PROPERTY ECONOMICS



UOA STUDENT CENTRE AND LIBRARY FAST TRACK ECONOMIC IMPACT ASSESSMENT

Client: University of Auckland

Project No: 52586

Date: November 2026

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SCHEDULE

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1. INTRODUCTION

Property Economics has been commissioned by the University of Auckland ("**UoA**" or "**the University**") to assess the economic impacts and efficiency associated with the development of a new Student Centre and Library within the UoA campus at the corner of Alfred Street and Princes Street, in the Central City ("**the site**"). The development ("**Project**") seeks approval under the Fast-track Approvals Act 2024 ("**FTAA**").

The Project Overview

Situated between Rangipuke Albert Park to the west and the Hiwa Recreation Centre to the east, the facility will function as a focal point for student life on the campus, providing spaces for social interaction, study, and engagement in the distinctive UoA experience.

The Project aims to achieve an overall GFA[1] of around 19,568sqm (excl. terraces and voids and 4,081sqm of plant) and deliver a contemporary, world-class facility that integrates:

- Food and Beverage (182sqm)
- Student support & clubs (400sqm)
- Library and study (8,725sqm)
- Teaching and learning space (2,881sqm)
- Superlabs (1,832sqm)
- Visitor centre (474sqm)
- Common – core and circulation (5,074sqm)

[1] *This considers the AUP definition of Gross Floor Area*

The design balances flexible social spaces with dedicated study and research areas, supporting a diverse range of student needs.

Complementing the building is a new plaza, expanding the current outdoor area to create a high quality, large-scale public space. The plaza will serve as:

- A gathering and event space.
- The social heart of the City Campus.
- A platform for student-led activities and facilities.

Considerations under the FTAA

This economic impact assessment ("**EIA**") is designed to provide an economic assessment in terms of the FTAA based around economic injection, employment, and scale of economic impacts / benefits of the Project. The provisions of the FTAA that are directly relevant to this assessment include:

- Section 3 which states that, "*The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.*"
- Section 85 which records when a panel must or may decline approval and specifies that a panel may decline consent where "*adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits*."
- Schedule 5 Clause 7 which requires economic effects to be assessed in the Assessment of Environmental Effects.
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits, would not materially affect the efficient operation of the fast-track approvals process., and contributes to a well-functioning urban environment (as per Policy 1 of the National Policy Statement on Urban Development ("**NPS-UD**"))

Figure 1 following provides an outline of the Project site plan.

FIGURE 1: PROPOSED STUDENT CENTRE AND LIBRARY DEVELOPMENT SITE PLAN



Source: Warren and Mahoney

2. EXECUTIVE SUMMARY

This EIA assesses and quantifies the economic impacts arising from UoA's proposed Student Centre and Library, located at the corner of Alfred Street and Princes Street, within the FTAA context.

The total quantitative (gross) economic impact on business activity (value added GDP) as a result of the Project are summarised in the following table.

Snapshot of Key Economic Benefits:

Estimated Gross Economic Impacts on Auckland's Regional Economy:	
Total direct expenditure over a 5-year development period[2] (excl. land)	**$499.5m**
Total NPV[3] at 8% over a 5-year development period	**$469.6m**
Total NPV at 2%[4] over a 5-year development period	**$591.8m**
FTEs during the peak development year	**1,121 FTE years**
Total FTE years[5] over the development period	**3,518 FTE years**
Total direct employment over the development period	**1,663 FTE years**
Total indirect and induced employment over development period	**1,855 FTE years**

In addition to the quantified economic impacts outlined above, the Project would also deliver a wide range of other (non-monetised) qualitative economic benefits for the wider regional market and communities, extending well beyond the local market, which include:

- Enabling efficient utilisation of existing education infrastructure and strategically located City Centre-zoned land.
- Supporting domestic student enrolment and the continued growth of international education.
- Supporting student productivity, retention, and academic outcomes.
- Enhancing international education exports and associated expenditure.
- Delivering a key enabling project under the UoA masterplan.

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[2] *The development period includes allocation to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction.*

[3] *Net Present Value*

[4] *Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development.*

[5] *NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.*

- Modernising and upgrading of significant University infrastructure.
- Increasing spending and demand for goods and services.
- Generating additional employment during the operational phase.
- Supporting City Centre vitality and agglomeration benefits.
- Strengthening the region and country's human capital and skills pipeline.
- Improving long-term asset resilience and reducing future economic costs.
- Enhancing UoA's international competitiveness, reputation and growth potential.

In Property Economics' view, there are some potential economic costs associated with the Project. These primarily relate to the loss of heritage-related economic value associated with demolition of the existing scheduled building, the opportunity cost of developing a strategically located City Campus site for the proposed use, and temporary construction and transitional disruption to existing University activities.

Importantly, both the economic costs and benefits of the Project need to be considered relative to the realistic next best alternative, rather than against a scenario in which the existing buildings can simply be retained at no cost. Retaining and adapting the existing building would itself involve substantial capital, operational and functional costs, while alternative redevelopment options may also require demolition or substantial modification of the existing heritage building and therefore incur similar heritage-related costs.

Similarly, the relevant opportunity cost of the site is the value of the next best practicable alternative use within the context of UoA's wider operational and campus requirements, rather than an unconstrained alternative education or commercial use.

On the information available, these considerations materially reduce the practicality and economic feasibility of retention-based or alternative redevelopment options relative to the proposed Project. The proposed Student Centre and Library directly supports the core education function of the campus and enables more efficient utilisation of UoA's wider infrastructure, while construction-related disruption is expected to be temporary.

Economically, according to NZIER's research, UoA and its students' direct spending contributed approximately $2b to Auckland's regional economy in 2021[6]. This figure reflects the University's significant direct economic injection into the regional economy annually.

Beyond this direct contribution, NZIER estimated that the UoA generates an additional indirect economic footprint of approximately $3.1b per annum through related business activity, and

[6] *"Regional activity of universities – New Zealand universities economic footprint", 24 January 2023, NZIER*

induced impacts of around $4.3b per annum arising from wider spending effects associated with income and employment supported by its activities.

Importantly, the economic benefits of the Project extend beyond the UoA's existing contribution by enabling the continued growth and effectiveness of this nationally significant educational asset. The Project will provide critical core infrastructure required to support this scale of activity and accommodate future growth in both domestic and international students.

UoA's total student and workforce population equates to around 59,000 people, comprised of circa 50,000 students and around 9,000 individual staff members (equivalent to approximately 6,450 Full-Time Equivalent ("FTE") staff). To provide context to the scale of this key educational infrastructure asset, that is larger than to the population of the entire Gisborne region (51,135 New Zealand Census 2023).

By enhancing the student experience, facilitating collaboration and learning, and providing modern study and engagement spaces, the Project will strengthen UoA's ability to attract and retain students, expand research and innovation activity, and support the continued growth of international education enrolment and the associated export earnings generated through tuition fees and living expenditure.

In doing so, the Project will help sustain and potentially expand UoA's already significant contribution to the Auckland regional economy and New Zealand's national education and knowledge economy.

From an economic perspective, the Project is also expected to contribute positively to a well-functioning urban environment by supporting the continued efficient use of a strategically located City Centre site, improving access to education and student services, strengthening connections between the University and the wider City Centre, and supporting public transport use and City Centre activity. The Project therefore reinforces the role of the City Centre as a major education, employment and knowledge-economy location.

As such, Property Economics considers that enabling the proposed new Student Centre and Library would deliver regionally and nationally significant economic benefits and market efficiencies, with benefits extending to the University community, the wider Auckland Region and the national economy. Overall, our assessment supports the Project from an economic perspective in the context of the FTAA and the Resource Management Act 1991 ("RMA").

3. OVERVIEW OF UOA'S ECONOMIC CONTRIBUTION

According to NZIER's 2023 report[7], UoA contributes approximately $2b annually to the Auckland regional economy through direct expenditure (i.e., salaries and purchasing goods and services); this economic contribution makes UoA the highest in direct spending among New Zealand universities. Of this total, student spending alone accounted for around $752m annually.

The scale of UoA's annual direct expenditure of approximately $2b provides a useful indication of the magnitude of the institution relative to the regional education economy. This reflects the critical role UoA plays not only in the region's education system but also in supporting the broader economic vitality and resilience of the regional economy.

According to the Government's International Education Going for Growth Program ("IEGGP"), New Zealand is aiming to double the value of international education by 2034, which will increase the current direct contribution to GDP (student consumption) from $3.6b in 2024 to $7.2b in 2034[8]. UoA is particularly important to achieving this objective given its scale, international standing and approximately 8,500 international students, representing around 17% of its total student population.

As the highest ranked university in New Zealand and top 100 university in the QS World University Rankings 2027[9], UoA is both a regionally and nationally significant educational, research, and economic infrastructure asset.

It is New Zealand's largest and most comprehensive university, with a student headcount of almost 50,000 in 2026, including international students from over 100 different countries. The University also graduates approximately 12,000 students each year, meaning its contribution extends well beyond its existing campus population to the ongoing development of New Zealand's skilled workforce. This reflects its substantial role in tertiary education nationally.

The UoA's role as a major employer and skills generator further reinforces its economic significance. It employed 6,450 FTE staff in 2024, making it one of the largest employers in the region[10]. Annually, it educates and graduates a large cohort of highly skilled individuals whose enhanced productivity and earnings positively affect labour markets across sectors. In 2024, UoA graduated 10,708 students, with almost half (4,884) obtaining a post-graduate qualification and had licensed 35 patents.

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[7] *"Regional activity of universities – New Zealand universities economic footprint", NZIER, 24 January 2023.*

[8] *Source: https://www.beehive.govt.nz/sites/default/files/2025-07/IE%20Going%20for%20Growth%20-%20Plan%20on%20a%20Page.pdf.*

[9] *Based on QS World University Rankings 2027.*

[10] *Source: University of Auckland Key Statistics 2024.*

UoA's total institutional (i.e. student and workforce) population equates to around 59,000 people. To provide context to the scale of this key education infrastructure asset, that is larger than the population of the entire Gisborne region (51,135 New Zealand Census 2023).

Beyond workforce development, UoA is a central hub for research, innovation and commercialisation. It attracts substantial research funding and performs a significant share of New Zealand's university-based research, translating scientific discoveries into new technologies, businesses and societal benefits. In 2024, UoA had 5,155 research publications, of which around 75% in the top 20% quality journals and generated around $230m in annual research revenue[11].

UoA also contributes indirectly to broader economic activity by enhancing international education exports, i.e. the provision of education services to international students studying in New Zealand. International students studying at UoA spend on tuition and living costs, bring foreign exchange into the economy, and create global networks that support tourism, cultural exchange and international collaboration. Such flows contribute hundreds of millions annually to the national balance of trade and help sustain related industries.

The physical scale of UoA further illustrates its significance as nationally important social and economic infrastructure. UoA manages an estate containing approximately $4.5b of land and buildings. Its City Campus alone extends across approximately 23ha, contains more than 120 buildings and approximately 421,000sqm of University-owned floor area, in addition to leased accommodation. This substantial physical asset base supports the teaching, research, innovation and student activities that underpin UoA's economic contribution.

UoA has already undertaken substantial investment in the renewal of the City Campus, including the Engineering and Science developments, Waipārūrū Hall, Te Pūtahi Tangata, the Hiwa Recreation Centre and the refurbishment of Old Choral Hall, with a new Law and Performing Arts building also under construction. The proposed Student Centre and Library therefore forms part of a wider programme of long-term investment in nationally significant education infrastructure rather than an isolated development project.

In light of the above context, continued investment in modern, internationally competitive campus infrastructure is important to sustaining the economic contribution outlined above. Quality Student Centre and Library facilities play a key role in enhancing the student experience, fostering academic success, and supporting research and collaboration, thereby contributing to UoA's regional and national impact.

[11] *Source: University of Auckland Annual Report 2024.*

Additionally, the current Student Union Building complex was originally designed to serve a campus of approximately 6,000-7,000 students in 1963. With a current student roll of almost 50,000 students, the complex is now serving around seven times the student population for which these facilities were originally designed.

The existing Student Union Building is therefore substantially undersized and no longer meets the needs of a modern campus environment. The building is also affected by significant structural, compliance and building-condition issues, while their configuration substantially limits their ability to accommodate contemporary student functions.

The same issue applies to the General Library, which is approaching the end of its functional and operational life and is experiencing significant building-performance and occupancy constraints. As we understand from the University Statement[12], importantly, the existing General Library cannot be comprehensively redeveloped while continuing to provide library services to the campus.

A replacement library therefore needs to be provided before longer-term decisions regarding the existing General Library building can be implemented. In this sense, the Project represents an enabling investment that supports future flexibility and the wider renewal and more efficient utilisation of UoA's City Campus estate.

Importantly, the Project is not simply an accommodation response to current space deficiencies. UoA's City Campus Masterplan identifies the Student Centre and Library as one of the principal initiatives required to establish a genuine social, academic and cultural heart for the campus[13]. It will also improve campus connectivity, strengthen integration with the City Centre and Albert Park, and improve connections with major public transport infrastructure, including Te Waihorotiu Station.

Given the above context, it can be expected that the proposed Student Centre and Library will play a critical role in supporting UoA's continued growth and long-term sustainability by providing fit-for-purpose, modern facilities that respond to the scale, diversity, and evolving needs of the student population.

Accordingly, the economic significance of the Project should be considered in the context of the University-wide economic activity and national functions that it helps sustain, rather than simply the direct construction activity generated by the Project itself. By improving UoA's student experience, teaching and research infrastructure, international competitiveness and capacity for long-term estate renewal, the Project supports the continued operation and enhancement of one of New Zealand's most significant education, research and knowledge-economy institutions.

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[12] *Source: University of Auckland – Student Centre and Library Project Statement, October 2026*

[13] *Source: 50% FTAA Substantive Application Architectural Design Report (21 September 2026), excerpts provided with the substantive application.*

In doing so, the proposed Student Centre and Library will support the national vision to double the value of international education by 2034, as identified in the IEGGP and discussed in Section 3 of this report.

The Project therefore has the potential to generate enduring regional and national economic benefits by safeguarding and strengthening UoA's contribution to skills development, research and innovation, international education, central-city activity and New Zealand's wider knowledge economy.

4. INTRODUCTION OF THE METHODOLOGY

The appropriate approach to assessing economic benefits under the FTAA has been the subject of some debate in recent Fast-track applications. In particular, differing views have emerged as to whether the economic assessment of a project should take the form of an EIA, focused on the scale and significance of economic activity generated, or a Cost Benefit Analysis ("CBA"), focused on the net welfare effects of a project after accounting for the opportunity cost of resources and other monetizable costs and benefits.

This distinction is important because the two approaches are designed to answer different questions. At a high level, a CBA is used to assess the overall net welfare effects of a proposal, typically by comparing costs and benefits across alternative options. An EIA, by contrast, primarily identifies the nature, scale and significance of the gross economic activity generated by a proposal, while also considering the extent of displacement.

The FTAA framework is concerned with whether a project delivers significant regional or national benefits, and the scale of those benefits relative to any adverse impacts. The EIA is intended to inform that exercise by identifying the project's economic contribution. It is not intended to provide a single monetised assessment of all effects or determine whether the project represents the most economically efficient alternative.

There are a number of reasons why it is considered unnecessary and inappropriate to undertake a CBA in the context of the FTAA, including:

a) The FTAA process allows for consideration of other (primarily non-economic) costs to be weighed and considered by the Panel. While it is not the role of the economist to assist the Panel in assessing relevant economic benefits and disbenefits, the overall weighing of the Projects benefits and disbenefits remain the responsibility of the Panel. The EIA is an important input into the Panel's overall evaluation of the benefits and costs of a project.

b) A CBA would inappropriately consider the private development investment as a cost because those capital, along with the labour and materials involved, are resources that society is using under a CBA framework. This cost is then weighed against the benefits the project delivers, being the value society gains from what the development produces (such as housing, or other outputs), minus any associated disbenefits resulting from the project. This is typically done to compare different project options. It is not the purpose of the FTAA to compare projects.

An EIA measures the gross economic activity the project creates, and the same private development investment is treated as a benefit as it represents economic activity being generated.

c) A CBA requires assumptions that would render the results not only difficult to compare, but also highly subjective. These assumptions include but are not limited to:

- the counterfactual for the site, including the likelihood, scale and timing of development under the existing approval pathway or another feasible use;
- the treatment of market demand, supply responses, price effects and any associated consumer or producer benefits;
- the opportunity cost of construction labour, materials and capital, including the extent to which these resources would otherwise be used elsewhere;
- the magnitude, duration and monetary value of external effects, including visual amenity, shading, construction effects, transport effects and any other impacts identified by specialist evidence; and
- the appraisal period, discount rate, residual value, treatment of taxes and financing flows, and potential interactions between different benefit categories.

Reasonable variations in these assumptions can materially change a CBA's result. This is particularly so where amenity or environmental effects are monetised through stated-preference, revealed-preference or property-value methods.

d) The FTAA does not prescribe CBA as the required form of economic assessment. The undertaking of a CBA would in effect create a hurdle more prohibitive and assumption-dependent than an assessment currently experienced under the RMA process. It would materially extend the assessment beyond what is required to identify the project's economic contribution and any material economic disbenefits.

An EIA in this instance provides an assessment of actual economic benefit rather than a position that assesses commercial projects as the best of all commercial options, hence the most efficient.

e) When considering the regional economic benefit, the FTAA does not explicitly identify economic efficiency as a matter for consideration but does require the potential adverse impacts of the proposal to be proportionately weighed against the project's regional or national benefits as an aspect for the panel.

f) The purpose of the EIA in the FTAA context is to identify the nature, scale and significance of the project's economic benefits and any material economic disbenefits. This differs from the purpose of CBAs routinely undertaken by both Treasury and NZTA in public-investment and policy settings, particularly where limited public funding must be allocated between competing projects, routes, designs or policy options. In those contexts, a CBA assists decisionmakers to compare the relative net benefits and efficiency of alternative interventions.

The use of CBA in other public-sector decision-making contexts does not, in itself, mean that a CBA is necessary or an appropriate economic assessment tool in the context of an FTAA application.

The objectives of the FTAA are relatively unique, and the FTAA regime allows for the distribution and relativity of qualitative costs to be weighed by the Panel against the significant benefits of a project, which includes the level of economic activity generated.

While a CBA can provide useful information on net economic welfare and the relative efficiency of alternative options, it is not required nor has it been required by the Minister in referring projects based on the significant regional or national benefits under the FTAA.

Our approach is consistent with the findings in the Waihi North Fast-track decision (18 December 2025).

The Waihi North Panel recognised at paragraph 784 that economic disbenefits should be considered, particularly where market values are available against which they can be measured in monetary terms. But it did not accept that adverse environmental impacts must be monetised and factored directly into an assessment of economic benefits. It also found (at paragraph 786) that:

- There is no explicit requirement in the Act for either the "benefits" or "adverse impacts" of a project to be quantified in monetary terms, even where the claimed benefits are economic in character; and
- If adverse impacts have already been monetised and factored into the benefits assessment, the weighting exercise of the kind required by s 85(3) would be redundant.

It went on to note that:

> [787] This accords with the approach taken in Supreme Court in *Trans-Tasman Resources Ltd v Taranaki-Whanganui Conservation Board*.[79] The case concerned sea-bed mining and the decision-making criteria included:
>
> > the effects on the environment or existing interests of other activities undertaken in the area covered by the application or in its vicinity.
> >
> > ...
> >
> > the economic benefit to New Zealand of allowing the application.
>
> It was argued that the reference to "economic benefit" required a cost benefit analysis which ascribed monetary values to environmental, social and cultural costs. This argument was rejected by the Supreme Court which concluded that a "qualitative analysis of environmental, social and cultural benefits and costs" had been open to the decision-maker.[80]

Property Economics acknowledges that economic analysis involves assessing trade-offs and that identifying relevant economic disbenefits is an important part of this process. However, this does not necessarily require a CBA.

Our view is that economic disbenefits can be assessed quantitatively or qualitatively, depending on the nature of the effects and data / information availability. Environmental, social and cultural costs do not need to be ascribed a monetary value as part of that assessment. The economist's role is to assist the Panel in contextualising these economic implications, while the Panel is responsible for weighing the Project's overall benefits and adverse impacts under section 85(3).

Importantly, while both EIA and CBA methodologies involve assumptions, a comprehensive CBA would require additional determinative assumptions regarding the counterfactual, opportunity costs, displacement effects and the monetary valuation of wider impacts (as identified above).

Where these assumptions cannot be reliably established, a qualitative assessment of relevant disbenefits is more useful and informative than a monetary estimate based on uncertain assumptions.

Furthermore, in paragraphs 267-268 of the recent decision[14] on the Downtown Carpark Redevelopment - Te Pūmanawa o Tāmaki Project, the Panel similarly stated:

> "*We do not accept [Auckland] Council's approach insofar as it treated the absence of a CBA, or the absence of a quantified net counterfactual analysis, as undermining the benefits case. That approach gives insufficient weight to the text and purpose of the FTAA. A CBA may be useful in some cases, but it is not required by the FTAA and it would be too narrow a lens for this project in any event. That is, it would also risk under-valuing the cultural, social, urban design, public realm and city-shaping benefits which are central to the project*."

The Downtown Panel further stated:

> "*We accept that the Applicant's EIA is an appropriate and sufficient evidential basis for recognising substantial regional economic activity associated with the project*."

In our opinion, the Downtown Panel's conclusions clearly articulate the FTAA framework and confirm the use of an EIA as an appropriate evidential framework under the FTAA. The Panel expressly recognised that a CBA is not a statutory requirement under the FTAA and may not adequately capture the full range of project benefits relevant to the decision-making framework. This reasoning is directly relevant to the proposal, as our assessment adopts the same recognised EIA methodology to evaluate the Project's economic contribution.

[14] *https://www.fasttrack.govt.nz/__data/assets/pdf_file/0021/32079/FTAA-2512-1158-Downtown-Carpark-Redevelopment-Final-Decision-5-August-2026_Redacted.pdf*

Accordingly, the absence of a CBA does not diminish the robustness or appropriateness of the economic assessment presented in this report. Rather, the EIA provides an appropriate and sufficient basis for assessing the Project's anticipated economic significance, consistent with the approach endorsed by recent Panels.

5. ECONOMIC CONTEXT FOR THE EIA

In assessing the potential economic impacts of the Project, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the four important parameters are:

1) The geospatial extent of the economic impact. While facilitation of the Project and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Auckland Region. This EIA assessment focusses primarily on the extent of economic impacts and activity that will be retained[15] within the Region.

2) The economic impacts are those resulting from the development over the development period. Ongoing operational and wider flow-on economic effects are not quantified as part of the EIA but are discussed qualitatively in Section 7 of this report.

3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the "*efficient use and development of natural and physical resources*" (Part 2 section 7 (b) RMA).

   This can be considered from the perspective of economic efficiency which can be defined as "*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs*" [16].

4) In parallel, the FTAA places emphasis on proposals that deliver "*significant regional or national benefits*", which explicitly include economic benefits. Accordingly, this assessment considers the Project's contribution to both efficient resource use under the RMA and its ability to generate regionally and nationally significant economic benefits consistent with the FTAA framework.

In addition to the regional benefits quantified in the following assessment, the proposed Student Centre and Library is likely to have economic impacts that extend beyond the specific benefits to the region and generate national benefits.

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[15] *In this context retention relates to the level of direct spend that is attributable to the Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.*

[16] *Pass, Christopher and Lowes, Bryan, 1993, Collins Dictionary of Economics (2nd edition), Harper Collins, Page 148*

For instance, the UoA attracts international students, who's spending further contributes to national GDP. In addition, the UoA facilitates research, development and innovation, with outputs that have spillover effects across industries in New Zealand. These impacts demonstrate that the Project is not only regionally relevant but also contributes to national economic outcomes.

Section 6 identifies the key quantitative economic benefits generated as a result of the Project, including direct and flow-on operational economic benefits.

Additionally, there are likely to be other, non-economic effects that may result in further economic impacts, such as changes in traffic patterns, noise levels, amenity, or community wellbeing. These potential additional economic impacts are excluded from this analysis to avoid double counting of effects. Other non-economic effects, for example positive environmental or social impacts, have not been addressed in this report but we understand are otherwise addressed in the application material.

6. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general demolition, construction, design, infrastructure and development works. It anticipates development across the 2027-2031 construction period. There is no indication of any material factors present which might delay progression of the Project and consequently delay the onset of any economic impact.

6.1. INJECTION INTO THE AUCKLAND REGIONAL ECONOMIC ACTIVITY

Table 1 following outlines the resulting impacts on the Auckland regional economy as a result of the Project.

TABLE 1: TOTAL GROSS GDP AUCKLAND REGIONAL ECONOMIC INJECTION OF THE PROJECT

	2027	2028	2029	2030	2031	Total
Direct Expenditure ($m)						
Land						
Demolition	$2.3	$0.6				$2.8
Earthworks / Civil Works	$0.7	$11.3	$2.1			$14.1
Civil Consultants	$6.0	$54.0				$60.0
Other	$0.0	$6.5	$12.9	$32.3	$77.6	$129.3
Levies et al.	$1.6	$4.9				$6.5
Total Development Costs (excl. land)	$10.6	$77.2	$15.1	$32.3	$77.6	$212.8
Total Construction	$0.0	$21.3	$49.7	$127.7	$85.1	$283.7
Total Construction and Development Costs (excl. Land)	$10.6	$98.5	$64.7	$160.0	$162.7	$496.5
Increased Local Spend*		$0.4	$0.7	$0.8	$1.1	$3.0
Total Direct Expenditure (excl. land)	**$10.6**	**$98.9**	**$65.4**	**$160.8**	**$163.8**	**$499.5**
Level 2 Multiplier Impacts						
Total Auckland Output (48 sector mutipliers)						
Total Auckland Output NPV (48 sector multipliers)**	**$13.3**	**$106.0**	**$66.0**	**$146.4**	**$138.0**	**$469.6**
Employment (FTE Years)						
Development Phase Employment	75	473	98	193	444	1,282
Construction Phase Employment	0	189	385	863	529	1,966
Other Employment	28	71	22	66	84	270
Total Employment (FTE years)	**102**	**732**	**505**	**1,121**	**1,057**	**3,518**

Source: Property Economics

** Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.*

***The impacts on Auckland as a result of direct, indirect and induced activities.*

Two key values are represented in the following table. The first is the Economic Activity generated in the Auckland Region. The Project will generate a direct expenditure of approximately $499.5m which represents the total cost of the development (excluding land).

The Project will result in approximately $469.6m of total value added (GDP) for the Auckland Region over the life of the development timeframe.

This capital expenditure then is assessed through the process indicated in Appendix 2 which includes calculating the amount of direct spend that is retained within the Auckland Region. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 3.

The second aspect is the generation of employment. The Project will also contribute around 1,121[17] jobs during the peak construction year within Auckland, with a total number of approximately FTE years at 3,518 over the development period.

6.2. ASSUMPTIONS

The following assumptions have been applied in this impact analysis to assess the level of economic injection into the overall economy. The assumptions may have some (limited) impact on the distributional effects of the costs and benefits but are considered appropriate for the purposes of this EIA based on the information currently available:

1. For the purposes of this EIA, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'non-residential construction', 'non-building construction', 'other construction services.'

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.

3. The origin of labour has been assessed based on regional labour movements furnished by Statistics New Zealand based on 2023 data. However, employment data has been updated as per the Statistics New Zealand Business Demography Statistics[18] (2025).

4. The economic activity generated is based on the Project's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment. The assessment undertaken for the EIA is not site specific but is development specific.

[17] *NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).*

[18] *Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.*

5. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury[19]. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.

6. Labour movements are based on average retention rates rather than specific company locations.

7. The proportion of materials and labour internalised in direct benefits to Auckland are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other districts and regions.

This EIA estimates the total additional gross economic output[20] (value-added GDP) into the Auckland economy that would be facilitated about by the Project. The initial specifications and details have been provided by the Applicant and represent the development's configuration and costings at this point in time.

Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts on aggregate Auckland business activity given the composition of activities proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX[21]) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.

The induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

[19] *https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates.*

[20] *For example, this has not taken into account the short-term loss of operational employment currently on site*

[21] *CAPEX – Capital Expenditure.*

6.3. SENSITIVITY ANALYSIS

The Treasury's most recent review (February 2025) sets discount rates for commercial proposals at 8% (applied in the earlier analysis), with a mandatory sensitivity test at 2%[22]. In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to Auckland's regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the proposed development is estimated to generate approximately $591.8m in total business activity (value-added GDP) across the Auckland Region over the full development timeframe.

TABLE 2: DEVELOPMENT SENSITIVITY ANALYSIS (2% NPV)

Discount Rate	Total Auckland Region Output NPV ($m)					
	2027	2028	2029	2030	2031	Total
2%	$14.2	$120.2	$79.7	$188.5	$189.2	$591.8

Source: Property Economics

6.4. TOTAL AUCKLAND DIRECT AND INDIRECT EMPLOYMENT

The following figure disaggregates employment generated by sector and Direct and Indirect (including Induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure illustrates the sectors associated with direct employment are estimated to generate approximately 1,663 FTE years with the remaining around 1,855 FTE years resulting from indirect and induced activity.

This scale of employment generation is significant in the regional context. For comparison, the regional unemployment rate increased from 3% in Q4 2021 to 6.5% in Q2 2026[23]. This equates to around 68,000 unemployed people within the Auckland region. Against this context, the Project will make a direct contribution to supporting regional employment levels.

In addition, Auckland's labour force has an underutilisation rate of approximately 14% in Q2 2026, the highest over the last decade from 8.1% in Q3 2022. This equates to an estimated 147,460 underemployed[24] people currently. The Project can be expected to support better

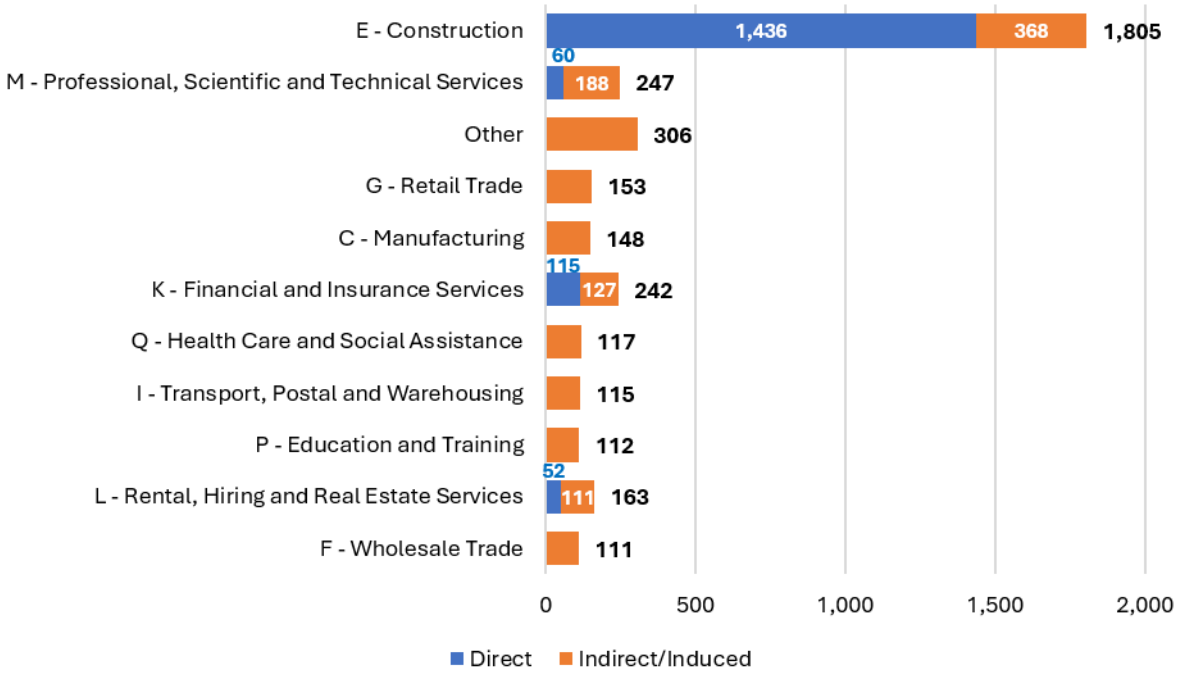
[22] *Source: https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates*

[23] *Source: Stats NZ – Household Labour Force Survey*

[24] *Part-time workers who have both the desire and availability to work more hours.*

labour utilisation by expanding employment opportunities and providing work for those who are currently underemployed.

FIGURE 2: AUCKLAND EMPLOYMENT GENERATION BY SECTOR



Source: Property Economics

7. ECONOMIC BENEFITS AND COSTS OVERVIEW

In addition to the previously quantified economic injection, the Project would create a variety of other (non-monetised) economic benefits as well as costs. The following outlines the key qualitative economic benefits generated as a result of the proposed development.

ECONOMIC BENEFITS

- Enabling efficient utilisation of existing education infrastructure and strategically located City Centre-zoned land: The proposed Student Centre and Library enables the UoA, a regionally and nationally significant educational asset and tertiary infrastructure provider, to more efficiently utilise its existing campus land by providing modern, fit-for-purpose student infrastructure that aligns with the current scale of enrolment (just under 50,000 students) and better accommodates future demand. Replacing the undersized and functionally obsolete Student Union Building removes a critical capacity constraint, allowing UoA to optimise the productivity of its existing resources.

  In addition, the Project also makes efficient use of strategically located City Centre-zoned land that is already supported by substantial existing infrastructure, public transport and urban services. This represents a more efficient use of established urban land than accommodating equivalent growth in a less accessible or less well-serviced location.

- Supporting for domestic student enrolment and continued growth of international education: The current general library is near the end of its useful economic life, which limits its ability to continue supporting the evolving learning, research, and student engagement needs of a modern university environment. High quality, world-class facilities will help UoA continue to meet the needs and expectations of domestic students, supporting participation, retention and academic outcomes.

  At the same time, world-class campus facilities enhance UoA's attractiveness to international students, supporting the Government's IEGGP objectives and the continued growth of international education. This, in turn, supports skills development, strengthens international connections and generates wider economic activity across education, accommodation, and services.

- Supporting student productivity, retention, and academic outcomes: Modern student centres and libraries generate economic benefits by improving student productivity, learning outcomes, and retention rates. Sufficient study spaces, digital infrastructure, and student services reduce congestion, improve access to academic resources, and enhance time-use efficiency for students.

Improved academic performance and completion rates translate into higher lifetime earnings for graduates and a more skilled workforce, delivering long-term productivity gains to the regional and national economy.

- Enhancing international education exports and associated expenditure: International students represent a significant source of export revenue through tuition fees and living expenditure. A high-quality Student Centre and Library will enhance the University's global competitiveness and attractiveness as a study destination, supporting the recruitment and retention of international students. This, in turn, increases foreign exchange inflows and sustains demand for accommodation, retail, hospitality, and transport services within the City Centre, generating flow-on benefits across the regional economy.

- Increasing spending and demand for goods and services: Students contribute significantly to the regional and national economy through their spending on accommodation, groceries, public transport, entertainment, personal services, and healthcare. A stable and growing student population provides consistent economic stimulus, supporting thousands of jobs across sectors such as retail, hospitality, real estate, education services, and professional services.

  The presence of international students further amplifies these benefits, as their expenditure often extends beyond the immediate region, (e.g., through domestic travel, tourism, and engagement with local businesses), generating wider economic spillovers across New Zealand.

- Generating additional employment during the operational phase: Beyond construction-related employment, the proposed Student Centre and Library will support ongoing job creation during its operational phase, reflecting its significantly larger scale and expanded functionality. The proposed Student Centre and Library will generate a range of direct employment opportunities, including librarians, learning support staff, facilities and maintenance personnel, food and beverage operators, etc.

  This sustained employment will contribute to regional labour market activity, increase household incomes, and support indirect employment through supply-chain and induced spending effects, thereby delivering enduring economic benefits to the Auckland regional economy.

- Supporting City Centre vitality and agglomeration benefits: The proposed Student Centre and Library will increase daily student presence and activity within the City Centre, supporting retail, hospitality, and service businesses through increased foot traffic and spending. Concentrating student life within the City Centre reinforces agglomeration benefits by strengthening linkages between education, employment, innovation, and cultural amenities.

The development's proximity to City Rail Link ("CRL") stations will further enhance accessibility for students, staff, and visitors, while also contributing to increased public transport use. This has the potential to lower the marginal infrastructure cost of the CRL and supports return on public investment. In addition, the growing residential population within walking distance of the City Centre will complement student activity, helping to support a more vibrant, active, and resilient urban environment. Together, these factors reinforce the City Centre's role as a nationally and regionally significant economic and knowledge hub.

- Strengthening the region's and country's human capital and skills pipeline: UoA is a primary generator of highly skilled labour in New Zealand. The proposed Student Centre and Library supports the University's ability to educate and graduate large cohorts of students by providing the essential non-teaching infrastructure required for contemporary tertiary education.

  By facilitating student success and progression, the development strengthens Auckland Region's and New Zealand's human capital base, benefiting employers across knowledge-intensive sectors and supporting economic growth, innovation, and competitiveness.

- Improving long-term asset resilience and reducing future economic costs: Replacing the ageing and structurally constrained Student Union with a modern facility reduces long-term maintenance, remediation, and operational inefficiencies associated with retaining an unfit-for-purpose asset. Investing in a contemporary, flexible Student Centre and Library improves asset resilience, extends functional life, and reduces the risk of escalating future capital and operational costs. This represents a more economically efficient use of UoA's resources over the long term.

- Enhancing UoA's international competitiveness, reputation, profile and growth potential: UoA is ranked in the top 50 in the world's universities for five subjects and in the top 100 universities globally in the latest QS World University Rankings. Sufficient and fit for purpose student infrastructure and resources make the University more attractive to both domestic and international students.

  This directly supports higher enrolment levels, which increases tuition revenue and government funding (in performance-based funding systems), and helps build the institution's global reputation and research capacity. This growth also leads to broader economic spillovers in the innovation and knowledge sectors.

ECONOMIC COSTS

- Heritage-related economic costs: The demolition of the existing scheduled heritage building would result in a loss of heritage value. Although heritage effects are primarily assessed by the relevant heritage specialists, heritage can have an economic value

where it contributes to amenity, identity, cultural value, visitor experience and the option value associated with retaining an historic resource for future generations.

From an economic perspective, however, the relevant comparison is not heritage retention at no cost. Retaining and adapting the existing building would require substantial ongoing investment in assets that are materially constrained in terms of condition, capacity and functionality.

Property Economics understands from the University Statement that retention-based options would also result in significant functional inefficiencies, including reduced usable GFA, inefficient building configurations, floor-level discontinuities, constraints on modern building services and reduced future flexibility. Even with substantial investment, UoA considers that retention and adaptation would not provide the scale, accessibility, flexibility or range of spaces required and would necessitate additional facilities elsewhere on the campus.

The economic trade-off is therefore between the heritage value retained and the additional capital, operational and functional costs associated with preserving a building that does not efficiently meet UoA's long-term needs. In economic terms, these factors need to be weighed against the benefits of heritage retention when considering the relative merits of a retention-based option.

- Opportunity cost of the site: Development of the site for the proposed Student Centre and Library prevents the land from being used for another activity. This represents an opportunity cost given the site's strategic central Auckland location.

  The economically relevant comparison, however, is with the next best practicable alternative use of the site within the context of UoA's wider operational and campus requirements. Property Economics understands that UoA has assessed alternative development locations and identified the Student Union and former Maidment Theatre site as the suitable location because of its proximity to existing student facilities, ability to accommodate a centralised student hub and replacement library, integration with the wider campus and the City Centre, and operational feasibility. Other campus locations were not identified as providing the same combination of attributes.

  The key economic matter is therefore whether an alternative use of the site would generate greater overall economic value than the Project. In this regard, alternative redevelopment options may also require demolition or substantial modification of the existing heritage building and therefore may face similar heritage-related costs. They would also forego the site-specific operational benefits associated with locating the Student Centre and Library at this location.

  On this basis, the opportunity cost of developing the site to the Project is considered comparatively limited, as the proposal directly supports UoA's core education function

and enables more efficient use of the wider campus landholding rather than displacing an established alternative use of equivalent strategic value.

- Construction and transitional disruption: The construction phase will result in some temporary disruption to existing University activities and student services, including the relocation or decanting of functions and changes to access and movement within the campus. This may generate short-term productivity and operational costs for students, staff and existing activities. These effects are, however, temporary and would occur over the development period.

Considering the qualitative (non-monetised) economic benefits outlined above, and the quantitative economic injection into the regional economy and employment benefits outlined in Table 1, Property Economics considers that advancing the proposed development would contribute significantly to the economic benefits for the regional and national economy and community

8. CONCLUSION

Considering the qualitative and quantitative economic benefits described above, Property Economics considers that enabling the Project under the FTAA would generate significant regional and national economic benefits and contribute a well-functioning urban environment within the Auckland Region.

These regional economic benefits include but are not limited to:

- Total direct expenditure over the development period (excl. land) $499.5m
- Total NPV at 8% over the development period $469.6m
- Total NPV at 2% over the development period $591.8m
- FTEs during the peak development year 1,121 FTE years
- Total FTE years over the development period 3,518 FTE years
- Total direct employment over the development period 1,663 FTE years
- Total indirect and induced employment over development period 1,855 FTE years
- The qualitative economic benefits described in section 7 of this report

Overall, our assessment supports the Project from an economic perspective and considers that the Project will meet the purpose of the FTAA.

APPENDIX 1. GENERAL INFORMATION

STATEMENT OF EXPERIENCE

Philp Osborne is an economic consultant for the company Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for fast-track applications (under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA).

Tim Heath is the founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients.

My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court. I have also been involved in undertaking economic assessments for dozens of Fast Track applications under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA.

CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in preparing this EIA. We confirm that the issues addressed in this EIA are within our area of expertise, except where we have indicated that we are relying on others' opinions. We have not omitted material facts known to me that might alter or detract from this EIA.

INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Input / Output Tables - Stats NZ
- Business Frame Data - Stats NZ
- Proposed Development Costings – University of Auckland
- Key Statistics 2024 - University of Auckland
- Annual Report 2024 - University of Auckland
- International; Education Going for Growth Vision Statement – NZ Government
- Top Global Universities - QS World University Rankings 2025
- New Zealand Universities Economic Footprint – NZIER 2023
- Wellington Regional Economy - Infometrics 2024

GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This will not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	capital expenditure.
Development contributions	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure.
Direct economic impacts	derived from the actual spending / expenses incurred through the construction of the anticipated development.
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
Employment multipliers	the level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
Indirect economic impacts	the increased spending brought about by those firms / households and their employees / occupants, who supply the development.
Induced economic impacts	measured in terms of the additional income that will be spent in the area due to increased business activity.
Economic benefits	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.
GDP	gross domestic product.

Net Present Value (NPV)	the present value of future cash inflows and / or cash outflows which in this report has been calculated with reference to a 6% discount rate.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.
Well-functioning urban environment	as defined in Policy 1 of the NPS-UD: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households; (ii) enable Māori to express their cultural traditions and norms; and. (b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and (e) support reductions in greenhouse gas emissions; (f) and are resilient to the likely current and future effects of climate change.

APPENDIX 2. EXPLANATIONS OF EIA MODELLING PROCESS

The EIA assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general civil works and residential development. This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Stats NZ (based on 48 sectors), which were then assessed at a district level based on Auckland economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each $1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Auckland catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend that is retained within the Auckland Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a proposed period of 5 calendar years, development beyond the first year is discounted to provide a Net Present Value (NPV).

APPENDIX 3. EXPLANATIONS OF EIA MODELLING OUTCOMES

By way of explanation of the items listed in Table 1:

- The reference to "*Levies*" is referring to external land and building costs such as Council costs.
- The reference to "*Development Costs*" includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to "*Construction Costs*" includes built form costs.
- The Direct Expenditure line includes all expenditure on the Project, both in and externally to the Auckland Region.

The "*Level 2 Multiplier Effects*" section identifies the proportion of the direct expenditure that is experienced in the Auckland Region only. This incorporates consideration of the economic multipliers described in the following section.

This EIA evaluates the total economic effects of the specific project on the Auckland regional economy. Multipliers, a key component of EIA, quantify how initial changes in spending lead to larger, ripple effects throughout the Auckland regional economy[25]. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retain within the Region. This is based on business and employment composition, business size, capital

[25] *Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry. Relevant key multiplier types include Output Multiplier: Measures the total change in economic output resulting from a change in demand for a specific industry; and Employment Multiplier: Measures the total change in employment resulting from a change in employment in a specific industry.*

formation, inflows of GDP (technically GRP), etc. This is direct regional spend and hence smaller than the total generated.

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each $1 spent goes through the first cycle). These multipliers are specific for each of the 48 sectors and are proportionally combined to produce the development multiplier: earth works, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier - built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.