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Memorandum

TO:	Expert Panel Fast Track
FROM:	Reese Martin, Planner – Transport Helen Chapman, Senior Transport Planner – Transport
DATE:	07 September 2026
SUBJECT:	Southern Links Inland Port Fast Track Transport Supplementary Joint Witness Statement Evidence

JOINT WITNESS STATEMENT (JWS):

1. The Fast Track consenting Expert Panel has requested that a Joint Witness Statement (JWS) be prepared by the Transport Expert Witnesses on behalf of the Applicant, The New Zealand Transport Agency (NZTA), and the Dunedin City Council (DCC) in accordance with the Environment Court Code of Conduct for Expert Witnesses.

2. The Expert Panel has also directed DCC's Transport Expert Witnesses to provide a response to two transportation issues that have been identified via two questions. This memorandum provides a detailed response to each question asked by the Expert Panel to support the Transport Expert Joint Witness Statement.

3. We acknowledge that due to staffing and timing constraints, we have had limited opportunity to review the supplementary information provided by the Applicant and provide a comprehensive response to the questions as directed by the Expert Panel.

ISSUE 3 - RELIABILITY OF THE FORECASTS, UNTENANTED WAREHOUSING AND THE RECEIVING ENVIRONMENT:

4. *Q3.1 — To Helen Chapman and Reese Martin (for DCC). Please identify the committed and* reasonably *foreseeable developments in the Mosgiel catchment that are relevant to a cumulative assessment, including any development to which the MTCB may be referring, the traffic growth expected from those developments, and any modelling that would assist in the cumulative assessment sought at Q3.2.*

Housing Capacity and Major Developments

5. The 2023 Housing Capacity Assessment, undertaken as part of the Future Development Strategy, identified residential units available for development within the Mosgiel-Taieri area as short term (600 units), medium term (1,440 units), and long term (3,700 units). There are currently several large developments underway or progressing through the planning and consenting process, including:

- Longfield/Wals Development: 650 lots, with access from Bush Road and Inglis Street.
- Summerset Development: 280 units, in addition to the main retirement village complex, including 50 assisted-living units, hospital-care beds, and care suites, with access from Hagart Alexander Drive and Owhiro Avenue.
- Wingatui Development: 100 lots.
- Southern Links Inland Port

6. Traffic modelling has been undertaken by traffic consultants on behalf of developers to support the development of Integrated Transport Assessments for the Southeast Mosgiel Residential Transition Zone (Summerset) and the Longfield/Wals development.

Southeast Mosgiel Residential Transition Zone Modelling (Consented)

7. The Southeast Mosgiel Residential Transition Zone ITA commissioned Stantec to model the traffic effects from the development of the full 44 ha residential transition zone, including sites not owned by Summerset and for which development is not currently in the planning stages.

8. The traffic modelling identified that:
   - The southern entrance to Mosgiel, primarily at the SH87 intersections with Gladstone Road North and Hagart Alexander Drive, is heavily congested during peak commuter periods in the base case.
   - NZTA-controlled intersections on the state highway at the southern end of Mosgiel, including the Gladstone Road North and Hagart Alexander Drive intersections, will experience increased delays and correspondingly low levels of service.
   - Council-controlled intersections will continue to operate at a good level of service, with only minimal delays.
   - Scenarios involving the development of a retirement village generate less traffic than full residential development, or a combination of retirement village and residential development.
   - A roundabout at the intersection of Hagart Alexander Drive, Factory Road, and Centre Street (to be delivered by DCC), and a mid-block pedestrian crossing on Hagart Alexander Drive (to be delivered by the developer) to improve safety, were identified as the only infrastructure upgrades required on the DCC roading network.

Longfield/Wals Modelling (Application Stage)

9. Traffic modelling was undertaken for Stage one (approximately 300 lots) and Stage two (approximately 350 lots) of the Longfield/Wals development by Carriageway Consulting using the DCC Mosgiel Microsimulation Model and future baseline modelling.

10. The modelling for Stage one identified that NZTA-controlled intersections on the state highway at the southern end of Mosgiel, including the Gladstone Road North and Hagart Alexander Drive intersections, would experience increased delays and corresponding low levels of service. However, these effects were considered acceptable at Stage one, as they represented a relatively minor change compared with a scenario in which Stage one of the development did not occur.

11. The modelling identified the need for several minor changes to the Mosgiel roading network to support Stage one of the development. These include:

    - Lane marking changes on Burns Street at the intersection with SH87.
    - Signal and lane changes at the Factory/Bush intersection with SH87.
    - Lane marking changes to the Gladstone Road and Hagart Alexander Drive intersections with SH87.
    - Signal changes at the Inglis Street intersection with SH87.
    - Lane marking changes at the Riccarton Road intersection with SH1.
    - Increased width at the West end of Inglis Street.

12. The Applicant has agreed to fund targeted minor local road improvements. However, the details of these improvements have yet to be formally agreed.

13. The traffic modelling for Stage two similarly identified that NZTA-controlled intersections on the State Highway at the southern end of Mosgiel including the Gladstone Road and Hagart Alexander Drive intersections will experience increased delays and corresponding low levels of service that could not be accepted. It is acknowledged that further intersection improvements and detailed assessment will need to be agreed upon between the developer and DCC/NZTA to mitigate the effects caused by Stage two. This includes factoring in any other network improvements that may have carried out while stage one is constructed.

Model update and NZTA modelling report

14. An update of the Mosgiel Microsimulation Model and future baseline modelling was commissioned from WSP in 2026 as part of NZTA's SH87/SH1 optimisation investment case. For the Mosgiel model update NZTA and DCC agreed to demand scenarios:
    - base of 6,984 households in 2026.
    - an additional 680 households in 2033.
    - an additional 2,077 households in 2038 (increase from the 2026 base).

15. A high-growth sensitivity test was undertaken for an additional 3,770 households. This scenario assumed a level of background development and infill based on DCC's population projections, as well as the full development of The Grange (an existing retirement village with consent for staged development located off Cemetery Road in East Taieri), Summerset, and Longfield/Wals.

16. The future baseline modelling for 2038 shows declining levels of service in the PM peak on
    - Mosgiel southbound off ramp.
    - SH87/Quarry Road Roundabout.
    - SH87/Gladstone Road intersection.
    - SH87/Hagart Alexander Drive/Burn Street intersection.
    - SH87/Factory/Bush Road intersection.
    - SH1/Riccarton Road intersection.
    - Riccarton Road/Bush Road intersection.

17. The declining levels of service at each intersection are primarily driven by increasing volumes of light vehicles. As part of the SH87/SH1 Optimisation Investment Case, NZTA is investigating short-term interventions at most of these sites (excluding the SH87 Factory Road/Bush Road and

Riccarton Road/Bush Road intersections) and is considering when longer-term interventions may be required to respond to future growth.

DCC Business Land Development Demand Assessment 2026 (not yet released publicly)

18. DCC has provided the applicant with excerpts of the relevant sections of the recently completed Business Land Development Demand Assessment which considers future economic growth scenarios for Dunedin, economic forecasts, assessment of demand for business land for medium and high growth scenarios, and location land demand. Specific consideration/assessment has also been given of the potential impacts the Inland Port may have and its influence on demand for industrial land in Mosgiel and the rest of the urban environment. This information is particularly relevant to the applicant's response to question 3.2 from the Expert Panel related to testing the robustness of their growth forecasts and resulting impacts on the wider transport network. This is attached as Appendix One.

ISSUE 6 – DCC'S CONCLUSION OF ACCEPTABILITY AND WIDER NETWORK IMPROVEMENTS:

19. *Q6 — To Helen Chapman and Reese Martin (for DCC). The Panel wishes to understand the basis and the durability of DCC's conclusion that the transport effects are acceptable. Please address:*

    a. *how you reconcile your advice that the additional movements will have a noticeable impact on the wider transport network with the conclusion that adverse impacts are unlikely, that is, whether the impact is noticeable but not adverse, or adverse but adequately managed by the recommended conditions;*

    b. *which recommended condition addresses the effect on SH87 through central Mosgiel, as distinct from Dukes Road North and the site access, and if none does, on what basis that effect is concluded to be acceptable, addressing in particular:*

        i. *whether the capital works programme from which development contributions derive presently includes works directed at mitigating the Project's effects on the road network, and if not, by what process and timeframe they would be added, when contributions from the Project would become available, and whether that timing is expected to align with the staging of effects;*

        ii. *where the line should be drawn between applicant-funded works and growth-related works for the Project, and whether it would assist DCC for that boundary to be addressed expressly in conditions; and*

        iii. *whether your conclusion that the transport effects are acceptable would hold if the wider network improvements you rely on were not funded, programmed, or delivered within the Project's staging timeframe, and how Policy 6.2.3.9(b) would be satisfied in that event; and*

    c. *whether DCC seeks a traffic monitoring, reporting or review condition of the kind discussed under Issue 2, and if so in what terms.*

20. In response to Question (a), Dunedin City Council (DCC) Transport considers that the Southern Links Inland Port will result in a noticeable impact on the wider transport network. This is further

reflected in the increased presence and visibility of heavy vehicle movements travelling along Gordon Road/State Highway 87 and Dukes Road North on both a daily and annual basis. While the transport effects of Stage three of the development are expected to have a noticeable impact on amenity within the Mosgiel town centre, these effects must be considered in the context of the strategic function of Dukes Road North and SH87 as freight corridors. These roads are identified as High Productivity Motor Vehicle (HPMV) routes and are therefore intended to accommodate heavy vehicle movements. Notwithstanding this, DCC Transport acknowledges that the proposal will increase the overall exposure of the public to heavy vehicle movements along Gordon Road.

21. In isolation, these light and heavy vehicle movements are unlikely to adversely affect the safety or efficiency of the transport network, or trigger the need for wider network improvements, given that they represent a relatively small percentage of the overall transport movements along Gordon Road. DCC also has limited ability to recommend any localised improvements to Gordon Road/State Highway 87, as the New Zealand Transport Agency (NZTA) is the Road Controlling Authority (RCA), rather than DCC.

22. In any case, our position remains that the impacts of the Southern Links Inland Port on the local transport network (specifically Dukes Road North) will be able to be managed via conditions and the improvements recommended by DCC set out below.

23. In response to Question (b), we agree that no DCC-recommended conditions address the effects of the proposal on SH87 through central Mosgiel. As noted in the response above, the proposal, in isolation, is unlikely to adversely affect SH87, and DCC cannot recommend improvements to SH87 through consent conditions.

24. In response to Question (i), the majority of the impacts generated by the proposal on the wider local roading network can likely be managed through DCC's capital works programme. The current capital works programme, upon which the development contribution charges under the current Policy are based, does not include works specifically targeted at mitigating the proposal's effects on the local roading network. The current DCC Long Term Plan includes the following capital works within Mosgiel: Mosgiel Park & Ride to support increased uptake of Public Transport; Dunedin Urban Cycleways Tunnels Trail to provide an active mode link between Mosgiel and Dunedin; and Future Development Strategy to fund interventions supporting growth including interventions in Mosgiel. This includes upgrades to Hagart Alexander Drive/ Factory Road intersection and active mode infrastructure linking the Tunnels Trail to Mosgiel.

25. More broadly, DCC has been undertaking, in conjunction with NZTA's SH87/SH1 Optimisation Investment Case, a strategic study of transport in Mosgiel and North Taieri to identify current transport challenges, forecast growth, and the interventions required to support a safe and efficient transport network. The findings of this study are expected to be presented to Council in October 2026, with capital interventions proposed for inclusion in the 2027-2037 Long Term Plan and Infrastructure Strategy. Should transport interventions be adopted through those processes, they may subsequently be incorporated into Council's capital works programme and, where appropriate, reflected in future development contribution calculations.

26. At this stage, Council cannot provide a high degree of certainty as to what these interventions will be, whether they will be included in the Long Term Plan, when they will be delivered, or

when development contribution funding associated with these works may become available. Accordingly, Council cannot confirm whether the timing of any future development contribution revenue would align with the staging of transport effects arising from the project. What is clear is that investment in Mosgiel is required to respond to cumulative growth.

27. DCC's capital works programme relates to specific projects, network improvements, and maintenance of the local transport network under DCC's control. As DCC is not the Road Controlling Authority (RCA) for SH87, it is not in a position to undertake improvements on this corridor.

28. As noted in paragraphs 34-37 below, the project is likely to have an impact on the ongoing maintenance requirements of parts of Dukes Road North, in addition to the effects of existing light and heavy vehicle movements. We therefore recommend that pavement improvements be implemented by the Applicant, in addition to the other improvements the Applicant has agreed to undertake.

29. In response to Question (ii), notwithstanding the view taken as part of DCC's overall response to the Expert Panel, the Transport Department's view is that the Applicant should be responsible for fully funding network improvements that can be directly attributed to the development and are otherwise unplanned, but directly relevant to the project.

30. This should also include specific areas where the project will result in clearly identifiable impacts that need to be addressed via applicant funded works. For example, local network improvements to the section of Dukes Road North between the Stedman Road intersection and the site entrance in the form of a shared path, right turn bays, street lighting, and pavement upgrades.

31. In reference to the response above, we consider that wider growth-related works in response to development should be more appropriately funded through Development Contributions and delivered by Council through the Long-Term Plan capital works programme.

32. In response to iii, we agree with Chris Rossiter that on balance the existing road widths along Dukes Road North are likely to be adequate to accommodate HPMVs.

33. We can, however, provide additional justification for localised improvements to Dukes Road North between Stedman Road and the site entrance still being required, based on the following:

34. The section of Dukes Road North between Stedman Road and Puddle Alley/the proposed SLIP entrance accommodates a comparatively lower number of heavy vehicle movements compared to Dukes Road North west of Stedman Road (1,830 vehicles per day between SH87 and Carncross Street with 8.9% heavies in 2026, 2,208 vehicles per day between Carncross Street and Stedman Road with 4.5% heavies in 2026, and 1,358 vehicles per day east of Stedman Road to Puddle Alley in 2022 with 1.9% heavies based on current RAMM count data).

35. Laser Measure Deflectometer (LMD) testing was carried out along Dukes Road North in January 2026. Dukes Road North (between Stedman Road and Puddle Alley) currently has a 90th percentile deflection of 1.2 mm, which exceeds the recommended deflection limits for thin AC surfacing. Our current position, in the absence of any development occurring, is that this issue will continue to be monitored and reviewed should the deflection increase, acknowledging

both the funding constraints associated with significant roading upgrades and the need to prioritise funding elsewhere on the network. It's difficult to anticipate what impact growth from the development of vacant industrial land along Dukes Road North will have on Dukes Road North east of Stedman Road and the timing of this, however the most recent traffic counts suggests a current trend that the origin and destination of heavy vehicles is mostly reliant on travelling to and from SH87.

36. DCC currently has no planned upgrades or pavement renewals for this section of road identified in its current capital works programme while the section of Dukes Road North between SH87 and 95 Dukes Road North is scheduled for resealing in the 2026/2027 financial year. It should be acknowledged that the proposed SLIP site is currently zoned rural under the Second Generation District Plan (2GP) and therefore there would be an expectation/anticipation that the use of this land does not result in a large number of frequent daily/annual heavy vehicle movements.

37. Notwithstanding that Dukes Road North between SH87 and Puddle Alley is defined as an HPMV route, on the basis that the proposal is expected to result in approximately 200-250 additional heavy vehicle movements per day along this section of road, in addition to the existing 27 heavy vehicle movements (most recent 2022 traffic count) along this section of road, there is a significant risk that the proposal may result in additional pavement impacts that exacerbate this deflection issue. This may increase ongoing maintenance requirements and accelerate the need for pavement rehabilitation, requiring additional unplanned funding that may be unaffordable to the public in the long term. The SLIP will also result in a major shift in the proportion of heavy vehicles using this section of road which is otherwise comprised of mostly light vehicle movements. On that basis, we do not consider that a cost sharing agreement is an appropriate approach to manage this effect in this instance. Our recommendation is that a condition is included that the Applicant must be required to fully fund pavement upgrades between Stedman Road and the site entrance as part of the Applicant's wider improvements to Dukes Road North in support of the Southern Links Inland Port.

38. We can also identify a risk whereby, while the Applicant now supports the inclusion of a footpath along the site's frontage on Dukes Road North, they have not committed to undertaking a Level Crossing Safety Impact Assessment or considering any necessary improvements to the level crossing and its connection to the wider transport network to support the safe movement of staff to and from the site by alternative travel modes. They have also suggested that DCC should be responsible for undertaking this work. Not considering improvements to the safety of this crossing is a concern, as staff and members of the public would otherwise be required to use the carriageway to cross the railway line. We are also unclear on KiwiRail's position as the controlling authority for the railway line. We seek a clear binding commitment/agreement from the applicant that they will work with DCC and Kiwirail to fund and construct improvements.

39. The Applicant has clarified that the proposed footpath to be constructed along the site's Dukes Road North frontage will be wholly located within boundaries of the site and will not be formally vested to Council. As a result, this will trigger the requirement for a Section 348 application under the Local Government Act 1974 for a right of way easement in gross in favour of DCC to enable the lawful use of this path for the public aswell as for ongoing maintenance by DCC. It is our expectation and position that this path should be accessible by the wider public. We are still

of the view that a boundary adjustment to adjust the location of the road reserve to include the footpath would be appropriate to clarify ownership and maintenance.

40. There remains an inherent risk that, if DCC does not have oversight of any design and construction details relating to public roading improvements on Dukes Road North, it may ultimately receive infrastructure that has been inappropriately designed or constructed, resulting in an increased maintenance burden and long-term affordability concerns. This is particularly relevant as aspects of the proposal require further refinement and assessment during the detailed design stage.

41. If the network improvements recommended by DCC Transport for Dukes Road North are not accepted and implemented by the Applicant through consent conditions, there is a risk that the project could result in additional ongoing maintenance requirements and the need for DCC-funded or publicly funded improvements that are not currently identified within DCC's capital works programme. For example, there is a risk that the project will increase pavement deterioration and associated maintenance costs and may not be consistent with Policy 6.2.3.9.b if pavement strengthening or upgrades to Dukes Road North are not undertaken.

42. DCC did not specifically raise safety concerns with heavy vehicle movements through Mosgiel as there is insufficient evidence to support claims that this is a significant issue.

43. Between 2020 and 2025, there were 45 crashes involving heavy vehicles in the Mosgiel area, representing approximately 5% of all crashes recorded between 2021 and 2025. This included 11 non-injury crashes on Gordon Road. There was one serious injury crash on Stedman Road near Odlins Place, where a car lost control and collided with a truck, resulting in serious injury to one person. Crashes involving trucks represented only 4% of serious injury crashes, suggesting that trucks were less likely to be involved in serious injury crashes than light vehicles or vulnerable road users.

44. Where the truck was identified as the primary vehicle contributing to the crash, there were no injuries to people recorded. These predominantly involved property damage to parked cars, traffic signs and power poles.

45. In response to Question (c), we would support the use of a traffic monitoring, reporting, and review condition to better understand actual vehicle movements. This could include regular annual reporting of light and heavy vehicle movements to and from the Inland Port, together with reporting on the number of container movements transferred to rail, to understand the extent of mode shift over time and whether this is consistent with the assumptions and targets identified by the Applicant. If there is a material discrepancy between the forecast traffic impacts and those observed in practice, a trigger point should be established requiring further assessment and, where necessary, additional mitigation measures. This trigger point should be based on a realistic threshold for vehicle movements and rail freight transfer volumes against which the effects assessment has been undertake.

Appendix One: Business Land Development Demand Assessment 2026 Excerpts 5.0 and 6.1.

5 Dunedin Economic Growth Scenarios

The following section outlines the nature of the growth scenarios and presents the associated economic forecasts and business land demand results. In summary, the scenarios combine macroeconomic modelling undertaken through the MFM with detailed on-the-ground insights gathered through stakeholder engagement. Together, these scenarios provide a range of plausible economic futures for Dunedin City over the short, medium, and long term.

The assessment discusses the key assumptions applied across all scenarios, including the Dunedin Hospital redevelopment, the proposed inland port development, ongoing increases in household consumption, and long-run productivity growth. Three core economic scenarios have been developed to reflect varying demographic and economic conditions, alongside an additional inland port scenario to assess the implications of the proposed Southern Link Inland Port on economic activity and land demand.

Correspondingly, demand for commercial and industrial floorspace and land is projected to increase over the long term, with the majority of growth expected in commercial services and industrial activities. These forecasts provide an evidence base for assessing future business land requirements and informing long-term urban development planning under the NPS-UD.

Importantly, it is beyond the scope of this assessment to establish land demand in areas outside business-zoned land, such as rural, residential, or special purpose zones. Similarly, it is neither practical nor appropriate to model every submarket within the economy. New activities and industries will inevitably emerge over time, generating unforeseen land demand, and these are best assessed on a case-by-case basis as they arise rather than through speculative modelling. Accordingly, economic modelling for the NPS-UD should focus on core economic growth within higher-order land markets, where most demand pressures arise and where future growth needs to be understood and planned for.

5.1 Growth Scenarios

The growth scenarios below are a combination of macroeconomic modelling from the MFM (see section 2.3) and on-the-ground findings from the stakeholder engagement (for instance details around the inland port and hospital build). These growth scenarios form a range of plausible economic futures in the short, medium and long term.

There are certain assumptions and inputs that apply to all scenarios. Firstly, we defined the hospital build within each growth scenario as 'non baseline' activity (i.e. activity not captured in construction industry as background or business-as-usual growth) and as such this once in a generation health infrastructure investment has been modelled accordingly. Based on our conversations with relevant

stakeholders the outpatient building, which is set to be completed this year, currently has approximately 100 workers on site as of time of this report, down from a peak of 250. The foundations are currently being laid for the inpatient building with construction expected to be completed by 2031. Peak on-site employment for the inpatient building is expected to total 500 workers in 2028.

Secondly, we have assumed a level of consumption growth of 1% each year. Practically this means that each household consumes 1% more (in real terms) than they did in the previous year. This assumption captures consumption effects associated with rising real incomes, technological change, and evolving consumer preferences over time. As households become more affluent, spending patterns tend to shift toward a broader range and higher value of goods and services - a trend well-documented in the economic literature.

Lastly, we have assumed that productivity increases over time, meaning each worker within the economy creates more GDP as time goes on. This is consistent with long-run trends in developed economies, where technological advancement and improvements in in labour force skills (human capital) have historically driven sustained gains in output per worker. In practical terms, this assumption means the local economy can grow (in GDP and output terms) even in periods of flat or modest employment growth, reflecting the reality that economic expansion is not solely dependent on workforce size. Our productivity assumption is derived from New Zealand's long-run labour productivity growth trends.

5.1.1 Medium Scenario – "Most Likely"

The medium scenario is our "most likely" scenario. While the full range of scenarios reflects the inherent complexity of economic forecasting, from a planning perspective the scenario which is considered the highest probability is often selected, in this case it is the medium scenario. Within the macroeconomic model the medium scenario has the following assumptions.

- **Population**: projections have been provided by Dunedin City Council and match Statistics New Zealand subnational population projections medium scenario (Figure 5-1). Stats NZ describe the medium projection as the series "considered suitable for assessing future population changes" at the time of release, consistent with the median (50th percentile) of their national population projections. It reflects a combination of medium fertility, mortality, and migration assumptions. Under the medium scenario, the population reaches 148,100 residents in Dunedin City by 2055, representing total growth of 15,300 people over the next 30 years (+12%). Importantly the previous assessment of business land demand was based on population projections that had 50% less population growth

and only reached 140,000 by 2055.[27] This shift in population growth outlook drives additional households' spending, dwelling construction, and business activity.

Figure 5-1: Population Projections Stats NZ: Medium, High and Low Scenario

Projection	2025	2030	2035	2040	2045	2050	2055
Low	132,800	129,680	129,420	129,260	129,120	128,960	128,860
Medium	132,800	133,840	136,480	139,260	142,160	145,100	148,100
High	132,800	138,060	143,580	149,400	155,360	161,300	167,300

- **Exports and Gross Fixed Capital Formation**: we have applied our medium projection for export demand growth demand and gross fixed capital formation growth rates. The medium projection is the mid-point estimate based on econometric and statistical modelling (incorporating industry specific projections when available, such as for forestry and dairy) for each industry.

5.1.2 High Scenario

The high scenario is our "optimistic" scenario. It reflects a plausible but less likely set of conditions in which key economic drivers (population growth, export demand, and business investment in capital (GFCF)) perform above their long-run central (or medium) estimates. This scenario is useful for understanding a higher, but still plausible potential growth of the Dunedin City economy. Within the macroeconomic model the high scenario has the following assumptions.

- **Population:** As with the medium scenario, population projections have been provided by Dunedin City Council, in this case drawing on the Stats NZ subnational high projection series (Figure 5-1). The high projection assumes stronger net migration, higher fertility, and lower mortality than the medium projection. This collectively produces a faster rate of population growth over the next 30 years. This projection set sits at the upper end of what SNZ consider a plausible demographic future for the area. Under the high scenario, Dunedin City's population grows to 167,300 residents by 2055, an increase of 34,500 people, or 26%, over the thirty-year period. This projection is higher than the previous high-growth scenario, which reached only 160,000 by 2055.
- **Exports and Gross Fixed Capital Formation** We have applied our high projection for export demand growth and gross fixed capital formation growth rates. The high projection represents conditions of stronger global demand, elevated investment activity, and above-trend performance across key export sectors. The high projections are around 20% higher than the medium projections by 2055.

[27] Principal Economics (2022) Business Development Capacity Assessment for Dunedin City.

5.1.3 Low Scenario

The low scenario represents a conservative future for the Dunedin economy. Where the high scenario imagines favourable conditions aligning across key drivers, the low scenario reflects a future in which growth is low (or negative) through population decline, weaker global demand, and reduced investment activity. This scenario is useful for understanding the floor of potential demand.

- **Population:** Population projections for the low scenario have again been provided by Dunedin City Council, drawing on the Stats NZ subnational low projection series (Figure 5-1). The low series assumes weaker net migration, lower fertility, and higher mortality than the central estimate, producing a slower rate of population growth or, in the case of Dunedin City, of population decline over the projection period. This series represents the lower bound of what SNZ consider a plausible demographic future for the area. Under the low scenario, Dunedin City is projected to lose 3,940 residents by 2055, representing a contraction of 3% from 2025 population. This projection has a smaller loss of population than the previous low-growth scenario, which had a loss of more than 10,000 residents by 2055.
- **Exports and Gross Fixed Capital Formation:** For both export demand and gross fixed capital formation, the low scenario draws on lower growth estimates from our econometric and statistical modelling, incorporating the same industry-specific projections used across all three scenarios. These figures reflect a more challenging global trading environment and weaker domestic investment conditions relative to the medium scenario, with weaker performance anticipated across key export sectors.

5.1.4 Inland Port

The inland port scenario builds on the medium scenario baseline but incorporates the additional economic activity generated by the construction and operation of the proposed Southern Link Inland Port in Mosgiel. This scenario reflects a structural shift in how the city's container and bulk goods logistics sector functions. It is the scenario most directly informed by the stakeholder engagement undertaken as part of this study and the data taken from the economic research associated with the fast track application.[28]

The proposed Southern Link Inland Port is a joint venture between Dynes Transport Group (owners of Icon Logistics) and Chalmers Properties Limited (a subsidiary of Port Otago), located on a 40ha rural property at 270–292 Dukes Road North, Mosgiel, adjoining the town's existing industrial zone and

[28] Further details were sourced from *Southern Link Inland Port Economic Assessment (2026)*, Savvy Consulting

opposite Fonterra's Taieri Distribution Centre. The site has been selected to provide a 50-year supply chain solution for the southern South Island.

We have defined four ways in which the proposed inland will be a driver of growth for the Dunedin City economy, differentiating itself from the baseline medium scenario:

- **Construction:** Construction will occur across three stages over an indicative ten-year period, commencing 2027:
  - Stage 1 (2027–2029) delivers the foundational infrastructure, most critically the new rail siding off the Taieri Branch Line, enabling a rail freight shuttle service to Port Chalmers. This stage also delivers the first warehousing, container terminal and depot infrastructure, and supporting earthworks, utilities, and site access.
  - Stage 2 (2030–2031) expands warehousing capacity and container terminal operations, adding further warehouse floorspace and associated infrastructure.
  - Stage 3 (2032–2036) completes the buildout of the facility, adding break bulk hardstand areas, additional warehousing, and the full complement of ancillary infrastructure.

  At completion, the Inland Port will comprise of 80,000m² of warehousing, a 5ha container depot, up to 5ha of container terminal for storage of containers. Total direct construction expenditure is estimated at $242 million (in 2025 prices), spread across the ten-year construction period. In employment terms, the construction programme is estimated to sustain up to 1,489 FTEs across the country (direct, indirect and induced) over the construction period. Stage 1 will have the highest on-site construction employment with 71 workers; stage 2 will sustain 65 workers per year and finally stage 3 will have 7 FTEs on site every year.

  We have assumed that the economic activity associated with the inland port build and development is a net additional driver of growth, and not simply a transfer of activity from elsewhere in the city. The build will create new construction jobs and associated downstream economic benefits for the length of the construction.

- **Operation**: Once fully operational at the end of Stage 3, the Inland Port will directly employ 125 FTEs on-site across container terminal and depot operations, warehousing (bulk and FMCG), and MPI/Customs compliance services. Accounting for roles transferred from existing facilities being consolidated onto the Mosgiel site, net additional direct employment created on site is estimated at 104 FTEs.

  The initial stage of operation is expected to involve a consolidation of existing Port Otago and Icon Logistics container activity, representing a transfer of business rather than net new economic output. However, from Stage 2 onward, the additional capacity and

efficiency of the Inland Port is expected to generate new container trade for Ports of Otago.

The inland port is expected to have 104 net additional (i.e. new and not simply a transfer of job site from Port Chalmers) workers on site. The operation of the inland port will also be a driver of some new growth in the Dunedin economy and, importantly for this study, a driver of demand for additional business land in the North Taieri area. In terms of industrial land demand, changes within the urban environment are driven primarily by the redistribution of activity between locations (i.e. shifts in locational preference), and to a lesser extent by net new growth generated from economic activity (i.e. efficiency gains).

- **Efficiency Gains**: Beyond the transport benefits, stakeholder engagement highlighted that the inland port addresses a number of operational constraints that have been building for several years. The port terminal is currently constrained by long container dwell times. By relocating this slow-moving, high-dwell activity to the inland port, the terminal is freed up for higher-value operations on the same land footprint, benefiting from cheaper land and labour costs at the Mosgiel site.

  Port Otago noted that the port has been capacity-constrained in the last few years. This directly affects exporters, with some primary producers having the risk of being undersupplied with empties or having the port unable to accept further product at peak times. The inland port addresses this by providing a buffering function, allowing export containers to be stored off-site until the terminal is ready to receive them. This storage capacity is expected to improve supply chain resilience for exporters across the southern South Island and, according to Port Otago, could allow some exporters to increase throughput by as much as 10%.

  As discussed, the inland port will play an import role in the logistics supply chain of the city and wider region. We have assumed that exporters of goods[29] in the region will increase their exports by 10% by 2035 onwards, in response to strengthening the logistics supply chains.

- **Location Preferences**: We have also assumed that the Inland Port will be a driver of growth in the Mosgiel industrial land submarket. Locating in the vicinity of an inland port is often attractive to businesses such as warehouses, manufacturers and wholesalers seeking easy access to port services and logistics infrastructure.

  Southern Link has anticipated this co-location effect, with the 40ha Mosgiel site designed to accommodate businesses wishing to establish alongside the port. Based on previous

[29] Goods in this case refers to primary products goods (from farming or forestry for instance) and from manufacturing (for example dairy products). It does not include other export types such as tourism or business services.

research into inland port precincts, demand for industrial land in the environs of the Southern Link Inland Port is expected to increase above and beyond the direct footprint of the port itself. However, this demand is likely to represent a transfer of activity from other industrial land submarkets within Dunedin City rather than genuinely new demand. Therefore, while Mosgiel is expected to capture a greater share of industrial land demand over the projection period, this does not translate into an increase in city-wide industrial land demand in aggregate.

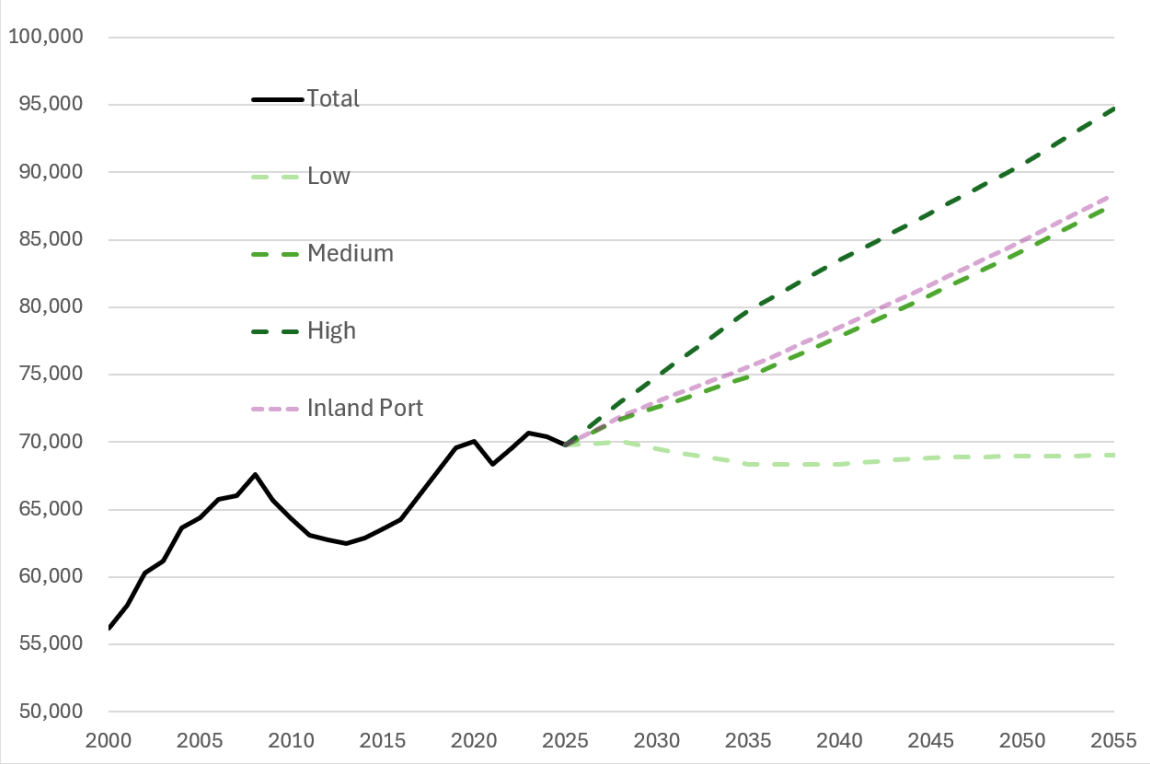
5.2 Economic Forecasts

In summary, the economic scenarios indicate a range of potential employment growth outcomes for the district through to 2055. Overall, the scenarios highlight that future employment outcomes are likely to depend on the district's ability to attract investment, support business expansion, improve infrastructure capacity, and enable industrial and commercial development opportunities.

Historical employment growth has generally trended upward since 2000, increasing from around 56,000 jobs to approximately 70,100 jobs by 2025, despite periods of slower growth and short-term fluctuations with an average of 540 new jobs per annum.

Under the medium growth scenario the projections have steady ongoing growth, reaching approximately 87,600 jobs by 2055, or 580 jobs per annum. The high growth scenario assumes stronger economic performance and investment attraction, resulting in employment increasing to around 94,700 jobs over the same period, or 830 jobs per annum. In contrast, under the low growth scenario, employment levels remain relatively stable over the projection period, with only limited growth and total employment remaining at around 70,000 jobs by 2055.

Figure 5-2: Dunedin City Employment Scenarios 2025-2055



The inland port scenario tracks closely with the medium growth outlook in the short to medium term, suggesting that the inland port could support additional economic activity and employment growth over time, however it is not expected to increase activity within the district significantly.

The medium growth scenario is the most likely outcome and is the key scenario for the NPS-UD reporting requirements. Figure 5-3 shows that the employment growth under this scenario occurs across most sectors, with total employment increasing from approximately 70,100 jobs to around 87,600 jobs. This represents an increase of approximately 17,500 jobs over the projection period, equivalent to average annual growth of around 0.8%.

- Health Care and Social Assistance is projected to experience the largest increase in employment, growing by approximately 6,300 jobs between 2025 and 2055. This reflects ongoing population growth and ageing demographics, which are expected to continue driving demand for health and aged care services.[30]

[30] Statistics New Zealand projects that the national population will continue to age, with the share of people aged 65 and over increasing from 26% in 2025 to 52% by 2078, and the average age rising from 38 in 2025 to 50 by 2078. In Dunedin, a similar ageing trend is expected, although to a lesser extent than at the national level, with the proportion of the population aged over 65 increasing from 17% to 19% by 2053, and average age being just over 40 by 2053.

- Education and Training is also projected to record strong growth, increasing by around 1,400 jobs, reinforcing the district's role as a major education centre.
- Professional, Scientific and Technical Services is projected to grow significantly, adding approximately 1,250 jobs by 2055, reflecting continued expansion in knowledge-intensive and specialist service industries.
- Accommodation and Food Services, Retail, Arts and Recreation Services, and Administrative and Support Services are also projected to experience notable growth, supported by population growth, tourism, hospitality, and broader service sector expansion.
- Manufacturing employment is projected to increase moderately over the long term, reversing historical decline trends and reflecting growth in higher-value and specialist manufacturing activities. Transport, Postal and Warehousing employment is also projected to grow steadily, consistent with increased freight activity and logistics demand.
- In contrast, employment in Agriculture, Forestry and Fishing and Mining, and construction is projected to remain relatively stable or decline slightly, indicating limited long-term expansion in traditional primary industries.

Overall, the projections suggest that future employment growth will be increasingly concentrated in service-based industries, particularly health, education, professional services, and other knowledge-intensive sectors. The employment is expected to grow by:

- 1,590 new jobs are projected to be added to the economy in the short term (2025 to 2028), equivalent to around 530 jobs per annum. This rate of growth is slightly slower than historic trend and reflects weaker short-term economic conditions and slower population growth.
- 4,730 new jobs are projected to be added to the economy in the medium term (2025 to 2035), equivalent to around 470 jobs per annum. This represents a modest growth, below the historic rate of employment growth experienced over the past two decades. This is in part impacted by the completion of the hospital builds, which removes 250 jobs from the Dunedin economy.
- 17,450 new jobs are projected to be added to the economy in the long term (2025 to 2055), averaging around 580 jobs per annum. This is slightly stronger than the historic rate of growth and reflects continued expansion in health care, education, professional services, tourism, and other service-based industries.

Figure 5-3: Dunedin City Medium Scenario by Industry 2025-2055

Formative Medium	2025	2028	2035	2055	Short 2025-28	Medium 2025-35	Long 2025-55
Agriculture, Forestry and Fishing	1,352	1,331	1,301	1,326	-21	-51	-26
Mining	81	78	74	67	-2	-7	-13
Manufacturing	4,365	4,429	4,525	5,015	64	160	650
Electricity, Gas and Water Supply	580	583	584	618	4	4	39
Construction	7,028	7,222	6,897	7,125	193	-132	96
Wholesale Trade	2,205	2,228	2,271	2,492	23	66	288
Retail Trade	7,140	7,172	7,252	7,793	32	112	653
Accommodation and Food Services	5,464	5,565	5,801	6,642	101	337	1177
Transport, Postal and Warehousing	2,762	2,791	2,863	3,195	29	101	433
Information Media and Telecommunications	956	960	976	1,052	5	20	96
Financial and Insurance Services	1,261	1,272	1,303	1,425	11	41	164
Rental, Hiring and Real Estate Services	1,279	1,280	1,282	1,350	1	4	71
Professional, Scientific and Technical Services	4,933	5,043	5,295	6,182	111	363	1250
Administrative and Support Services	2,562	2,639	2,807	3,371	77	244	809
Public Administration and Safety	3,680	3,759	3,971	4,640	80	292	961
Education and Training	8,279	8,377	8,675	9,660	98	396	1381
Health Care and Social Assistance	11,724	12,257	13,610	17,990	533	1887	6266
Arts and Recreation Services	1,606	1,699	1,934	2,770	93	328	1164
Other Services	2,875	3,037	3,435	4,870	161	560	1995
Total	70,129	71,722	74,857	87,582	1,593	4,728	17,453
Growth Rates		**0.8%**	**0.6%**	**0.8%**			

5.3 Business Zoned Floorspace and Land Demand

The following section provides an assessment of demand for business land in the Urban Environment in terms of floorspace and land for the medium growth and high growth scenarios. The results from the low growth scenario are not presented as they indicate that under this scenario there may be limited demand for additional floorspace.

The conversion of employment to land is established using the following assumptions:

- Revealed preferences are assumed to remain constant, with the share of each industry within the Urban Environment and the associated business land demand consistent with current activity observed in Dunedin, as shown in section 3 (Figure 3-3 and Figure 3-4). These assumptions are used to project the type and spatial distribution of economic activity within the Urban Environment.
- Floorspace demand in each zone and location is then estimated using workspace ratios derived from business consent data and employment activity in Dunedin. These assumptions are set out in Appendix B: Floor area and Workspace Ratios. The ratios are assumed to remain constant, reflecting feedback received through stakeholder engagement. However, it is acknowledged that employment intensity typically increases as an economy grows, and therefore this assumption may overestimate floorspace demand and is likely to be conservative. These assumptions are used to convert

employment by type and spatial distribution into estimated floorspace demand within the Urban Environment.

- Land demand in each zone and location is then estimated using floor area ratios derived from business consent data and parcel data in Dunedin. These assumptions are shown in Appendix B: Floor area and Workspace Ratios. The ratios are assumed to remain constant, reflecting feedback received through stakeholder engagement. However, it is acknowledged that building intensity typically increases as an economy grows, and also that there are existing unoccupied tenancies which could mean that growth in the economy can be accommodated in less land area. Therefore, this assumption may overestimate land demand and is likely to be conservative. These assumptions are used to convert floorspace by type and spatial distribution into estimated land demand within the Urban Environment.

Figure 5-4 presents the new demand for commercial and industrial floorspace in the urban environment. The results indicate that demand for additional floorspace could range from 456,000m² to 777,000m² over the long term, equivalent to approximately 15,000m² to 26,000m² per annum. The following key results are important:

- Retail: There is projected to be limited demand for additional retail floorspace, ranging from approximately 54,000m² (medium growth) to 102,000m² (high growth) over the coming 30 years. This equates to around 1,800m² per annum under the medium scenario and 3,400m² per annum under the high growth scenario.
- Other Commercial: This category is projected to drive the majority of floorspace growth, with demand for new floorspace ranging from approximately 165,000m² to 207,000m² over the coming 30 years. This is equivalent to around 5,500m² per annum (medium growth) to 7,000m² per annum (high growth).
- Industrial: Demand is slower in the short term, subdued in the medium term, and then recovers in the long term. Overall growth is equivalent to approximately 8,000m² per annum (medium growth) to 16,000m² per annum (high growth).

This compares with recent building consent activity across the district over the last five years, which averaged approximately 5,500m² per annum of new commercial floorspace and 11,000m² per annum of industrial floorspace. The projections therefore suggest that future demand for additional commercial floorspace is broadly consistent with, or higher than, recent levels of commercial development, while projected industrial demand for additional floorspace is expected to be slower, particularly under medium projection.

Figure 5-4: Dunedin Urban Environment New Floorspace Demand (000m^2) Medium and High Scenario 2025-2055

	Medium Scenario			High Scenario		
Floorspace ('000 m^2)	2025-28 Short	2025-35 Medium	2025-55 Long	2025-28 Short	2025-35 Medium	2025-55 Long
Retail and Food/Beverage	4	12	54	11	36	102
Other Commercial	13	48	165	21	81	207
Commercial	17	60	219	32	117	309
Industrial	14	51	237	59	239	468
Total	31	111	456	91	356	777

Figure 5-5 presents the demand for additional commercial and industrial land in the urban environment. The results indicate that demand for land could range from 69ha to 125ha over the long term, equivalent to approximately 2 to 4 ha per annum. However, we acknowledge that some of the demand could be accommodated within existing unoccupied premises (i.e. vacancies) or development intensity could increase as a result of redevelopment (via larger multi-level buildings).[31] Therefore, the demand for land should be viewed as the maximum requirement.

The following key results are important:

- Commercial: is projected to drive around a third of the land demand growth, with demand for land ranging from approximately 21 to 30ha over the coming 30 years. This is equivalent to around 0.7ha per annum (medium growth) to 1ha per annum (high growth).
- Industrial: Demand is lower in the short term, subdued in the medium term, and then recovers in the long term, with demand for land ranging from approximately 48 to 95ha over the coming 30 years. Overall growth is equivalent to approximately 1.6ha per annum (medium growth) to 3.1ha per annum (high growth).

There is no land use survey data available, however this level of land demand is expected to be slightly higher than that experienced in recent years.

[31] This aspect should be accounted for in the Business Capacity Assessment, which will compare projected demand with the supply of development capacity that is likely to be developed and brought to market (i.e. capacity that suitable for development).

Figure 5-5: Dunedin Urban Environment Business Land Demand Medium and High Scenario 2025-2055

	Medium Scenario			High Scenario		
Land Demand (ha)	2025-28 Short	2025-35 Medium	2025-55 Long	2025-28 Short	2025-35 Medium	2025-55 Long
Commercial	2	6	21	3	11	30
Industrial	3	10	48	12	48	95
Total	4	16	69	15	60	125

Figure 5-6 presents the demand for commercial and industrial land in the urban environment including the required competitiveness margin prescribed in the NPS-UD. The following key results are important:

- Commercial: medium term requirement of 7ha of land and long term of 25ha of land.
- Industrial: medium term requirement of 13ha of land and long term of 56ha of land.

Figure 5-6: Dunedin Urban Environment Business Land Demand Medium plus Competitiveness Margin

	Medium Scenario		
Land Demand (ha) and NPS-UD Margin	2025-28 Short	2025-35 Medium	2025-55 Long
Commercial	2	7	25
Industrial	3	13	56
Total	5	19	80

As noted above, these demand outcomes are higher than in the 2022 BCA.[32] The impacts of COVID-19 and the economic downturn were not as severe as anticipated, and population projections for Dunedin have subsequently been revised upwards. This has resulted in higher population growth and a larger labour force, which in turn generated a greater need for business land than previously anticipated.

While it is acknowledged that there are differences between the 2022 BCA and this updated assessment in terms of more recent input data, differences in modelling methods, and updated land use assumptions, we consider the primary driver of the increased demand for business land is the stronger population projection applied in this assessment compared to the 2022 BCA.

[32] Principal Economics (2022) Business Development Capacity Assessment for Dunedin City.

5.4 Location Land Demand

Demand is presented for six different locations within the city (see map in Figure 2-2). These areas represent the key submarkets for commercial and industrial land in the city, each with a distinct economic character and role within the urban structure.

Commercial and industrial land demand are modelled using a top-down approach, where city-wide demand projections (in Figure 5-6 above), are allocated to submarkets using indicators that reflect the likely spatial distribution of demand.

Commercial land demand is allocated using revealed preferences, based on the current distribution of commercial employment across the city's submarkets. This reflects the relatively strong locational requirements of many commercial activities. Businesses that depend on footfall, visibility, or proximity to customers and workers are often tied to specific locations; for example, commercial activity in the Central City serves a different market from activity in Mosgiel, and the two are often not directly interchangeable.

Industrial land demand is allocated using a combination of revealed preferences and land availability. Recent consenting data are used to indicate where industrial activity has been locating (i.e. revealed preferences), while the amount of vacant zoned industrial land in each submarket is used to reflect the readily available capacity to accommodate future demand. This recognises that industrial occupiers are generally less location-sensitive than commercial occupiers, and that the spatial distribution of industrial growth is partly determined by where suitable land is available.

Figure 5-7 provides results for each location which indicates that most demand is expected to be concentrated in the Central City, alongside significant demand for industrial land in both Kaikorai Valley[33] and Mosgiel[34]. A smaller level of demand is also anticipated in other parts of the urban environment.

[33] The model allocates 31% of industrial land demand to Kaikorai Valley. This compares with consents data, which indicates that approximately 36% of new floorspace has been delivered in this location, while the council's capacity assessment suggests around 27% of development potential is located there. The allocation of demand to this location is related to both the scale of existing demand and the large capacity in this area.

[34] The model allocates 44% of industrial land demand to Mosgiel. This compares with consents data, which indicates that approximately 20% of new floorspace has been delivered in this location, while the council's capacity assessment suggests around 67% of development potential is located there. The allocation of demand to this location is mostly related to the comparatively large capacity in this area.

Figure 5-7: Dunedin Urban Environment Business Land Demand by Location (Medium Scenario)

Land Demand (ha) and NPS-UD		Medium Scenario 2025-28	2025-35	2025-55
Central City	Commercial	1.2	4.2	15.1
	Industrial	0.7	2.4	10.8
South Dunedin	Commercial	0.2	0.5	1.9
	Industrial	0.0	0.1	0.5
Inner Suburbs	Commercial	0.4	1.5	5.3
	Industrial	-	-	-
Kaikorai Valley	Commercial	0.1	0.3	1.1
	Industrial	1.1	3.9	17.5
Mosgiel	Commercial	0.1	0.3	1.1
	Industrial	1.5	5.5	24.4
Outer Dunedin	Commercial	0.0	0.1	0.3
	Industrial	0.2	0.6	2.5

The Central City forms the commercial core of Dunedin, anchored by the CBD and its fringe, with industrial activity concentrated along the harbour edge. It is the dominant submarket for commercial land demand city-wide. Demand for commercial land is projected at 1.2ha in the short term, rising to 4.2ha in the medium term and 15.1ha over the long term (0.5ha per annum over the long term, representing 61% of all commercial demand across the city). Industrial demand is projected at 0.7ha, 2.4ha and 10.8ha across the three periods (approximately 0.4ha per annum over the long term, 19% of total industrial demand).

South Dunedin functions as a major retail and trade services corridor, with a mix of large format retail, commercial activity and industrial land. Demand here is relatively modest, with commercial demand projected to be 0.2ha, 0.5ha and 1.9ha across the short, medium and long terms (just under 8% of total commercial demand), with minimal industrial demand totalling 0.5ha in the long term (1% of total industrial demand).

The Inner Suburbs capture the network of smaller neighbourhood and suburban centres distributed across the city's residential areas. Demand is entirely commercial in nature, with no industrial zoned land in these locations. Commercial demand is projected at 0.4ha in the short term, 1.5ha in the medium term and 5.3ha over the long term (0.18ha per annum in the long term, 21% of total city-wide commercial demand).

Kaikorai Valley is the city's primary established industrial corridor running along the valley floor, with some associated commercial activity. Industrial demand is substantial in this location, projected at 1.1ha, 3.9ha and 17.5ha across the three periods (0.6ha per annum over the next 30 years, 31% of total industrial demand). Commercial demand is much lower at 0.1ha, 0.3ha and 1.1ha (approximately 4% of total commercial demand).

Mosgiel is Dunedin's main satellite town, with its own self-contained business land market serving both local demand and, increasingly, city-wide logistics and industrial needs. Industrial demand is the highest of any submarket over the long term, driven in part by the availability of suitable industrial land in the location. Industrial demand is projected at 1.5ha, 5.5ha and 24.4ha across the three periods (0.81ha per annum over the next 30 years, representing 44% of total city-wide industrial demand which is the largest share of any submarket). Commercial demand is expected to be around 0.04ha per annum over the long-term, totalling 1.1ha by 2055 (4.4% of total commercial demand).

Outer Dunedin encompasses the more dispersed business land along the Otago Harbour margins and in the smaller settlements to the north and south of the city. It is the smallest submarket by demand, reflecting its limited scale and largely local-serving function. Commercial demand is projected to be 0.3ha in the long term (0.01ha per annum, 1% of total commercial demand), with industrial demand at 2.5ha in the long term (0.08ha per annum, 4.5% of total industrial demand).

6 Dunedin Research Questions

The following discussion addresses the specific research questions required by DCC/ORC for this study. While it draws on the same underlying economic projections and is consistent with the NPS-UD, it also provides additional detail that is not required under the NPS-UD framework and is included specifically to respond to DCC's study requirements.

6.1 Mosgiel Inland Port

This aspect of assessment considers how the development of an inland port and logistics hub in proximity to Mosgiel (near Dukes Road) may influence demand for industrial land, in the surrounding area and also the rest of the urban environment. The implications of the proposed inland port are assessed by comparing the Medium and Inland Port scenarios in order to isolate and quantify the potential changes in demand arising from the associated structural shift in freight and logistics activity. As discussed in section 5.1.4, the inland port is expected to influence both the scale of economic growth in the city and the spatial distribution of that growth.

First, growth is expected to be higher as a result of both the inland port's direct on-site activities and the additional economic activity that its operations facilitate across the district. Modelling indicates that this would result in higher employment levels in Dunedin relative to the Medium (without inland port) scenario, with employment projected to reach 88,350 jobs by 2055, compared with 87,600 jobs under the Medium scenario, an additional increase of around 750 jobs. The higher level of economic activity associated with the inland port is also expected to increase demand for business land. Compared with the Medium scenario, demand is projected to increase by approximately 9.1 hectares of industrial land and 1.0 hectares of commercial land over the next 30 years.

Second, the Southern Links inland port is likely to have a larger impact on the structure of industrial land demand in the city. Locating in the vicinity of an inland port is often attractive to businesses such as warehouses, manufacturers and wholesalers seeking easy access to port services and logistics infrastructure. Previous research into the economic role of Inland Ports[35] found that businesses in inland port environs tend to grow more strongly than comparable locations, with the scale of activity increasing as port throughput increases. That research estimated that each additional 10,000 Twenty-foot Equivalent Unit (TEU) handled annually can support around 160 additional employees in nearby businesses, equivalent to approximately 3.4 hectares of industrial land.

Southern Links has an aspirational annual throughput of 49,000 TEU[36], which could result in 16.7ha of industrial land being demanded above and beyond the footprint of inland port operations itself. In

[35] *Rolleston Inland Port Economic Role (2021),* Formative
[36] *Southern Link Inland Port Economic Assessment (2026)*, Savvy Consulting

this assessment, however, this is not treated as additional city-wide demand. Rather, it is used to inform how Dunedin's projected industrial land demand may be redistributed with the presence of the inland port. Southern Link has anticipated this co-location effect, with most of the 40ha Mosgiel site designed to accommodate businesses wishing to establish alongside the port.

The locational results (Figure 6-1) show that the presence of the Inland Port is expected to have minimal effect on commercial land demand, with citywide distribution remaining broadly unchanged across all submarkets and time periods, increasing only marginally in some locations reflecting slightly stronger employment growth under this scenario.

The main effect is expected to be a transfer of industrial land demand towards the Inland Port, both from other locations in the urban environment and from other industrial land in Mosgiel itself. In the medium term, Mosgiel's industrial land demand increases from 5.5 hectares under the Medium scenario to 13.9ha under the Inland Port scenario. In the long term, Mosgiel's industrial land demand increases from 24.4ha to 40.2ha. This represents an increase of 8.5ha in the medium term and 15.8ha in the long term. It should be noted that Mosgiel's industrial land demand does not simply increase by the full quantum of co-location demand, as some of the baseline Mosgiel demand will be met within the Inland Port site itself and not in the other industrial land in Mosgiel.

This increase in projected demand is partly offset by lower industrial demand in other submarkets across the urban environment and other industrial land in Mosgiel itself. While projected demand growth in these other submarkets is reduced, it remains positive overall. In the long term, projected industrial demand is 3.7ha lower in Kaikorai Valley, 2.3ha lower in the Central City, and 0.5ha lower in Outer Dunedin, demonstrating the transfer effect of the Inland Port. South Dunedin projected industrial demand is negligible in both scenarios and remains effectively unchanged. While demand growth in these submarkets is reduced relative to the medium scenario, it remains positive overall which means these established industrial areas continue to grow, just at a slower rate as Mosgiel captures a greater share of new industrial activity.

This reflects an expected degree of relocation, with some businesses shifting to the inland port to co-locate with logistics activity. However, ongoing demand from other sectors is anticipated to backfill released premises and generate additional take-up over time. As a result, although vacancy rates in some submarkets may increase in the short term as some large business shift, these are likely to moderate over time as growth and re-absorption of space occurs within the broader industrial market.

Figure 6-1: Dunedin Urban Environment Business Land Demand by Location (Inland Port Scenario)

Land Demand (ha) and NPS-UD Margin		2025-28 Short	2025-35 Medium	2025-55 Long
Inland Port Scenario				
Central City	Commercial	1.3	4.8	15.7
	Industrial	1.3	2.5	8.5
South Dunedin	Commercial	0.2	0.6	1.9
	Industrial	0.1	0.1	0.4
Inner Suburbs	Commercial	0.5	1.7	5.5
	Industrial	-	-	-
Kaikorai Valley	Commercial	0.1	0.3	1.1
	Industrial	2.2	4.0	13.7
Mosgiel	Commercial	0.1	0.3	1.1
	Industrial	3.0	13.9	40.2
Outer Dunedin	Commercial	0.0	0.1	0.4
	Industrial	0.3	0.6	2.0
Total Urban Environment	Commercial	2.1	7.8	25.8
	Industrial	6.9	21.1	64.8
Medium Scenario				
Central City	Commercial	1.2	4.2	15.1
	Industrial	0.7	2.4	10.8
South Dunedin	Commercial	0.2	0.5	1.9
	Industrial	0.0	0.1	0.5
Inner Suburbs	Commercial	0.4	1.5	5.3
	Industrial	-	-	-
Kaikorai Valley	Commercial	0.1	0.3	1.1
	Industrial	1.1	3.9	17.5
Mosgiel	Commercial	0.1	0.3	1.1
	Industrial	1.5	5.5	24.4
Outer Dunedin	Commercial	0.0	0.1	0.3
	Industrial	0.2	0.6	2.5
Total Urban Environment	Commercial	2.0	7.0	24.8
	Industrial	3.4	12.5	55.7
Inland Port change from Medium Scenario				
Central City	Commercial	0.1	0.5	0.6
	Industrial	0.7	0.0	-2.3
South Dunedin	Commercial	0.0	0.1	0.1
	Industrial	0.0	0.0	-0.1
Inner Suburbs	Commercial	0.0	0.2	0.2
	Industrial	-	-	0.0
Kaikorai Valley	Commercial	0.0	0.0	0.0
	Industrial	1.1	0.1	-3.7
Mosgiel	Commercial	0.0	0.0	0.0
	Industrial	1.5	8.5	15.8
Outer Dunedin	Commercial	0.0	0.0	0.0
	Industrial	0.2	0.0	-0.5
Total Urban Environment	Commercial	0.1	0.9	1.0
	Industrial	3.5	8.6	9.1

Finally, depending on the specifics of the Southern Links development, it is likely that the additional 16.7ha of industrial land demand in Mosgiel from businesses wanting to co-locate with the inland port could be met within the proposed 40ha site. In summary, the proposed inland port would create a new anchor for freight-related activity in the Mosgiel area. Over time, this could shift a larger share of Dunedin's industrial growth towards Mosgiel, particularly for activities that benefit from proximity to container handling, rail access and freight infrastructure.

6.2 Dunedin Hospital Relocation

The implications of the hospital relocation are important, as the site is a major employer in the urban environment, a key attractor of people (both patients and visitors), and has strong linkages with the University for learning and research. All of these people require services, some of which are met in the immediate vicinity of the hospital, supporting retail and hospitality businesses and employment. The relocation will result in a reduction in people activity around the existing facility and an increase at the new facility. This impact is assessed by isolating and quantifying the potential changes in demand arising from this structural shift.

The new Dunedin Hospital is currently under construction approximately 400 metres south of the existing Dunedin Hospital site, representing a shift of one to two city blocks within the central city. While the distance is modest in geographic terms, its potential to alter patterns of food and beverage spending in the immediate vicinity of both the existing and new hospital sites is also likely to be limited.

To estimate the potential effect on commercial land demand, we draw on research by Gerritsen et al. (2024)[37], which examined the food and drink purchasing behaviours of staff and visitors across New Zealand healthcare organisations, including staff from Southern DHB. The study provides estimates of the frequency with which hospital staff and visitors purchase food and drink off-site, which are applied to the Dunedin Hospital context to estimate the volume and value of spending that could shift spatially as a result of the relocation.

Our analysis considers the spending patterns of both staff and visitors. For staff, we have assumed the new Dunedin Hospital will employ 4,000 people, which is the level of employment in the existing facility. Drawing on the Gerritsen et al. (2024) findings, we apply an estimated 1.04 off-site food and drink purchases per employee per working week, generating an estimated 190,865 annual transactions (assuming 46 weeks of work). Figure 6-2 shows the potential spend, with total annual off-site staff spending ranges from approximately $2.9 million to $6.7 million (depending on the assumed spend per purchase).

[37] Gerritsen et al. (2024) Awareness, support, and opinions of healthy food and drink policies: a survey of staff and visitors in New Zealand healthcare organisations.