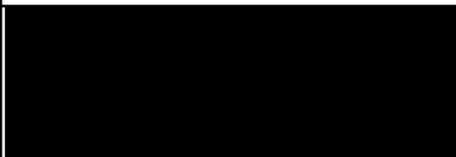


## Attachment 11 to Memorandum #7: Statement of Michael Copeland

<b>Date</b>	21 January 2026
<b>To</b>	Waitaha Hydro Expert Panel FTAA-2505-1069
<b>From</b>	Michael Copeland
<b>Project advice provided for</b>	<i>Waitaha Hydro Scheme</i>
<b>Documents referred to</b>	<i>Waitaha Hydro Scheme Substantive Application Appendix 15 Economic Benefits</i>
<b>Signature</b>	

1. I prepared Appendix 15 Economic Benefits Report<sup>1</sup> to the Waitaha Hydro Scheme Substantive Application lodged with the Environmental Protection Authority on 8 August 2025.
2. I have considered the comments from the Minister for Regional Development, West Coast Tai Poutini Conservation Board (**WCTPCB**), and the Department of Conservation's Technical Recreation Report (**DOC Recreation Report**).

### **Significance of any economic loss from disruption to visitation**

3. I agree with the comments of the Minister for Regional Development that the West Coast region will experience important economic benefits through the project's construction period (as addressed in my report). He mentions the potential for impact on visitation to the area, noting "although economic impact is likely to be low, given the remote location of the proposed site and usual visitation numbers are not significant".<sup>2</sup>
4. I consider the economic impact from disruption to tourism and recreational activities will be *negligible* and significantly outweighed by the economic benefits of the Scheme.
5. Mr. Greenaway's report covering the assessment of tourism and recreational effects, concludes that:

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<sup>1</sup> [Appendix-15-economic-benefits-report.pdf](#)

<sup>2</sup> At para 6.

- (a) there is a low level of recreational use on or near the Waitaha River and this is likely to continue in the future with or without the Scheme;
  - (b) there are a range of alternative locations on the West Coast for all recreational activities affected;
  - (c) all land based recreational activities in the Waitaha River catchment will be able to continue after the Scheme is built with only visual and perceptual effects; and
  - (d) because of the high level of skill required to paddle the Waitaha River, the number of kayakers able to paddle it are small (and I note the WCTPCB comment "*there have been fewer than 10 specific helicopter deliveries of whitewater kayakers in the last 10 years and alternative sites are available with better access*").<sup>3</sup>
6. In addition, levels of expenditure by visitors to the Waitaha River catchment overstate the net economic benefits from tourism and recreational activities for the Westland District and West Coast regional economies. From this expenditure needs to be deducted the costs of providing goods and services to the small number of visitors expected to be affected by the scheme. This contrasts with the economic benefits from the Scheme once operational - i.e. lower costs of electricity generation, reduced transmission line losses and lower disruption costs for business and residential consumers from improved electricity network resilience. These are net economic benefits to local residents and businesses.

### **DOC methodology to calculate compensation**

- 7. I have read Appendix 2 Calculation of loss of recreation value in the DOC Recreation Report.<sup>4</sup>
- 8. DOC's approach to calculating the loss of recreational values is arbitrary. I do not consider it is a reasonable methodology that assists the Panel.
- 9. Nevertheless, if it was despite my opinion, attempted by the Panel:
  - (a) First compensation should relate to the additional costs expected to be incurred in the reinstatement and future ongoing operation of DOC facilities as a result of the Scheme.

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<sup>3</sup> At para 9.9, viii (I note the support WCTPCB also gives DOC's calculation method we I address below).

<sup>4</sup> At pages 26 - 29.

(b) Secondly, if you were to try and quantify in monetary terms for recreational compensation, any loss in value to visitors should relate to a measure of the *net reduced satisfaction* from recreating in the area (or elsewhere, or doing some other leisure or non-leisure activity) as a result of the Scheme. This is not necessarily a function of the current cost to them of recreating in the area (i.e. the hut fee and hiking time value), but the extra enjoyment/satisfaction they are missing out on.

I do not think this can be measured in any sound way in monetary terms.

(c) Thirdly, if DOC's approach is to be followed, at a minimum, Treasury's 8% discount rate should be applied as this is set to cover all public sector projects where quantitative analysis in monetary terms is possible – e.g. in road transport projects where savings in vehicle operating costs, travel time costs and accident costs are compared to roading investment and maintenance costs – i.e. it is applied to “commercial” and “non-commercial” considerations.

Without changing any other assumptions, applying the 8% discount rate would reduce the estimated compensation to be paid from \$315,000 to \$186,000 in present value terms.

10. My view is that the Time Valuation Method calculation in DOC's Recreation Report should be disregarded. It is always challenging to value loss of recreational values in monetary terms. There are simply too many assumptions and uncertainties, and in my opinion insufficient information provided by DOC, for the Panel to undertake such a task with any robustness. I do not support doing so for the purpose of determining compensation.
11. For completeness, for the reasons identified above, I also do not consider DOC's Time Valuation Method relevant to assessing the benefits and costs of the Project.

**Michael Copeland**