Hon Nicola Willis

Minister of Finance
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The Expert Panel – Fast-track Approvals Act application
Environmental Protection Authority
Waterloo Quay
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To the Expert Panel

Thank you for the opportunity to comment on the substantive applications of State Highway 1 North Canterbury – Woodend Bypass (Belfast to Pegasus) (FTAA-2512-1157), Stella Passage Development Project (FTAA-2512-1158) and Downtown Carpark Redevelopment (Te Pūmanawa o Tāmaki) (FTAA-2512-1158), under section 53(2)(J) of the Fast-track Approvals Act (FTAA). My comments focus on whether these applications are likely to deliver economic benefits, based on the information provided by the applicant.

State Highway 1 North Canterbury – Woodend Bypass (Belfast to Pegasus), FTAA-2512-1157

The proposal involves constructing and operating a new four-lane section of State Highway 1 that bypasses Woodend township and upgrades a constrained segment of New Zealand's principal north–south freight and passenger corridor. The Project extends approximately 11 kilometres, from around 200 metres south of the Ohoka Road overbridge to approximately 700 metres north of the Pegasus Boulevard/Ravenwood Road intersection, and includes associated earthworks, structures, stormwater management and local road connections. Construction of the Project is expected to occur over an estimated six-to-seven-year period, reflecting the scale and complexity of the works.

According to the economic assessment provided by the applicant, the estimated economic impact in the Canterbury region is estimated to have a total net present value between $275 million and $320 million over the development period. At its peak, the construction programme is expected to offer a regionally significant employment opportunity. Construction activity is estimated to support approximately 2,361 full-time equivalent (FTE) job-years across direct, indirect and induced activity over the construction period, equating on an annual average basis to approximately 146 direct roles and around 191 indirect and induced roles per year. These employment impacts are time-limited and relate solely to the construction phase.

Christchurch is the South Island's primary economic hub. Given the proposed roading development's location north of Christchurch, the Project is expected to offer ongoing economic benefit to the Canterbury region and the country by improving land-transport connectivity for industry operating across the region.

While the quantified economic benefits are largely concentrated during construction, the proposal's primary longer-term economic value arises from improved transport efficiency and network resilience on State Highway 1. By removing a recognised bottleneck at Woodend, the bypass would reduce congestion and freight delays, improve journey time reliability, safety, and support the effective functioning of a nationally significant transport corridor. In the absence of the Project, increasing traffic volumes would continue to be accommodated through Woodend township, increasing network inefficiencies and associated economic costs over time.

In addition, given the Project's role in enabling the efficient movement of people and goods and supporting broader transport system performance, aspects of the proposal may be relevant to section 22(2)(a)(iii) of the Fast-track Approvals Act (supporting a well-functioning urban environment).

Stella Passage Development Project, FTAA-2512-1163

The proposal is to extend the Sulphur Point and Mount Manganui wharves at the Port of Tauranga (New Zealand's largest port by volume, handling 42 per cent of New Zealand's merchandise trade by volume). The project also includes deepening by dredging, maintenance dredging, reclamation of the costal marine area, reconfiguration of existing structures and development of new structures, and the construction and use of four additional cranes.

According to the economic assessment provided by the applicant, the proposal is expected to alleviate significant capacity constraints and respond to the growing need to accommodate larger container ships. The assessment estimates that, without intervention, opportunity costs in 2033 could include gross domestic product (GDP) loss of $792 million to $1,179 million nationally, with $54 million to $79 million in Tauranga, and lost labour income of $411 million to $612 million nationally. These costs could represent 0.16 per cent to 0.24 per cent of national GDP.

While not quantified, the development may generate short-term economic benefits through construction activity and associated employment. Once operational, the Project is expected to improve port efficiency and capacity, enabling increased access for larger container ships. This is likely to support improvements in New Zealand's economic performance by enhancing export competitiveness, supply-chain reliability, and national economic resilience.

The applicant has reapplied after withdrawing their original referral application, which I provided comment on and was approved in November 2025. The economic assessment provided by the applicant appears to have similar economic impacts to their previous application and my comments generally remain the same.

Downtown Carpark Redevelopment (Te Pūmanawa o Tāmaki), FTAA-2512-1158

The proposal is to redevelop the existing Downtown Carpark site at 2 Lower Hobson Street into a comprehensively master-planned, high-density mixed-use precinct within Auckland's City Centre. The proposal involves demolition of the existing car-parking infrastructure and delivery of an integrated development comprising commercial office space, residential apartments, hotel accommodation, retail and food and beverage activities, civic functions, shared basement parking, public-realm improvements, and an internal laneway network to enhance site connectivity.

Based on the economic assessment provided by the applicant, including the updated April 2026 economic addendum, direct construction and development expenditure is estimated at $1.64 billion (excluding land) over an updated five-and-a-half-year development period. The assessment estimates this activity would contribute approximately $1.48 billion in value-added GDP to the Auckland regional economy over that period. Development activity is estimated to support approximately 11,971 full-time-equivalent job-years, including around 3,930 full-time-equivalent roles in the peak construction year. The assessment also estimates a contribution of approximately $650 million to regional household incomes over the development period. These employment impacts are time-limited and represent aggregate job years rather than ongoing operational employment.

While quantitative economic benefits are concentrated primarily during the demolition and construction phase, the primary economic benefit of the proposal is longer-term and structural in nature. Redevelopment of a strategically located and currently underutilised inner-city site would improve land-use efficiency, support increased employment, residential and visitor accommodation capacity, and enhance utilisation of existing transport and public infrastructure. The proposal would also contribute to strengthening city centre vitality through intensified mixed-use activity and higher employment density over time.

On this basis and in regard to the information provided by the applicant, the proposal may be assessed as having the potential to deliver significant regional economic benefits under section 22(2)(a)(iv) of the Fast-track Approvals Act. Given the nature and scale of the redevelopment, aspects of the proposal may also be relevant to considerations relating to a well-functioning urban environment.

Yours sincerely

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Minister for Economic Growth