

1 December 2025

ECONOMIC MEMORANDUM

To: Simon Ash

Chief Operating Officer

Winton

Email: [REDACTED]

RE: High Level Response to Sunfield Expert Panel's Requested Economic Review

This memo outlines a high-level response to the review titled '*Independent Expert Comments on Economic Evidence for the Sun Field Fast Track Application*' by Dr Cheung of the Sunfield Economic Assessment.

Sunfield's economists have decades of experience assessing tens of billions of dollars of project development under resource management legislation both for private sector developers and central government agencies. Our role in economic assessments includes both Economic Impact Assessments and Cost Benefit Analysis (including assessments for NZTA under Treasury guidelines).

The fundamental point of divergence from both the Council and independent economic review appears to be the objectives and process of the FTAA and the impact this has on the direction and extent of the economic assessment required.

Four key issues raised:

1. The need to assess a proposals 'net benefit'. This is a fundamental tenet of the peer review which advocates for an economic assessment that seeks to establish the 'net benefit', or 'net social benefit' attributable to the project (against all other options). Firstly, the FTAA states the need to identify significant economic benefits not net benefits (that the panel can assess against adverse impacts). The identification of the significance economic activity is a clear objective of the FTAA. Secondly, assessing a net benefit, as outlined in the peer review, would require an assessment that identifies the benefits a proposal when measured against all other options. While this approach is generally appropriate in assessing public infrastructure (as the alternatives are generally options within the control of the applicant, e.g. NZTA), in terms of both the FTAA and under the RMA this approach is both inappropriate and impractical.
2. The peer review also asserts that the approach presented by Treasury for net public good (also utilised by NZTA for option assessments) is most appropriate for consideration of FTAA applications. As with assessment under the RMA, there is no requirement, identified in the FTAA, to assess applications for consents against other hypothetical alternatives. In fact NZTA applications under the FTAA have themselves undertaken EIA's.

3. In addressing the issues around the potential for over estimations from IO modelling Property Economics cited the highest regional unemployment rate in the last 10 years. The peer review identified that the high-level unemployment experienced in Auckland did not mean that it existed in relevant skilled sectors such as engineering or housing delivery. This statement is however at odds with the reality of the market with Engineering New Zealand Te Ao Rangahau¹, recently citing the loss of hundreds of skilled engineers due to the stalling of development projects (and citing the FTAA as a means to remedy this).
4. Finally, the review addressed the use of comparative points of reference for regional significance. Again, the review, incorrectly, assumed that the assessment related to net benefits and proposed that the benchmarking of housing against the theoretical 2.8 million plan enabled was appropriate. The use of the terms 'benchmarking' and 'scale' belie the fundamental issue which is significance. The original review of Dr Mead utilised these purely theoretical figures to indicate that the level of activity generated by Sunfield would not be significant. Clearly, considering that any net effects would be less, this would result in no housing developments rising to this threshold.

Additionally, the review supports the comparison with other FTAA applications. This approach would raise many more concerns including:

- a) Most if not all economic assessments for FTAA applications follow the EIA approach so would not be comparable.
- b) Given that applications are submitted at different times, the first applications would have few comparisons, while later applications would be required to compare favourably to significantly more options.
- c) This would raise a concern relating to the need to assess all applications against any other option available in the market (a key factor in the assessment of CBA for such projects as roading is that the options evaluated are all in the control of NZTA (or potentially other public bodies) and so can be assessed as the best option available to them.

Overall, the review is highly academic and predicated on a misguided context, it ultimately seeks to have each application evaluate and illustrate that it is the best option available. This approach is both costly and inappropriate. The fundamental premise of Dr Cheung's economic review appears misaligned with the architecture of the FTAA.

¹ 'Devastating': Hundreds of engineers leaving NZ due to infrastructure delays, CEO claims, RNZ 16 February 2025