

Under **Fast-track Approvals Act 2024**

In the matter of an application for approvals in relation to the Ryans Road Industrial Development

By **Carter Group Limited**
Applicant

Supplementary statement of evidence of Greg Akehurst

17 March 2026

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Supplementary statement of Gregory Michael Akehurst

Introduction

- 1 My full name is Gregory Michael Akehurst.
- 2 I am a founding director at Market Economics (ME) and have Bachelor Degrees in Geography and Economics from Auckland University.
- 3 I have been asked by the Applicant to prepare this supplementary statement of evidence in response to the statement of evidence of Mr Jefferey John Balchin for Christchurch International Airport Limited (**CIAL**) dated 12 March 2026.
- 4 This statement will address the key issues raised by Mr Balchin. For clarity, I adopt the same five headings used in his evidence. Specifically, this statement addresses:
 - (a) The technique applied by ME in estimating the economic effects of the Proposal;
 - (b) The extent to which potential displacement of activity has been considered;
 - (c) The degree to which the ultimate activities on the site are uncertain or speculative;
 - (d) The regional significance of the Proposal; and
 - (e) The treatment of potential costs associated with the Proposal.
- 5 In responding to these matters, I also explain why the approach adopted by ME is deliberately conservative in several respects, and why the conclusions presented in our previous assessments remain robust.
- 6 I have also read the supplementary statement of evidence of Jeremy Phillips. In particular, I note the proposed Condition 21D, which has been put forward by the Applicant as a condition precedent for the Ryans Road Industrial Development to address aviation safety concerns raised by the Expert Panel. This condition requires that a specific aviation risk assessment be completed and satisfied prior to the commencement of construction of any building or structure on Lots 71, 91, 92, 121, and 122.

Code of practice for expert witnesses

- 7 I have prepared this statement of evidence in my capacity as an expert, and I acknowledge that I have read and understand the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. I have complied with it when preparing this statement of evidence. Other than where I state that I am relying on the evidence of another person, my evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

Technique Applied by ME

- 8 In his evidence, Mr Balchin raises concerns regarding the technique applied by ME in estimating the economic effects associated with the Ryans Road Industrial Development. In particular, he questions the robustness of the modelling framework and the interpretation of the resulting estimates.
- 9 The approach adopted by ME is consistent with well-established practice for regional economic assessment. The analysis combines sector-based estimates of activity with regional economic multipliers to estimate the contribution of the development to regional gross domestic product (GDP) and employment during both the construction and operational phases. The purpose of this approach is to quantify the scale of economic activity associated with the development and to provide a consistent basis for comparing these effects with the scale of the regional economy.
- 10 Importantly, the modelling undertaken by ME focuses on economic contribution rather than a full cost-benefit analysis. This distinction is deliberate and appropriate in the present context. The analysis is intended to illustrate the scale of economic activity generated and facilitated by the development and its relevance to regional economic outcomes, rather than to measure welfare gains in the strict economic sense.
- 11 This approach is also consistent with the way economic evidence has been considered in recent decisions under the Fast-track Approvals Act 2024 (FTAA). Expert panels in FTAA processes have recognised that the statutory test requires decision-makers to weigh the overall benefits and adverse effects of a proposal, but does not require a formal, quantified CBA. For example, in decisions relating to the Sunfield Residential Development, Waihi North Mine and Homestead Bay Development, panels considered economic evidence describing the scale and nature of benefits, including employment and regional economic effects, without requiring those benefits to be expressed within a formal CBA framework. I also note, that this same

reasoning has been applied in the draft decision of the expert panel for the Pound Road Industrial Development project (in close proximity to Ryans Rd). These decisions illustrate that economic contribution analysis can appropriately inform the assessment of a proposal's benefits, even where a full welfare-based cost–benefit analysis has not been undertaken.

- 12 The modelling inputs used in the assessment are based on information available regarding the scale and nature of the proposed development, together with sectoral relationships derived from regional economic data. Where uncertainty exists regarding the precise composition of future activities, conservative assumptions have been adopted to avoid overstating potential economic outcomes.
- 13 The criticism Mr Balchin levels at the input output approach at Para 16 (b) is correct in a generic sense – but does not apply in this instance. The component of impact made up by the construction effects of the proposal is small when compared against the scale of Canterbury Region Construction sector. Therefore, limited to no adverse effects would occur to other sectors. Second, the activity likely to be accommodated at the Ryans Road development is a subset of anticipated growth within the Canterbury regional economy. The economy expands driven by growth (such as local population growth, international and inter-regional export growth). Ryans Road helps facilitate that growth by providing appropriately located, priced and scaled lots for businesses. There are no adverse effects in other sectors that arise as a result of this provision.
- 14 The techniques applied by ME represent a conventional and appropriate framework for assessing the regional economic contribution of a proposed industrial development.

Consideration of Potential Displacement of Activity

- 15 Mr Balchin raises the possibility that some of the economic activity associated with the proposal may represent relocation of activity from elsewhere within Christchurch or the wider Canterbury region. ME acknowledges that this is a valid consideration in economic impact analysis. In some circumstances, substitution or displacement effects can reduce the extent to which new development generates net additional economic activity at the regional scale.
- 16 Those circumstances are a static, unchanging economy. In an unchanging, no-growth economy, providing new industrial land capacity will simply result in a transfer of existing businesses from one area to another – based on cost minimisation strategy. However, in a growth economy that has a

shortfall of capacity to cater for growth (the situation in Christchurch), businesses moving are irrelevant, as they free up land for new businesses to occupy.

- 17 Therefore, in the context of the Ryans Road proposal, ME considers that the assumption of predominantly net additional effects at the regional level remains reasonable and appropriate.
- 18 With respect to the construction phase, while some labour and resources will be sourced from within the existing Canterbury construction market, this does not necessarily imply a direct displacement of other activity. The construction sector in the region has historically demonstrated considerable flexibility and cyclical variation in response to changes in demand. Evidence from recent years indicates that the sector has experienced periods of fluctuating workloads between major projects, with associated underutilisation of labour and subcontracting capacity. In this context, the construction activity associated with the proposal is likely to contribute to stabilising workloads and supporting employment continuity within the sector. These effects are therefore appropriately characterised as largely net additive, rather than displacing other construction activity.
- 19 In relation to the operational phase, ME recognises that some firms locating within the development may relocate from other sites within Christchurch. However, several factors indicate that the majority of the resulting economic activity is likely to represent genuine additions to the regional economy:
 - (a) First, there is a well-documented shortage of serviced, freehold industrial land in proximity to Christchurch International Airport, particularly for logistics and distribution activities that rely on efficient access to air freight and strategic transport corridors. In the absence of additional land supply in this location, some firms seeking to expand operations may face constraints on growth or may consider locating outside the Christchurch region, resulting in potential economic leakage.
 - (b) Second, the logistics, freight, and distribution sectors have experienced sustained structural growth, reflecting trends such as the expansion of e-commerce, increased freight movements, and ongoing supply-chain modernisation. These trends represent genuine growth in demand for industrial floorspace, rather than simply the relocation of existing activities within the region.
 - (c) Third, even where relocation of firms does occur, businesses moving into modern, purpose-built industrial facilities typically achieve

improvements in operational efficiency, logistics performance, and productivity. Such productivity gains represent legitimate economic benefits, even where overall employment levels remain broadly similar.

- 20 Overall, while some limited transfer effects within Christchurch may occur, ME considers that the economic activity associated with the proposal can reasonably be interpreted as predominantly net additional at the regional level, and fully additional within the Airport-environs industrial submarket. The development both expands the supply of industrial capacity and enables more efficient operation of logistics and distribution activities, contributing positively to the performance and resilience of the regional economy.

Uncertainty Regarding Ultimate Activities

- 21 Mr Balchin suggests that the ultimate mix of activities that may locate within the Ryans Road development is uncertain and that this limits the reliability of the economic estimates.
- 22 ME acknowledges that the precise identity of future tenants cannot be known at this stage. However, this level of uncertainty is typical for developments of this nature and does not prevent a reasonable assessment of their potential economic effects. Economic assessments of industrial land developments routinely rely on representative development typologies and industry characteristics to estimate the scale and nature of activities likely to occur.
- 23 In this case, the development assumptions used in the modelling are informed by the latest subdivision layout prepared for the proposal. Land within the airport designation, roading corridors, and associated infrastructure areas has been excluded from the developable area. Applying an average site coverage assumption of approximately 40%, the developable land is estimated to accommodate approximately 168,780 m² of gross floor area (GFA). These assumptions reflect typical development patterns for industrial and logistics activities and provide a realistic basis for estimating the potential scale of employment and economic activity associated with the site.
- 24 The modelling does not assume any specific individual tenants or unusually high-value industries. Instead, it applies representative industry employment densities and economic relationships consistent with observed industrial and logistics activities within the Christchurch economy. In this respect, the modelling is intended to provide an order-of-magnitude

estimate of the potential economic contribution associated with development of the site, rather than a precise forecast of future business activities.

- 25 I also note that aviation-related considerations claimed by CIAL and Airways are proposed to be addressed through Condition 21D, which applies to parts of the site and requires that a site-specific aviation risk assessment be completed and satisfied prior to the commencement of construction of any building or structure on Lots 71, 91, 92, 121, and 122. Whilst not considered necessary by the applicant's aviation experts, this condition ensures that aviation safety matters claimed by CIAL and Airways are appropriately assessed and resolved before development proceeds on those lots. Based on the evidence of the applicant's aviation experts and the limited land area that condition 21D applies to, the presence of this condition does not materially alter the overall development capacity assumed in the modelling, rather it provides a mechanism to manage potential aviation-related risks through the planning process.
- 26 Accordingly, while the precise mix of future occupants cannot be determined in advance, the modelling approach adopted by ME provides a reasonable and appropriately conservative estimate of the economic scale of activity that the site could support.

Regional Significance of the Proposal

- 27 A central issue raised in Mr Balchin's evidence concerns the regional significance of the Ryans Road Industrial Development, particularly in light of potential constraints affecting parts of the site.
- 28 The assessment undertaken by ME indicates that the development is capable of generating and facilitating substantial economic activity during both construction and operational phases. Of particular importance are the ongoing operational effects, which represent a long-term contribution to regional GDP and employment through the establishment of logistics, freight, warehousing, and related industrial activities.
- 29 Mr Balchin's evidence also refers to aviation safety considerations affecting a number of lots within the subdivision. As noted in the supplementary planning evidence of Mr Phillips, beyond the measures otherwise incorporated into the development's scale, form and layout, condition 21D has been proposed as a condition precedent requiring a site-specific aviation risk assessment to be completed and satisfied prior to the commencement of construction of any building or structure on Lots 71, 91, 92, 121, and 122.

- 30 It is important to recognise the relative scale of the land potentially affected by this condition. The lots identified in Condition 21D comprise approximately 6.7 hectares, compared with a total developable industrial land area of approximately 50 hectares across the broader Ryans Road development. In proportional terms, the land subject to the condition represents approximately 13% of the overall development area.
- 31 Even if the development potential of these lots were constrained, delayed, or modified following the required aviation risk assessment, the large majority of the site would remain unaffected and capable of accommodating industrial and logistics activities consistent with the assumptions adopted in the ME modelling.
- 32 More broadly, the regional significance of the proposal does not depend on the assumption that every part of the site is developed exactly as currently envisaged. The scale of the development area, the strategic location adjacent to Christchurch Airport, and the role of the site in supporting freight, logistics, and airport-related industrial activities mean that the project would continue to generate substantial regional economic activity even under reduced development scenarios.
- 33 Accordingly, the presence of Condition 21D does not materially alter the conclusions of the ME assessment. At most, it affects a relatively small proportion of the total development area, while the majority of the site continues to support the conclusion that the Ryans Road Industrial Development represents a project of clear regional economic significance.

Costs of the Proposal

- 34 Mr Balchin's evidence also refers to potential costs that may arise for third parties, particularly in relation to aviation operations.
- 35 The analysis prepared by ME acknowledges that such issues have been raised by aviation stakeholders. However, it is important to distinguish between identified operational effects and economic costs that can be robustly quantified and meaningfully compared with the benefits of the development.
- 36 At present, the potential aviation-related costs referenced in submissions are largely conceptual and have not been quantified in a manner that would enable them to be directly incorporated into an economic assessment. In the absence of credible quantified estimates, it is not possible to determine whether such costs would materially offset the economic benefits associated with the development.

- 37 More fundamentally, many of the aviation-related matters raised relate to operational or safety considerations that are more appropriately addressed through planning and regulatory processes rather than through economic modelling.
- 38 Even if such costs were assumed to exist, they would need to be of a very substantial scale to materially offset the quantified economic contribution of the development. Based on the available information, there is no evidence to suggest that costs of such magnitude are likely.
- 39 Accordingly, the available evidence does not indicate that potential third-party costs would materially alter the overall assessment of the project's regional economic significance.

Conclusion

- 40 In conclusion, the matters raised by Mr Balchin do not materially alter the conclusions of the ME assessment.
- 41 The modelling approach is consistent with established practice for regional economic analysis, using reasonable assumptions to estimate the proposal's economic contribution during construction and operation.
- 42 While some relocation of businesses within Christchurch may occur, the evidence indicates that most economic activity will be additional to the regional economy as the proposal facilitates and accommodates growth. The project responds to ongoing growth in freight and logistics associated with the airport and provides strategically located industrial capacity.
- 43 Uncertainty regarding future tenants does not undermine the modelling. The analysis uses representative industrial development patterns to estimate the scale of activity the site can support, rather than predict precise occupants.
- 44 Proposed Condition 21D affects only a small proportion of lots and does not alter the overall economic conclusions. The majority of the site remains capable of supporting the industrial development assumed in the modelling.
- 45 For these reasons, I remain satisfied that the economic assessment provides a reasonable and appropriately conservative estimate of the project's economic activity, and that the proposal will make a meaningful contribution to regional employment and growth.



Dated 17 March 2026

Greg Akehurst