



ECONOMIC BENEFITS REPORT

NZ Transport Agency Waka Kotahi
Mill Road Stage 1

AUGUST 2026

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QUALITY REVIEW AND APPROVAL RECORD

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EXECUTIVE SUMMARY

The Mill Road Stage 1 Project (**the Project**) has been assessed to determine the economic benefits arising from both its construction and operational phases, relative to a “do minimum” scenario. The assessment has been undertaken using a customised Auckland Multi-Regional Input-Output (**MRIO**) model and relies on cost and cashflow estimates provided by NZ Transport Agency Waka Kotahi (**NZTA**). It considers the scale, duration, and location of construction activity as well as the operational benefits delivered once the Project is in place, consistent with industry-standard economic evaluation methodologies.

During construction (2026-2035), **the Project is forecast to sustain around \$1.18 billion of value added (GDP) in current terms, including \$377 million in direct impacts, with over 11,613 job years (MECs) supported once indirect and induced effects are included.**

These economic impacts and the benefits that flow from them, are regionally significant for Auckland, particularly given the concentration of impacts in the construction, professional services, and related supply sectors. The scale of activity ensures that jobs and investment are sustained in the regional economy, even if most employment sustains existing capacity rather than generating entirely new jobs.

Once operational, the Project generates benefits that are significantly greater than the construction-phase impacts. **Across tolled and un-tolled scenarios, total operational benefits range between \$4.4 billion and \$5.7 billion (Net Present Value or NPV)**, driven primarily by travel time savings, congestion relief, and improved resilience. Additional monetised benefits include improvements in road safety, active mode use, and wider economic benefits through productivity and labour market impacts. The assessment shows that the un-tolled scenario provides the highest level of benefits, but both funding options demonstrate a strong positive return and strategic value.

In the context of Auckland's economy, which contributes around a third of New Zealand's national GDP, these figures represent a major net gain and reflect the Project's strategic importance. To put this in context, the scale of benefits from the Project exceeds those of other projects granted consent under the Fast-track Approvals Act 2024. For example, the Bledisloe North Wharf and Fergusson North Berth Extension project is expected to deliver between \$1.8 billion and \$5.4 billion in regional GDP benefits; the Milldale Stages 4C and 10–13 project will generate approximately \$492 million in GDP and support 3,550 FTE years of employment; while the Maitahi Village development in Nelson is projected to contribute \$340 million to GDP and sustain around 2,700 FTE years. By comparison, Mill Road Stage 1's benefits of \$4.3–\$5.6 billion place it among one of the most economically significant projects assessed under the Fast-track process.

The scale of these benefits demonstrates that the Project is not merely a transport intervention, but a region-shaping investment with the potential to enhance economic resilience, support growth, and improve quality of life across southern Auckland.

Regardless of the funding or tolling arrangements ultimately adopted by central government, the evidence is clear: the Project will make a significant and lasting contribution to the Auckland regional economy, supporting both current demand and future urban development in one of the city's most dynamic growth areas.

The scale of these economic impacts and economic benefits are such that the Mill Rd project is significant at the national level. While the benefits are concentrated within the Auckland region, flow-on impacts extend across the North Island, contributing positively to the wider national economy

In addition, Mill Rd Stage 1 will contribute to the efficient development of future urban land, however other constraints have pushed development in this area to beyond 2050. Mill Rd Stage 1 will act as a catalyst for development to occur earlier, but in and of itself it will not stimulate housing development ahead of schedule.

Table 1: Summary of Benefit Assessment

Benefit	Description	Total Value (NPV)
Construction-phase economic benefits	The Project will generate significant short- to medium-term economic activity through planning, design, and construction. This activity supports employment and business growth in Auckland's construction, engineering, and professional services sectors, with wider flow-on effects across the regional economy.	\$1,180 million
Traffic benefits	The most substantial benefit category, reflecting travel time savings, reduced congestion, improved trip reliability, and lower vehicle operating costs for people and freight. These gains support productivity and economic efficiency across southern Auckland.	\$4,185 million (untolled) \$3,049 million (tolled)
Road safety benefits	Improved corridor design and network performance reduce crash risks and associated social and economic costs, particularly along high-traffic routes.	\$268 million (untolled) \$147 million (tolled)
Active mode benefits	The inclusion of shared paths and pedestrian infrastructure provides additional options for walking and cycling, contributing to health, safety, and decongestion outcomes.	\$33 million (untolled) \$35 million (tolled)
Resilience benefits	Mill Road enhances the reliability of Auckland's transport network by providing a critical north-south alternative to SH1. This reduces vulnerability to incidents and closures, supporting both passenger and freight movement.	\$376 million (untolled) \$695 million (tolled)
Wider Economic Benefits (WEBs)	Broader economic benefits arise from improved access to jobs, markets, and services. Enhanced connectivity supports business growth, workforce participation, and long-term regional productivity.	\$795 million (untolled) \$466 million (tolled)
Total Operational Benefits	Combined operational benefits demonstrate the long-term value of the Project, with overall economic gains far exceeding construction-phase impacts.	\$5,657 million (untolled) \$4,392 million (tolled)

1 INTRODUCTION

The Mill Road Corridor is a corridor approximately 21km in length linking Manukau to Drury via Alfriston, Takanini and Papakura. It is a Road of National Significance (**RoNS**) and will be developed and delivered in stages. It lies to the east of State Highway 1 and will improve the efficiency and resilience of the state highway network and support growth across the southern part of Auckland. It is designed to increase capacity and therefore provide reliability for journeys between Manukau and Drury. The resilience it is designed to deliver has wider implications, by improving Auckland's connections to the rest of New Zealand facilitating time savings for people and goods movements between the high growth areas of Hamilton, Tauranga and Auckland.

Stage 1 involves building a four-lane corridor, including a bus lane westbound on Redoubt Road, and new or upgraded active mode facilities between Manukau and Alfriston. Stage 1 will link more urban areas around Manukau City Centre with more rural areas around Alfriston.

A detailed description of the project including drawings outlining route and design are contained in the Fast Track Application (**the Application**) and are not repeated here.

1.1 Purpose

The Fast-track Approvals Act 2024 (**Act**) was introduced by the New Zealand Government to accelerate decision-making on infrastructure and development projects that can deliver significant regional or national benefits. The Act provides an alternative consenting pathway for projects that demonstrate alignment with key public interest outcomes, particularly those related to economic development, housing, transport, and climate resilience. A core requirement for projects to be granted fast-track status is the ability to show that their economic benefits are material in scale and contribute meaningfully to regional and/or national growth.

In this context, the purpose of this report is to provide an independent economic report of the benefits associated with Stage 1 of the Mill Road Corridor (**the Project**), relative to a Do Minimum scenario, defined here as a baseline where the Project does not proceed and only existing planned transport infrastructure and services¹ are delivered. The Project forms the northernmost section of the wider Mill Road Corridor, extending from Manukau to Alfriston, and is designed to improve resilience, connectivity, and travel time reliability across the southern part of Auckland's transport network. While the Project itself does not directly unlock growth in Drury, it represents a critical first phase in a larger programme of investment that, through later stages, will support urban expansion in Drury and the southern growth areas.

The report focuses on quantifying both the direct economic activity generated by the Project, such as capital expenditure and job creation during construction, and the wider economic impacts enabled by the Project's delivery. This includes flow-on and induced employment benefits, increased productivity, improved freight movement, and the unlocking of residential and industrial development capacity in areas currently constrained by limited infrastructure access.

The analysis is designed to inform decision-makers on the scale and significance of the Project's economic benefits, particularly in relation to Auckland's southern growth areas, and to provide evidence of the Project's potential to support national economic objectives through enhanced regional connectivity and land use integration.

¹ For example, the existing work programme includes a new local road network and rail stations in Drury, as well as upgrades to SH22 in Drury and SH1 between Drury and Bombay, aligned with NZTA's Papakura to Bombay (P2B) project.

1.2 Report structure

The report is structured as follows:

- Section 2 provides an overview of the wider regional economic context relevant to the Mill Road corridor.
- Section 3 briefly summarises the statutory context under which the development is proceeding.
- Section 4 assesses the construction-phase benefits of the Project, including direct economic activity and employment benefits.
- Section 5 considers the operational impacts and wider flow-on effects of delivering the Project, including productivity and land development outcomes.

This report should be read alongside the Application, which contains further information on the history, scope, and planning context of the Project. This report has been prepared by Greg Akehurst of Market Economics. A summary of Mr Akehurst's qualifications and experience and his compliance with the Expert Code of Conduct is contained in **Appendix A**.

2 ECONOMIC CONTEXT

2.1 Auckland regional economy

The Mill Road Corridor lies within a region experiencing strong and sustained demographic and economic growth. Auckland is New Zealand's largest and most economically significant region, contributing \$160 billion to national GDP in the year to March 2024, approximately 38% of New Zealand's total GDP of \$419 billion².

Auckland also represents a significant share of national employment and business activity. In 2024, the region accounted for 977,778 jobs, or 35% of New Zealand's total Modified Employee Count (**MEC**) of 2.79 million. This figure is up 31% from 744,880 in 2013. Over the same period, the number of business geographic units (**GEOs**), a proxy for enterprise count, increased from 165,591 in 2013 to 227,379 in 2024, representing 35% of the national total of 649,167 business units. These trends underscore Auckland's central role as the engine of national economic activity and its importance in sustaining business and employment growth³.

According to the 2023 Census, Auckland's population reached 1.656 million, an increase of 5.4% since 2018. Stats NZ's more recent 2024 estimate places the resident population at approximately 1,798,300, making up about 34% of the national population⁴. The southern parts of Auckland, where the Mill Road Corridor is located, are among the fastest-growing areas in the region. For assessment purposes for this report, the Project study area is considered to include the Manurewa, Howick, and Papakura Local Board areas, referred to here as the 'immediate' study area (see Figure 2-1).

² Infometrics Regional Economic Profile (Auckland), 2024 (GDP, March year, 2024 prices).

³ MEC is a measure developed by Market Economics that builds on Statistics New Zealand's Employment Count (EC), to account for both employees and working proprietors. It provides a more complete estimate of employment activity, particularly in areas with high levels of self-employment or small businesses.

⁴ Stats NZ, Estimated Resident Population (published 15 May 2025). Auckland estimate as at 30 June 2024: 1,798,300; New Zealand total: 5,290,100.

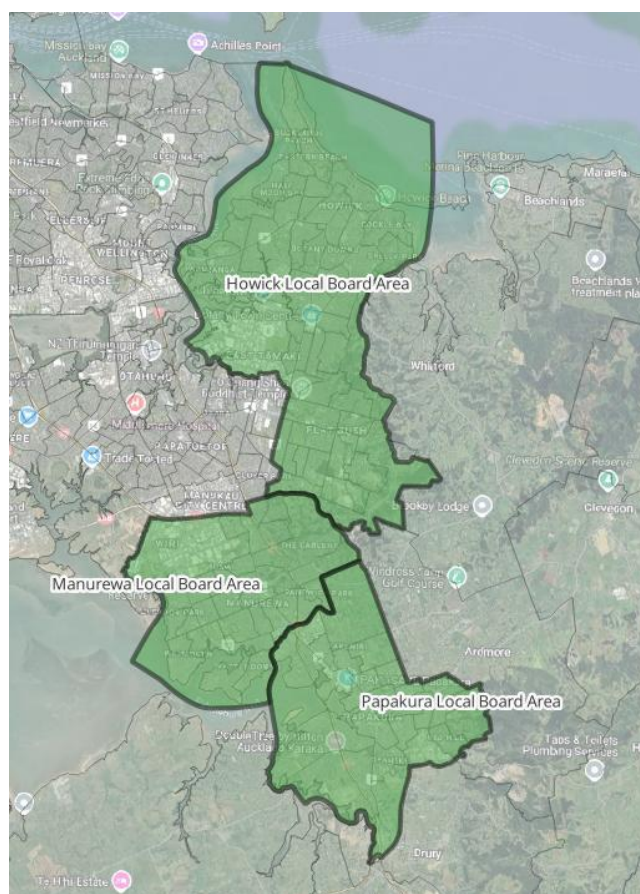


Figure 2-1: The Project – Immediate Study Area

These three board areas alone added over 100,000 people between the 2013 and 2023 Censuses, a 25% increase over the decade. Howick grew from 127,125 to 153,570 people (+26,445); Manurewa from 82,242 to 98,784 (+16,542); and Papakura from 45,636 to 72,318 (+26,682). This pace of growth reinforces the need for strategic investments in infrastructure to support increased demand for housing, employment, and transport capacity.

Aligned with population growth is a substantial rise in the number of households. Across Auckland, total households increased from 469,500 in 2013 to 539,490 in 2023, an increase of nearly 70,000 over the decade. In the immediate study area, household growth has also been rapid. Howick increased from 40,932 households in 2013 to 46,872 in 2023 (+5,940); Manurewa from 22,659 to 25,818 (+3,159); and Papakura from 14,898 to 21,567 (+6,669). Together, these areas added over 15,700 households, an indicator of both strong residential demand and pressure on local infrastructure networks.

Looking ahead, a range of population projections is available indicating ongoing long-term growth for Auckland. Stats NZ has released several projection series since 2021, based on Census 2018 data, covering multiple spatial levels, including Territorial Authority (TA), Local Board Area (LBA), and Statistical Area 2 (SA2) geographies. The March 2021 projections, developed prior to the Covid-19 pandemic, assumed relatively high growth trajectories. These were significantly revised in the December 2022 series to account for the pandemic's impact, particularly the temporary halt to international migration, a key driver of Auckland's growth. A further revision in March 2023, commissioned by Auckland Council, allowed for a stronger recovery in international migration and has since been adopted as the council's base case or most likely scenario. While this revised series forecasts lower growth than the original pre-pandemic outlook, it reflects a more realistic post-Covid growth pathway. As of mid-2025, Stats NZ has yet to release a new projection series based on the 2023 Census results.

To support coordinated planning and infrastructure investment across the region, Auckland Council maintains an official 'growth scenario', developed in consultation with internal and external stakeholders. This scenario guides strategic policy development and investment decisions, such as the Long-term Plan, asset management plans, and the Development Contributions Policy.

The current version, Auckland Growth Scenario 2023 (AGS23 - version 1.1), published in August 2024, provides projections of household, population, and employment growth over a 30-year horizon from 2022 to 2052 (June years). AGS23 is informed by the March 2023 custom population projections from Stats NZ, land and development assumptions from the 2023 Housing and Business Development Capacity Assessment (HBA), and the council's adopted strategies and spatial plans. It is considered the most relevant projection series for the purposes of this assessment.

As shown in Table 2-1, Table 2-2 and Table 2-3, AGS23 projects steady population, household, and employment growth for both the Auckland region and the Project's study area over the 30 years to 2052. Regionally, Auckland's population is forecast to increase from 1.70 million in 2022 to 2.29 million in 2052, a 35% increase. Within the study area, Howick is expected to grow by 13%, reaching nearly 173,000 people by 2052, while Manurewa and Papakura are projected to grow by 17% and 20% respectively.

Household growth is even more pronounced, reflecting trends toward smaller household sizes and increased dwelling demand. Across Auckland, the number of households is forecast to rise from 573,282 in 2022 to 814,617 in 2052, a 42% increase. In the study area, household counts are expected to increase by 21% in Howick, 20% in Manurewa, and 30% in Papakura.

Employment growth is also strong. Regionally, employment is projected to grow from 934,212 to nearly 1.29 million jobs over the 30-year period (+38%). In the immediate study area, employment is forecast to rise by 26% in Howick, 24% in Manurewa, and 30% in Papakura, reflecting expected growth in business and service activity associated with residential expansion.

When compared with the 2023 Census results, the AGS23 2022 base year projections generally align closely at the regional level but show some localised variation. For instance, the AGS23 estimate for Auckland in 2022 (1.70 million) exceeds the 2023 Census count (1.656 million) by around 2.4%. In Howick, the projection of 153,150 was within 0.3% of the Census 2023 figure (153,570), suggesting a high degree of accuracy. However, in Manurewa, AGS23 overestimated the 2023 population by nearly 8%, while in Papakura it underestimated growth by around 4%. These differences may reflect faster-than-expected growth in Papakura and slower recovery or net outflows in Manurewa. Overall, AGS23 remains a reliable basis for forward planning, particularly in the absence of updated projections based on Census 2023.

Table 2-1: Projected Growth in Population (2022–2052) - AGS23 - version 1.1

Local Board area	2022	2027	2032	2037	2042	2047	2052
Howick	153,150	156,683	160,204	162,673	164,445	167,552	172,989
Manurewa	106,540	109,903	113,340	115,895	118,053	121,162	124,787
Papakura	69,511	71,821	74,159	76,414	78,495	80,551	83,085
Auckland	1,695,741	1,798,798	1,906,620	2,012,450	2,112,690	2,206,636	2,293,484

Table 2-2: Projected Growth in Households (2022–2052) - AGS23 - version 1.1

Local Board area	2022	2027	2032	2037	2042	2047	2052
Howick	48,294	50,004	51,749	53,347	54,772	56,681	58,467
Manurewa	30,654	31,700	32,767	33,745	34,617	35,790	36,889
Papakura	22,694	23,787	24,922	26,126	27,305	28,513	29,454
Auckland	573,282	613,126	654,272	698,153	740,367	781,851	814,617

Table 2-3: Projected Growth in Employment (2022–2052) - AGS23 - version 1.1

Local Board area	2022	2027	2032	2037	2042	2047	2052
Howick	75,110	78,462	82,561	85,385	88,315	91,348	94,489
Manurewa	28,283	29,891	31,620	32,345	33,132	33,993	34,941
Papakura	20,997	22,145	23,394	24,319	25,292	26,314	27,384
Auckland	934,212	1,007,834	1,056,419	1,104,991	1,158,682	1,219,117	1,289,259

Figure 2-2 shows the impact catchment at the localised level. The Mill Road Corridor is shown in yellow, with the solid line representing the current Stage 1 project and the dotted line indicating the later stages. The wider catchment, delineated in red, is based on Stats NZ's 2023 SA2 boundaries. The specific SA2 units included within this catchment are listed in **Appendix B**. This area represents the area within which the direct and indirect effects of the Project, both during construction and operation, are expected to be most concentrated.

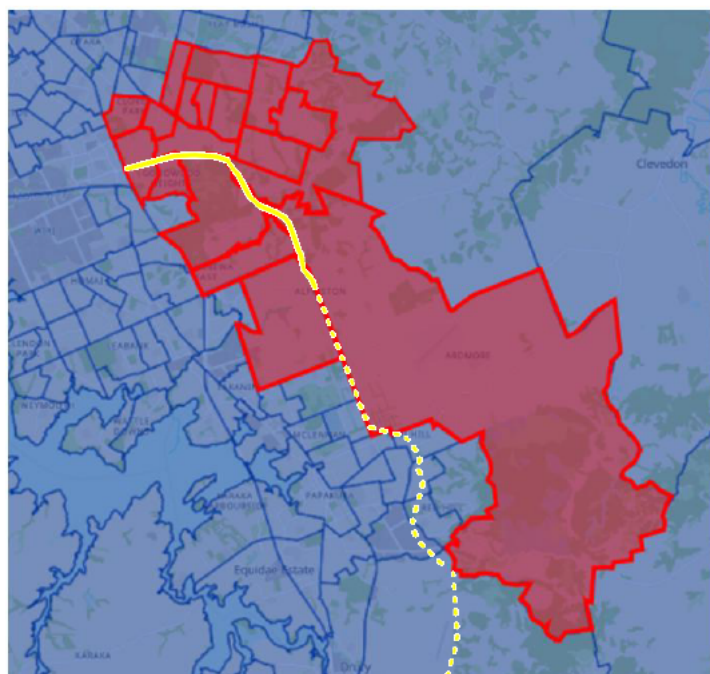


Figure 2-2: Impact Catchment (Red Outline) based on 2023 SA2 Boundaries

This local-level impact catchment provides a basis for analysing how the Project interacts with surrounding communities, supports existing and planned land uses, and delivers economic benefits at the neighbourhood and sub-regional scale. It also allows for the estimation of key metrics, such as population and household growth, housing yield, and accessibility improvements, within the most affected areas.

Figure 2-3 presents population growth projections for the impact catchment based on Stats NZ's 2023 subnational projections. These projections are shown under three growth scenarios (i.e. high, medium, and low) extend from 2018 through to 2053. Under the medium-growth scenario, which is often used for planning purposes, the population in the catchment is expected to increase from approximately 45,360 in 2023 to over 60,900 by 2053, representing a 34% increase over 30 years. The high-growth scenario projects an even stronger increase, reaching just over 70,400 residents by 2053, while the low-growth path indicates a more modest rise to around 51,700.

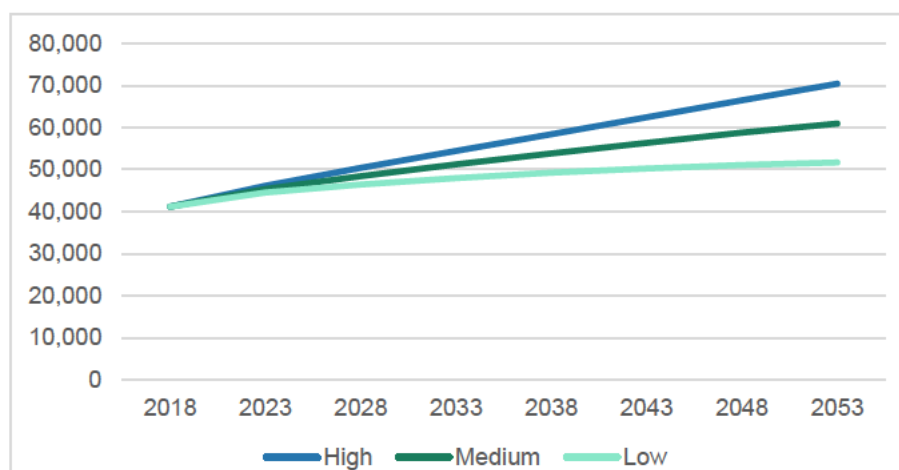


Figure 2-3: Projected Population Growth in the Impact Catchment (Stats NZ 2023 Projections)
Population by scenario (High, Medium, Low), 2018–2053

These projections again highlight the anticipated growth pressure on the catchment area surrounding Stage 1 of the Mill Road corridor. They reinforce the need for infrastructure investment to support future residential development and access to employment, schools, and services, particularly as intensification and urban expansion accelerate in parts of Manurewa, Takanini, and Papakura.

2.2 Auckland future land requirements

The HBA prepared by Auckland Council confirms that Auckland has sufficient plan-enabled residential capacity, with over 2.6 million dwellings enabled across the region. This significantly exceeds the projected demand of around 200,000 additional dwellings over the next 30 years, including the competitiveness margin required under the National Policy Statement on Urban Development (**NPS-UD**). However, while capacity is sufficient in aggregate, the HBA highlights major challenges to realising this capacity, particularly in high-growth areas of Southern Auckland due to infrastructure constraints and development feasibility limitations.

In areas such as Papakura, Manurewa, and Ōtara-Papatoetoe, household growth is expected to be strong, particularly among Māori and Pacific populations. Much of the zoned residential land in these areas is constrained by insufficient servicing, including wastewater and transport infrastructure. Even where land is zoned, rising construction costs and interest rates have reduced development feasibility, leading to delays in housing delivery. Opportunities exist to unlock capacity through intensification near rapid transit (such as Southern Line train stations), but this will require coordinated planning, clear infrastructure sequencing, and investment certainty.

From a business land perspective, the HBA finds that Auckland has sufficient capacity overall, including over 9,000 hectares of land zoned for business use and more than 400 million square metres of potential business floorspace. However, this masks critical localised shortages and suitability issues for certain sectors. Light industrial and land-extensive activities, such as construction support, logistics, and manufacturing, face mounting land pressure in Southern Auckland. While these sectors require affordable and accessible land, much of the zoned capacity is located in areas that are either not infrastructure-ready or are experiencing increasing competition from residential development and mixed-use zoning.

The situation is particularly acute in parts of Papakura and Manurewa, where the HBA identifies risks to the long-term viability of industrial precincts due to increasing land values and displacement pressures. Although plan-enabled land technically exists, constraints such as the lack of freight connections, limited road capacity, and delayed servicing mean that this land is not readily developable in the short to medium term. In addition, the absence of new greenfield business land in some areas risks eroding the long-term pipeline needed to support employment growth in the south.

In this context, the Mill Road Corridor, and in particular the Project (from Manukau to Alfriston), plays a vital role in enabling future housing and business development across southern Auckland. It enhances transport capacity and network resilience in areas already experiencing significant growth pressure, such as Manurewa and Takanini, and lays the groundwork for unlocking further development potential.

For example, the Project will specifically unlock housing capacity in both existing urban zones and Future Urban Zones around Alfriston, as identified in the Auckland Unitary Plan. It will also improve access to land east of Mill Road near Alfriston Village and in north-eastern Papakura, which are not currently zoned for urban development but are being actively explored for future development through private plan change processes. These areas are constrained by limited transport accessibility and rely on strategic infrastructure such as Mill Road to become feasible for residential intensification or greenfield development.

In addition to supporting direct land use outcomes, this Project will enhance connectivity and reduce travel times across southern Auckland, making it easier for people to move between residential areas, employment hubs, and services. These improvements in accessibility are expected to facilitate greater business activity, particularly in and around established and emerging centres like Takanini and Papakura. By improving journey reliability and easing network pressure on State Highway 1, the Project helps create the conditions for more efficient freight movement and workforce mobility.

At the same time, the improved transport links will enable residential development in adjacent areas, which will in turn generate greater local market demand for goods, services, and employment. This combination of improved access and population growth will help activate and sustain business land use, including small-scale commercial and service activities as well as industrial development in appropriately zoned areas. As such, this Project serves not only as critical transport infrastructure but also as an economic enabler, supporting the delivery and viability of both housing and employment opportunities in southern Auckland.

Although the Project does not extend as far south as Drury, future stages of the Mill Road Corridor will connect Alfriston to Drury, playing a crucial role in supporting the large-scale urban growth planned for the Drury–Opāheke area. According to Auckland Council’s structure planning, this future urban zone is expected to accommodate up to 22,000 new homes, 12,000 jobs, and a population of around 60,000 people. Completion of the full Mill Road corridor will enable critical access to new centres, industrial land, and high-density housing areas, reducing dependence on SH1 and integrating the area into the wider transport network. This connectivity is essential to realising the development capacity identified in the HBA and aligning land use with infrastructure investment.

In summary, while the HBA demonstrates that sufficient land is zoned for both housing and business activities across Auckland, realising that capacity, especially in Southern Auckland, requires coordinated transport infrastructure and development feasibility. The Mill Road Corridor, through both its initial and future stages, is a strategic enabler of this growth, ensuring that infrastructure delivery keeps pace with Auckland’s evolving spatial and economic needs.

3 STATUTORY CONTEXT FOR THE ASSESSMENT

The purpose of the FTAA is “to facilitate the delivery of infrastructure and development projects with significant regional or national benefits”. This report provides an independent assessment analysis of the economic benefits of Stage 1 of the Mill Road corridor in line with s 22(2)(a)(iv) of the FTAA, both in terms of construction benefits and impacts and longer-term operational benefits for on a regional and national scale.

To date, a variety of approaches has been taken by various economists to the benefits analysis under the FTAA. In many cases, particularly for private sector developments, the analysis has focused on a net-benefit or cost-benefit framework that weighs private development gains against public infrastructure costs. However, such an approach is less relevant for publicly funded infrastructure projects such as this one. Unlike private developments that often generate private returns but rely on public investment to provide enabling infrastructure, this Project is a public project, fully funded by the Crown, designed to deliver public benefits in the form of improved transport connectivity, resilience, and access to housing and employment opportunities.

Section 22(2)(a)(iv) of the FTAA requires assessment of the economic benefits of a project—it does not call for a full cost-benefit analysis that includes project costs. Accordingly, this report focuses on quantifying and describing the economic benefits of the Project, both direct and wider, without assessing the financial, environmental, or other costs associated with its delivery. It should also be noted that NZTA projects are

subject to a rigorous business case process and environmental assessment regime that already ensures adverse effects are identified, minimised, and appropriately managed.

4 CONSTRUCTION ECONOMIC EFFECTS AND BENEFITS

The economic effects of constructing the Project begin well before physical works commence. Early-stage activities such as planning, design, and consenting generate substantial economic activity, with most of this expenditure occurring within the Auckland economy. These pre-construction phases involve professional services, technical consultants, and regulatory processes that inject funding into local firms and sustain high-skilled employment.

This is followed by several years of intensive construction activity, during which Stage 1 is physically delivered. Throughout this period, there is significant economic stimulus not only within the construction sector itself but also across supplier industries that provide raw materials, equipment, and support services. The flow of capital from NZTA into the sector supports wages, employment, training, and local business revenues. It also contributes to profit margins, tax revenue, and regional GDP.

In addition to the firms directly engaged in delivering the project, upstream industries, including those in manufacturing, transport, logistics, and professional services, experience increased demand. These flow-on effects amplify the project's regional economic footprint beyond the immediate construction zone.

To assess the scale of these effects, I have used Market Economics' (**M.E**) in-house Multi-Regional Input-Output (**MRIO**) model, calibrated with detailed construction cost and timing information provided by NZTA. This model captures both the direct effects of construction expenditure and the indirect and induced effects throughout the regional and national economy.

I have translated the economic effects (which are an important consideration in themselves) into a measure of regional economic 'benefits' in the form of contributions to household incomes. Given the project is funded by central government, the full amount of contribution to GDP at the regional level can be seen as additional to the Auckland economy. I have also identified household incomes as the key regional economic benefit metric (on top of employment).

4.1 Construction economic benefits assessment approach

My assessment is based on a cashflow analysis derived from data provided by NZTA based on the business and investment case used to justify this project within central government. The data outlines the forecasted expenditure and timing of key components of the project, such as earthworks, construction and infrastructure upgrades by development stage. The analysis assumes that the majority of this spending will be directed to businesses within the Auckland region. In particular, I have assumed that all construction-related activity will be undertaken by Auckland-based firms. The remaining expenditure, such as consultancy services and project management costs incurred by NZTA, is also assumed to be retained within the Auckland economy, reflecting the concentration of these service sectors in the region.

This planned expenditure has been allocated across 109 economic sectors within M.E's MRIO model, calibrated for the Auckland economy using a 2020 base year. The model captures the direct, indirect, and induced impacts of the spending, quantifying the flow-on effects on value added (GDP equivalent) and employment across the region.

Value added is generated not only directly through construction activity, but also indirectly, as suppliers to the construction sector expand their purchases of raw materials, logistics, and support services. In turn, this activity supports wage income, business profits, and reinvestment, propagating further economic benefits across the supply chain. Importantly, the MRIO model also captures inter-regional linkages, quantifying the spillover effects beyond Auckland. For example, if construction firms in Auckland source aggregates or building materials from the rest of the North Island, the model traces the resulting demand stimulus in those supplying regions.

The MRIO model contains detailed data on gross output and employment by sector for the Auckland economy. This allows us to generate an annual average ratio of gross output per person employed in each sector, enabling us to translate additional economic activity, driven by construction expenditure, into an estimate of additional employment, disaggregated by sector. This relationship forms the basis for estimating

the number of job years sustained over the life of the project. Using the annual cashflow profile derived from the project's cost estimate report, which breaks down expenditure by workstream (e.g., earthworks, structures, services), we assess the annual spending across a ten-year development timeline, spanning from Q3 2024 to Q3 2034. Each year's estimated sector-level revenue is matched to the corresponding output-to-employment ratio, allowing M.E to calculate the additional job years sustained per sector and approximate location throughout the construction period.

Employment impacts are expressed in MECs, which include not only employees but also working proprietors. This is particularly important for accurately capturing employment in sectors like construction, where self-employment and sole operators are common.

The analysis is based on a projected total spend of approximately \$924 million across the pre-implementation and implementation phases of Stage 1. This investment is concentrated in heavy and civil construction, construction services, and a variety of professional and technical services. Certain elements of the original cashflow, such as property acquisition costs, contingencies, and inflationary escalations, have been excluded to focus the analysis on the most relevant economic inputs.

All expenditure inputs were deflated to 2020 dollars, in line with the MRIO model's 2020 base year, ensuring consistency in economic value comparisons. The model then produces estimates of value added (equivalent to GDP) and employment (MECs). While value added outputs are re-inflated to current dollar terms, employment figures remain in 2020 MEC terms, preserving the integrity of the gross output-per-job relationship.

To reflect the time value of money, value added results are discounted quarterly at a 2% annual rate⁵. Discounting accounts for the community's time preference and the opportunity cost of capital, recognising that economic activity today is more valuable than the same activity deferred into the future. In simple terms, the wages, income, and economic output generated in earlier years of the project have greater economic significance than identical outcomes achieved later in the construction timeline.

It is important to note that Section 5 of this report explores the operational economic effects of the project and considers two distinct scenarios: one in which Stage 1 is tolled, and another where it remains un-tolled. These scenarios are expected to influence user behaviour differently over time and may result in different patterns of accessibility, land development, and transport efficiency once the road is operational.

While these operational differences could, in theory, result in slightly different infrastructure requirements during the construction stage (for example, related to tolling infrastructure, design specifications, or lane configurations). The marginal nature of these differences, when considered against the overall scale of the project, is not expected to materially affect the scale or timing of construction expenditure. As a result, for the purposes of this construction-phase economic impact assessment, these differences have been intentionally excluded.

The construction impact analysis therefore assumes a consistent investment profile and activity timeline across both the tolled and un-tolled scenarios, providing a neutral basis for estimating the economic injections associated with project delivery. The effects of tolling are more appropriately addressed in the operational phase, where their influence on network use, travel time savings, and economic productivity can be properly evaluated.

4.2 Construction economic impacts

4.2.1 Direct impacts: value added

The most appropriate measure of the economic impact generated in a region as a result of a project's development is 'value added'. Value added represents the project's contribution to GDP (excluding GST) and is calculated as the total value of construction activity minus the intermediate inputs required to deliver that activity, such as building materials, consents, electricity, business services, and imported goods. In effect, it reflects the net economic contribution of the project.

⁵ Discount rate applied as per the New Zealand Treasury's guidelines for non-commercial public sector projects with durations of less than 30 years. <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

Value added captures the wages and salaries paid to workers, operating surpluses for businesses, depreciation of capital assets, and indirect taxes. In the construction sector, value added typically accounts for approximately 30% of total output.

The pre-implementation phase of this project began in the second half of 2024, with the first implementation package commencing around the same time. Construction activity ramps up significantly from Year 2 onwards, peaking during the second, larger package of construction works that begins in 2028 and runs through to completion in mid-2034⁶.

The cumulative direct value added generated from now until project completion is projected to total approximately \$377 million. Figure 4-1 illustrates the industry distribution of direct value added from the project. It presents an annual breakdown of this value added across the project timeline, highlighting the year-by-year contribution to regional economic activity.

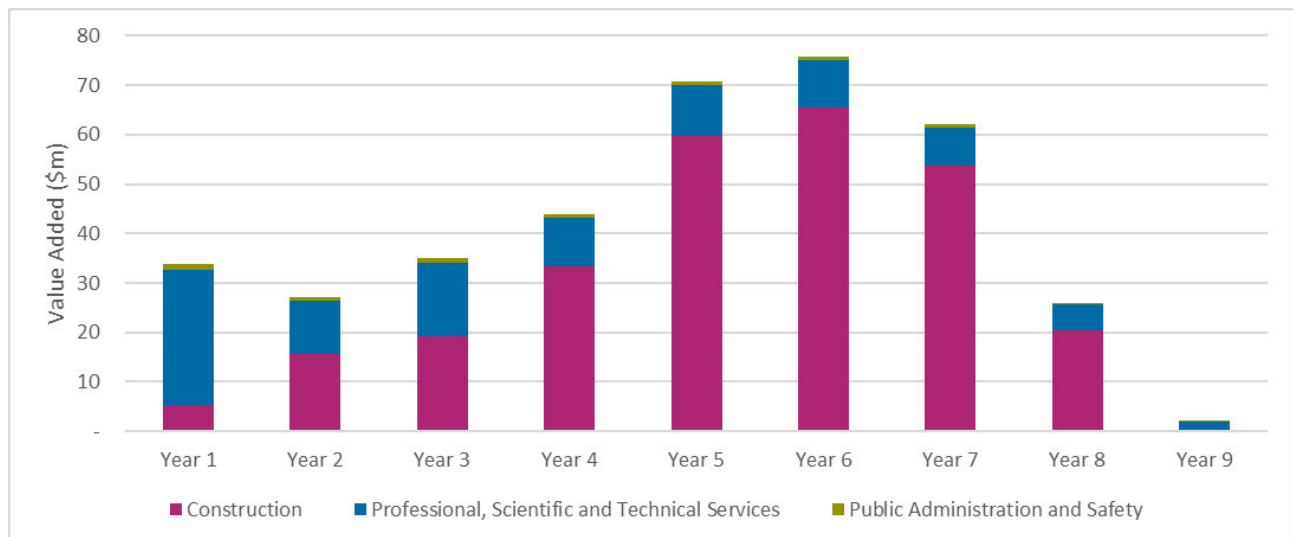


Figure 4-1: Direct Value Added by Industry — Year ending Q3

4.2.2 Direct impacts: employment

The direct employment effects of the Project are estimated using MECs, a measure that captures both employees and working proprietors. The results reflect employment sustained within the Auckland region, based on the assumption that all direct construction and pre-implementation activity will be carried out by Auckland-based firms. Over the ten-year construction period, the project is expected to sustain approximately 4,084 job years (4,084 MECs) of direct employment. This represents a substantial and sustained contribution to regional employment across the construction, professional services, and related support sectors.

In Year 1, around 314 MECs are projected to be directly sustained, primarily through pre-implementation activities involving professional, scientific, and technical services. In Year 2, while total employment dips slightly, construction-related roles begin to rise as Package One physical works ramp up. Direct employment continues to increase throughout the implementation timeline as construction activity scales up.

The most intensive period of employment occurs between Year 5 and Year 7, during the peak delivery phase of Package Two. Employment reaches its highest point in Year 6 of construction, with approximately 850 MECs sustained at the peak of construction.

Following this peak, direct employment steadily declines over the final years of the project. The completion of major physical works in Year 8 sees employment taper off, with residual employment in professional services extending into Year 9, related to finalisation, compliance, and project close-out tasks.

The majority of direct employment is in the construction sector, particularly across construction services and heavy and civil engineering construction. Importantly, these roles are not limited to on-site workers; they also include head office and administrative roles, such as engineers, project managers, and support staff,

⁶ All project costs planned for Year 10 relate to contingency and escalation allowances, and have therefore been excluded from the benefit calculation.

employed by contractors and consultants based throughout Auckland. In addition to construction-related roles, there is notable employment in the professional, scientific, and technical services sector, especially during the early years, and a smaller, consistent level of employment in public administration and safety across the full timeline.

While the project may provide opportunities for new entrants and apprentices, it is important to recognise that most of the employment is likely to be absorbed by the existing construction workforce. As with most large-scale infrastructure projects, the Project is expected to sustain jobs rather than create net new employment, helping to provide certainty and continuity of work across the sector. However, given the length of time the project spans, there is significant opportunities to engage new workers and provide upskilling opportunities.

This is the nature of the construction sectors impact on the economy. The majority of projects are time limited and the sector operates by stringing projects together to provide a pipeline of work that defines the sector and sustains employment, incomes and benefits in a consistent manner over time.

Given that the funding for this work comes from outside the region, these levels of employment are a net benefit to the Auckland economy – both to the extent that they provide income that is greater than the unemployment benefit, (an economic benefit) and employment has a range of social and psychological benefits (sense of purpose, social connections, reduced welfare dependency, intergenerational benefits associated with children from households with employed parents have better educational and social outcomes).

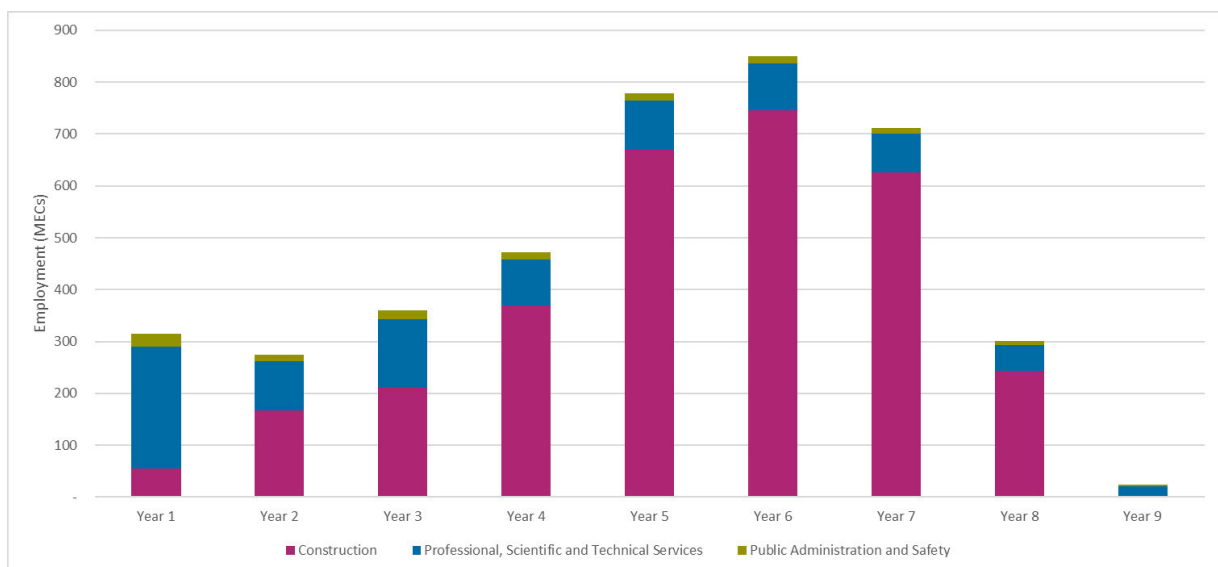


Figure 4-2: Direct Employment Sustained by Industry – Year ending Q3

4.2.3 Flow on impacts

The analysis of value added and employment sustained presented above considers only the direct economic impacts, that is, the activity directly associated with the expenditure required to deliver the Project. However, from a more comprehensive economic impact perspective, it is also important to account for indirect and induced impacts, commonly referred to as flow-on effects. These capture the broader economic activity stimulated across the economy as a result of the Project.

Many of the goods and materials required during construction, such as cement, cables, and prefabricated components, are produced by manufacturers located throughout Auckland and elsewhere in New Zealand. As construction demand increases, these industries respond by increasing output. Additionally, as employment rises in both construction and its supply sectors, wages are paid, which workers then spend across the economy, particularly in retail and service sectors, generating further economic activity. Indirect and induced impacts therefore measure the additional value added and employment stimulated by the initial (direct) investment.

The MRIO model used in this assessment enables estimation of these flow-on effects, accounting for inter-regional supply chains and the linkages between Auckland and the rest of New Zealand.

Table 4-1: Direct and Flow-on Value Added Impacts by Year ending Q3 (\$m Present Value (PV)) – Mill Road Stage 1

Value Added	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
Direct Impacts	33.8	27.2	35.0	43.9	70.9	75.7	62.1	26.0	2.2	376.8
Indirect & Induced Impacts	58.0	54.3	69.3	94.3	157.6	170.0	139.5	56.9	3.7	803.5
Total Impacts	91.8	81.4	104.3	138.3	228.5	245.7	201.7	82.9	5.9	1,180.4

Table 4-1 summarises the indirect and induced value added associated with the Project across the full development timeline. Based on MRIO modelling, the Project is expected to generate approximately \$803.5 million in indirect and induced value added (GDP) in current dollar terms. These impacts generally follow the same profile as direct impacts, peaking around Year 6, when construction activity is at its highest.

When combined with the direct impacts discussed earlier, the total economic impact of the Project is estimated at approximately \$1.18 billion in value added (GDP) over the construction period, expressed in current terms⁷.

When indirect and induced effects are included, the development is projected to sustain the equivalent of approximately 11,613 job years, that is 11,613 MECs working for one year. The annual distribution of these employment impacts is shown in Table 4-2. While all direct employment impacts are assumed to occur within the Auckland region, the indirect and induced effects are expected to extend beyond Auckland, generating additional economic activity across the rest of the North Island and other parts of New Zealand.

Table 4-2: Employment sustained by Economic Sector (MECs) by Year ending Q3 – Mill Road Stage 1

Industry Sector	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
<u>Direct Employment (MECs)</u>										
Construction	55	168	211	369	669	746	626	244	3	3,091
Professional, Scientific and	235	95	131	89	95	90	74	50	19	878
Public Administration and	24	12	17	13	14	13	11	7	3	115
Total Direct (MECs)	314	275	359	471	779	850	711	301	24	4,084
<u>Direct, Indirect and Induced (MECs)</u>										
Primary Sector	3	3	4	5	9	10	8	4	0	47
Mining & Quarry	0	1	1	2	4	4	4	1	0	18
Manufacturing	23	30	39	60	106	118	99	40	2	518
Utilities	3	4	5	7	12	13	11	4	0	59
Construction	100	234	296	505	913	1,018	853	335	6	4,259
Wholesale trade	16	19	24	37	64	71	60	24	1	315
Retail Trade	11	12	16	24	41	45	38	15	1	203
Accommodation & food services	7	7	9	12	21	23	19	8	1	108
Road transport	29	27	35	48	81	89	74	31	2	416
Information media & teleco	13	12	16	21	35	39	32	14	1	183
Finance, insurance & funds	18	16	21	28	46	51	43	18	1	241
Rental, hiring & real estate services	12	11	14	20	33	37	31	13	1	171
Professional Services	484	293	391	420	640	684	571	263	38	3,782
Government Admin (local and central)	35	22	30	31	43	45	38	19	4	266
Education & training	27	23	30	40	67	74	62	26	2	352
Health care & social assistance	4	4	5	6	11	12	10	4	0	55
Arts, Rec., Personal & Other services	46	41	53	71	120	131	110	46	3	622
Total Direct, Indirect & Induced (MECs)	832	757	989	1,336	2,247	2,463	2,062	865	62	11,613

⁷ The total economic impact has been calculated using a 2% discount rate. A mandatory sensitivity test, in line with the New Zealand Treasury's guidelines, has been conducted using an 8% discount rate. Under this scenario, the total economic benefit reduces to \$894.4 million.

This reflects the national reach of construction supply chains and labour markets, where demand for materials, components, and services stimulates production and employment in other regions.

These impacts illustrate not only the direct employment sustained through construction spending, but also how that spending flows through the wider economy, supporting a range of indirect and induced employment across multiple sectors. As expected, the majority of supported employment is concentrated in construction and professional services, consistent with the nature and delivery model of the Project.

Importantly, construction employment is typically project-based, with clearly defined start and end dates. The Project will contribute to the regional construction work pipeline, helping to sustain employment over a multi-year period. On average, the Project's annual supported employment is equivalent to approximately 0.5% of Auckland's 2024 construction sector workforce. At its peak, this rises to around 1.0% of Auckland's construction employment. A similar pattern is observed for professional services, where peak supported employment equates to 0.4% of the sector's workforce.

Table 4-3 presents a summary of the total value added impacts (in current terms) by location over the programme delivery timeline. While the majority of impacts are concentrated in the Auckland region, a significant share of the indirect and induced value added occurs across the rest of the North Island (\$95.8 million), with an additional \$39.7 million accruing to the South Island, highlighting the broader national economic reach of the Project through supply chains and labour inputs.

Table 4-3: Impact Summary by Location (Value Added (\$m PV) and Employment (MECs)) – Mill Road Stage 1

	Auckland Region		Rest of North Island	Rest of New Zealand	Total
Direct Value Added (\$m)	\$	376.8	\$ -	\$ -	\$ 376.8
Indirect Value Added (\$m)	\$	277.6	\$ 38.7	\$ 14.0	\$ 330.3
Induced Value Added (\$m)	\$	390.4	\$ 57.1	\$ 25.7	\$ 473.2
Total Value Added	\$	1,044.8	\$ 95.8	\$ 39.7	\$ 1,180.4
Direct Employment		4,084	-	-	4,084
Indirect Employment		2,642	113	99	2,854
Induced Employment		4,291	179	205	4,675
Total Employment		11,017	292	304	11,613

4.3 Construction economic benefits

Having established a set of direct and flow on effects of the construction phase, it is possible to split the economic benefit component out to aid in understanding how the construction of the Project benefits Auckland, and New Zealand. This will also allow the benefits of construction to be placed alongside the wider operational benefits (Section 5) in a cost benefit framework.

Economic Impact Assessment (**EIA**) and Cost Benefit Assessment (**CBA**) are not the same, although it is possible to use an EIA to provide an estimate of benefits associated with things like new construction projects. In CBA contribution to GDP is not typically counted as a benefit, because the contribution to GDP is considered a transfer or that it relies on multiplier effects to estimate flow on (indirect and induced effects) whereas CBA focuses on welfare rather than economic activity per se.

However, the approach adopted in this assessment does not rely on multipliers, rather it rebalances the Auckland economy following the "shock" of a capital injection from central government (over time) to build the Project. The EIA is able to trace the expenditure flows from this cash injection through the economy and provide estimates of contribution to employment, household incomes, government taxes as well as contributions to GDP.

An accounting approach to assessing benefits (as usually undertaken in a CBA) treats employment as a cost, postulating that if the workers were not employed here, they would be employed elsewhere – therefore the amount of employment required is simply a cost of the project.

However, in the context of New Zealand's resource management and infrastructure planning frameworks, employment generation and economic growth are recognised as positive outcomes that contribute to the social, economic, and cultural well-being of communities, consistent with the purpose of the Resource

Management Act 1991 (s5). These factors are also expressly recognised as relevant considerations under section 22(2)(a)(iii) and (iv) of the Fast-track Approvals Act 2024, which refer to increasing housing supply, contributing to a well-functioning urban environment, and delivering significant economic benefits.

Accordingly, within this assessment, employment and economic activity are treated as genuine and measurable benefits that contribute to regional prosperity and the efficient functioning of Auckland’s economy, rather than as neutral transfers or project costs.

While estimates of contribution to GDP can be viewed as a proxy for economic benefits, it must be treated carefully. If these contribution to GDP impacts are additional and would not otherwise occur elsewhere in the economy, then they represent potential net gains to regional income. In the case of the Project, Central Government is funding the development. The funding originates from outside the regional economy (national level taxation or national level borrowing, or national level capital budgets). Central Government have a range of projects they may choose to invest in across the country – they do not necessarily need to invest in Auckland. Therefore, the effects can be considered to be a net addition to the Auckland economy.

Economic benefits are a subset of the contribution to GDP, described above. At the regional level they consist of additional household income. This is made up from the wages and salaries paid to all those who are engaged in working directly on the development of the Project, plus the portion of those who work in supporting sectors, to the extent that their work supports the Project. Finally, the portion of household income paid to those in the wider economy, who’s work increases to the extent supported by the induced effects of household incomes paid to direct and indirectly impacted workers.

At the national level, all of those businesses pay taxes and PAYE. However, at the national level the money would have been spent elsewhere, so the tax and PAYE would have been broadly similar. Therefore, is excluded.

Table 4-4: Auckland Regional Economic Benefits of Mill Rd, Stage 1 Construction (@2% Discount)

Income (\$m)	Auckland Region
Direct Household Income	\$ 262.4
Indirect Household Income	\$ 230.3
Induced Household Income	\$ 329.6
Total Household Income	\$ 822.3

The development of the Project generates significant additional household incomes for Auckland households. In addition, the construction of the Project sustains high levels of employment directly and indirectly, in supporting industries (as discussed above).

In the following section the significant range and scale of operational benefits for the Project are assessed. These are substantial, far outweighing the shorter-term construction benefits and the persist into the future.

5 OPERATIONAL BENEFITS

The operational benefits that arise once the Project has been completed and is in use are both regionally and nationally significant. The benefits to individuals, businesses, and the broader transport system as the corridor begins to influence travel behaviour, network performance, and urban development are substantial.

As outlined below, operational benefits of between \$4.4bn and \$5.7bn in current value terms, are extremely large. They exceed those of other projects granted under the FTAA such as the following:

- The Bledisloe North Wharf and Fergusson North Berth Extension project has been granted. It will deliver contribution to Regional GDP benefits of between \$1.8bn and \$5.4bn.
- Milldale Stages 4C and 10 to 13 has also been granted consent and expected to generate \$492m in GDP and support 3,550 FTE years of employment.

- Finally, the Maitahi Village project, in Nelson has been granted consent and is expected to generate some \$340m in contribution to GDP and sustain 2,700 employee work years.

The Project is expected to generate a range of operational benefits, many of which can be quantified and monetised in accordance with NZTA's transport appraisal guidance⁸. These include:

- Traffic efficiency benefits, such as reduced travel times and improved travel time reliability.
- Road safety impacts, from improved road design and reductions in crash risk.
- Active mode benefits, such as improved walking and cycling conditions and associated health gains.
- Resilience benefits, particularly through improved network redundancy and response to unplanned events.
- Wider economic benefits (WEBs), such as productivity gains through agglomeration, improved labour access, and market efficiency.

For the purposes of this economic benefits report, I have drawn on the findings of the Investment Case Economic Analysis Report, which assessed the Project under both tolled and un-tolled scenarios. That analysis applies standard New Zealand transport evaluation methodologies and assumptions, and provides a robust basis for quantifying the core economic benefits expected to be realised during the operational phase of the Project.

5.1 Traffic benefits

Traffic-related benefits are broken down into several components, including travel time savings, congestion relief, trip reliability improvements, vehicle operating cost reductions, and resilience benefits (addressed separately below).

According to the Economic Analysis Report, the net present value (**NPV**) of traffic-related benefits from the Project is estimated at approximately \$4,185 million under the untolled scenario, and around \$3,049 million under the tolled scenario (see Table 5-1).

Table 5-1: Traffic Related Benefits (PV, \$m)

Traffic Benefits (PV \$m)	Un Tolled	Tolled
Travel Time	\$ 2,194	\$ 1,818
Congestion	\$ 1,529	\$ 972
Trip Reliability	\$ 175	\$ 145
Vehicle Operating Costs	\$ 287	\$ 114
Total Traffic Effects	\$ 4,185	\$ 3,049

Traffic benefits make up the majority of the overall benefits of the Project. In and of themselves the benefits of either the Tolled or Un-Tolled options are regionally and nationally significant. The majority of traffic benefits relate to reductions in Travel time (52% under the un-tolled future and almost 60% under the tolled future).

5.2 Road safety impacts

Road safety impacts were assessed in the Economic Analysis Report using outputs from the Macro Strategic Model (**MSM**). To estimate crash cost savings, the analysis applied average crash costs per vehicle-kilometre travelled, differentiated by road classification, to the transport modelling outputs for both the tolled and un-tolled Project scenarios.

This approach enabled the estimation of network-wide crash impacts, capturing changes in crash risk both on the Mill Road corridor and across the wider regional transport network. In addition, local crash costs specific to the Mill Road corridor were also estimated.

The modelling results indicate that the Project is expected to generate road safety benefits through reduced crash incidence. The un-tolled scenario produces higher overall crash cost savings, due to increased traffic

⁸ <https://www.nzta.govt.nz/assets/resources/general-circulars/docs/eem-manual-2013.pdf>

volumes using the safer, upgraded corridor. In contrast, while the tolled scenario generates slightly higher crash savings on the corridor itself, these are offset by increased crash costs on the wider network resulting from diverted traffic.

According to the Economic Assessment Report, the Net Present Value (**NPV**) of road safety benefits is estimated at approximately \$268 million in the un-tolled scenario, and \$147 million in the tolled scenario, reflecting the effects of traffic distribution and diversion patterns (see Table 5-2).

Table 5-2: Road Safety Related Impacts (PV, \$m)

Road Safety Benefits (PV \$m)	Un Tolled	Tolled
Crash Savings	\$ 268	\$ 147
Total Safety Benefits	\$ 268	\$ 147

5.3 Active mode impacts

Active mode impacts are derived from the walking and cycling facilities proposed as part of the Project. These include a shared path along Redoubt Road (from SH1 to Murphy's Road), an off-road active transport corridor between Murphy's Road and Alfriston Road, and a new footpath resulting from the urbanisation of Mill Road between Murphy's Road and Alfriston Road.

Due to modelling limitations, active mode benefits were modelled only for the year 2038, with estimates for other years interpolated based on projected population growth. The resulting active mode benefits are broken down as follows:

- Travel time savings account for 19% of the total;
- Health benefits (from increased physical activity) make up the largest share at 56%;
- Safety benefits contribute 1%; and
- Decongestion benefits (from mode shift) represent 24% of the total benefit.

According to the Economic Impact Assessment, the NPV of active mode benefits is estimated at \$33 million in the un-tolled scenario, and \$35 million in the tolled scenario (see Table 5-3). These results reflect the improved attractiveness and usability of walking and cycling infrastructure, irrespective of tolling.

Table 5-3: Active Mode Related Impacts (PV, \$m)

Active Mode Benefits (PV \$m)	Un Tolled	Tolled
Active mode benefits	\$ 33	\$ 35
Total ActiveMode Benefits	\$ 33	\$ 35

5.4 Resilience benefits

A key rationale for the Mill Road Corridor, in its entirety, is the resilience it provides to Auckland's transport network, particularly in the southern region. Currently, there are very few north–south arterial routes through southern Auckland. As a result, any disruption to the Southern Motorway (**SH1**) can lead to widespread network delays, significantly impacting movement of people and goods.

The Project contributes to addressing this vulnerability by increasing network capacity and providing an alternative route east of SH1. By expanding the available options for north–south travel, the Project helps to reduce pressure on SH1, improves diversion capability, and lowers the risk of regional transport disruption. Given Auckland's role as New Zealand's largest city, with the largest International Airport and the largest import seaport, the risk is a national level one. Therefore, by reducing that risk generates benefits for the national economy.

The Economic Impact Assessment assessed the resilience benefits of the Project using transport modelling, which simulated how the network would perform under partial closures of SH1, both with and without the

Project. These scenarios demonstrated the role of the Project in enhancing redundancy, maintaining traffic flow, and reducing travel time impacts during unplanned events or emergencies.

According to the Economic Impact Assessment, the NPV of resilience benefits associated with the Mill Road improvements is estimated at \$376 million under the un-tolled scenario, and \$695 million under the tolled scenario.

Table 5-4: Resilience Related Impacts (PV, \$m)

Resilience Benefits (PV \$m)	Un Tolled	Tolled
Resilience benefits	\$ 376	\$ 695
Total ActiveMode Benefits	\$ 376	\$ 695

This significant difference is because resilience is measured by the network's ability to absorb shock and recover quickly from incidents. The tolled option, which is utilised by lower levels of daily traffic, maintains a larger reserve of unused capacity. This means that in the event of a major incident on SH1, the tolled corridor has a greater ability to absorb diverted traffic without becoming congested itself, thereby generating almost twice the resilience benefits of the un-tolled option.

5.5 Wider economic benefits

A range of Wider Economic Benefits (**WEBs**) are expected to arise from the implementation of the Project, contributing to the broader productivity and efficiency of the Auckland regional economy. These benefits fall into three key categories:

- Agglomeration impacts
- Labour supply impacts
- Imperfect competition impacts

Agglomeration impacts occur when businesses and workers locate near each other, creating more dynamic and productive economic environments. Agglomeration benefits are particularly well aligned with the Government Policy Statement (**GPS**) on land transport, 2024-2034, which confirms the Government's top priority for investment is to support economic growth and productivity. The expectation is that:

"[T]he transport sector supports economic growth and productivity by providing quality transport connections, which enable goods and people to reach their destinations efficiently."

Agglomeration benefits are arguably the benefit (as outlined in NZTA's Monetised benefits and costs manual, August 2025) which most closely approximates the impact of a project on economic growth and productivity, being a direct measure of the change in productivity (GDP) arising from an improvement in accessibility (via a reduction in generalised cost). Over the long term, productivity improvements are the primary driver of improved living standards and prosperity.

These productivity improvement emerge through reduced transaction costs, easier knowledge sharing, and access to a larger common labour pool and customer base. In transport economic appraisals, agglomeration benefits are typically assessed using job density metrics across sectors and locations, and are particularly relevant in growing urban areas like southern Auckland.

Labour supply impacts arise from reductions in travel time and improved reliability, which effectively increase the number of people who can access employment opportunities. By expanding the geographic reach of labour markets, the Project enhances business productivity through greater access to talent and a more efficient allocation of skills.

Imperfect competition impacts refer to the benefits generated when improved access reduces spatial barriers to market entry, allowing for more competition in previously constrained or isolated areas. This helps mitigate the effects of monopolies or oligopolies, lowers prices for consumers, and supports innovation and service quality improvements.

As shown in Table 5-5, the NPV of wider economic benefits is estimated at \$795 million under the un-tolled scenario, and \$466 million under the tolled scenario. These differences reflect changes in trip distribution and travel behaviour across the network, with the un-tolled scenario facilitating greater economic integration and accessibility.

Table 5-5: Resilience Related Impacts (PV, \$m)

Wider Economic Benefits (PV \$m)	Un Tolled	Tolled
Wider Economic benefits	\$ 795	\$ 466
Total ActiveMode Benefits	\$ 795	\$ 466

5.6 Total operational economic benefits

The total operational economic benefits generated by the development of the Project are substantial and far exceed the short-term construction impacts. In NPV terms, the Project is expected to deliver approximately \$5.7 billion in economic benefits under the un-tolled scenario. Even when tolling is applied, the benefits remain highly significant, with the tolled scenario generating \$4.4 billion in present value terms (see Table 5-6).

Table 5-6: Total Operational Economic Benefits (PV, \$m)

Total Operational Economic Benefits (PV \$m)	Un Tolled	Tolled
Traffic	\$ 4,185	\$ 3,049
Road Safety Savings	\$ 268	\$ 147
Active Mode Benefits	\$ 33	\$ 35
Resilience benefits	\$ 376	\$ 695
Wider Economic Benefits	\$ 795	\$ 466
Total Operational Benefits	\$ 5,657	\$ 4,392

These benefits encompass a wide range of transport and economic impacts, such as travel time savings, vehicle operating cost reductions, active mode outcomes, resilience gains, and wider economic benefits, all of which contribute to the overall improvement of the region's transport efficiency and economic productivity.

In the context of Auckland's economy, which contributes around a third of New Zealand's national GDP, these figures represent a major net gain and reflect the Project's strategic importance. The scale of these benefits demonstrates that the Project is not merely a transport intervention, it is a region-shaping investment with the potential to enhance economic resilience, support growth, and improve quality of life across southern Auckland.

Regardless of the funding and tolling arrangements ultimately adopted by central government, the evidence is clear: The Project will make a significant and lasting contribution to the Auckland regional economy, supporting both current demand and future urban development in one of the city's most dynamic growth areas.

The scale of these economic impacts and economic benefits are such that the Project is significant at the national level.

APPENDIX A STATEMENT OF QUALIFICATIONS AND EXPERIENCE AND CODE OF CONDUCT

My full name is Gregory Michael Akehurst. I am the author of this Economic Benefits Report. I hold a Bachelor of Arts in Geography and a Bachelor of Commerce in Economics, both from the University of Auckland. I am a member of the Resource Management Law Association and the New Zealand Association of Economists.

I am a founding Director of Market Economics Limited, an independent consulting and research organisation based in Auckland. I have nearly 30 years of experience assessing the economic effects of development and infrastructure projects across New Zealand, including evaluating the impact of different infrastructure funding mechanisms. My work has included numerous studies examining the effects of urban and regional growth, and how councils can respond to growth pressures in an efficient and effective manner.

I have presented expert economic evidence before Council Hearings, the Environment Court, the Environmental Protection Authority (EPA), and Independent Hearing Panels, and have also prepared affidavits for the High Court on matters related to infrastructure funding.

My key relevant project experience includes:

- **Housing and Business Development Capacity Assessments (HBAs):** I have led or contributed to HBAs for a number of councils including Dunedin City, Waikato District, Hamilton City, Waipā District, and Matamata-Piako District. I have also worked alongside the Market Economics team on HBA studies for Tauranga City, Queenstown Lakes District Council, and Auckland Council.
- **Growth and Economic Evidence in Southern Auckland:** I have provided economic and household growth advice, reporting, and expert evidence for plan changes and subdivision consents associated with the Drury South development, on behalf of Drury South Limited. I have also prepared assessments and presented evidence for Kiwi Property Group in relation to their Metropolitan Centre at Drury.
- **Fast-track Approvals:** I have prepared numerous Fast-track Economic Impact Assessments under both the COVID-19 Recovery (Fast-track Consenting) Act 2020 and the current Fast-track Approvals Act 2024, and have undertaken peer reviews of economic assessments submitted under these regimes.
- **Sector-based and Area-specific Economic Studies:** I have completed a wide range of studies for both developers and councils, assessing the local and broader economic implications of development investments and planning changes.
- **Aggregate Sector Studies:** I have conducted many investigations into the role of the aggregate and extractive sectors in Auckland and nationally, with a particular focus on how aggregate supply interacts with infrastructure delivery and cost.

Although this matter is not before the Environment Court, I confirm that I have read the Code of Conduct for Expert Witnesses as contained in Section 9 of the Environment Court Practice Note 2023. I also confirm that I have complied with that Code of Conduct in the preparation of this report. My qualifications as an expert are set out above. I am satisfied that the matters which I address in this assessment are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

s9(2)(a)

Gregory Akehurst
August 2026

APPENDIX B SA2 UNITS INCLUDED IN THE LOCALISED IMPACT CATCHMENT (2023 BOUNDARIES)

Clover Park South
Clover Park North
Clover Park East
Chapel Downs
Ormiston North
Ormiston Central
Ormiston East
Donegal Park West
Donegal Park East
Bremner Ridge
Ormiston South East
Goodwood Heights West
Hilltop
Goodwood Heights East
The Gardens
Tuscany Heights
Alfriston
Takanini North
Ardmore

APPENDIX C DATA SOURCES

The following datasets, models, and reports were relied upon in preparing the economic assessment of Mill Road Stage 1:

Population, Housing, and Land Use Data

- Statistics New Zealand (Stats NZ) – 2023 Census population and household data.
- Stats NZ – 2023 SA2 boundaries and population projections.
- Auckland Council – Auckland Growth Scenario 2023 (AGS23 – version 1.1)
- Auckland Council – Auckland Unitary Plan including zoning and Future Urban Zone allocations.
- Auckland Council – Auckland Future Development Strategy 2023-2053
- Auckland Council – Structure Plans for Drury-Ōpāheke and Pukekohe-Paerata (2019).
- Auckland Council – Housing and Business Development Capacity Assessment (HBA, 2023).

Economic Modelling Inputs

- Market Economics Multi-Regional Input–Output (MRIO) Model, customised to the Auckland economy (base year 2020).
- Market Economics Modified Employee Count (MEC) Dataset – based on Stats NZ's Employment Count (EC), adjusted to include both employees and working proprietors.
- Cashflow and cost estimates for Mill Road Stage 1 - sourced from the Estimate Report of the Detailed Business Case (AECOM, 2025).
- Treasury Guidelines for Discount Rates in Public Sector Project Appraisal (2022).

Transport and Benefit Assessment

- Waka Kotahi NZ Transport Agency – Mill Road Stage 1 Investment Case - Economic Analysis Report (2025).
- Auckland Regional Land Transport Model Analysis – Joe Phillips, Principal – Transport Advisory, Beca Limited, email send 08/09/2025.

Policy and Statutory Sources

- Fast-track Approvals Act 2024, including Section 3 and Section 22 criteria.
- Government Policy Statement on Land Transport (GPS 2024).
- National Policy Statement on Urban Development (NPS-UD 2020).

Other Supporting Material

- Supporting Growth - Strategic South - Mill Road Strategic Case (NZTA, 2020).
- Supporting Growth - South Area – Mill Road Route Protection Economic Case (NZTA, 2020).
- Local transport programme information: Drury rail stations, SH22 upgrades, and SH1 Papakura to Bombay (P2B) project.