

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of a submission in respect of the **PROPOSED WAIKATO DISTRICT PLAN** by **AMBURY PROPERTIES LIMITED** pursuant to Clause 6 of Schedule 1 of the Act seeking the rezoning of land at Ohinewai

SUMMARY STATEMENT OF PHILIP BRENT WHEELER

1. My name is Philip Brent Wheeler. I am a specialist in economics, notably financial economics and the economics associated with resource management. I prepared a statement of evidence dated 9 July 2020, and a statement of rebuttal evidence dated 24 August 2020. The purpose of this document is to summarise those statements.
2. My qualifications and commitment to the Environment Court Expert Witness Code of Conduct are contained in my evidence in chief ("EIC").
3. I note first that the impact of Covid-19 on this application, while increasing uncertainty substantially, is unlikely to alter the fundamental economic processes involved.
4. That said, a significant premium has been created, as to the beneficial effects of economic growth, investment, and creation of job opportunity.
5. I undertook an arms-length peer review of Mr Tim Heath's retail and industrial analysis. This confirmed that the analysis follows conventional well-accepted practice in respect of the APL rezoning proposal.
6. The approach that I have adopted to assess the economic effects uses both traditional multiplier analysis, and likely capital investment gains under the proposal.
7. The beneficial economic effects estimated for the proposal may be summarised as follows:

- (a) Output (GDP) Impacts – contribution to the Region of \$8,475.1 million expressed as a net present value over the decade starting in 2021; and,
 - (b) Employment Impacts – contribution to the Region of 3,065 positions, on average, over the decade starting in 2021.
 - (c) Investment – the investment of just on one (1) billion dollars expressed as a net present value over the decade starting in 2021.
8. The costs imposed by replacing the existing activity (agriculture) amount to an estimated \$13.90 million expressed as a net present value over the decade starting in 2021.
 9. Other benefits are likely to arise (though difficult to quantify) in efficiency gains, application of technology and know-how, and competition or traditional supply side effects. Demand side benefits are likely to include lower prices and a wider range of goods for consumers as well as improved standards of amenity.
 10. Despite the limitations of the analysis the net benefits are estimated to be substantial. The analysis of expected capital value increase involving a quite separate form of analysis, supports this conclusion.
 11. The significant, inevitable changes in the retail sector are discussed, noting the worldwide continuous and compounding change occurring and which may have been accelerated by the impacts of Covid-19 interventions. Their effect in the region is likely to be net beneficial.
 12. A brief analysis of housing issues notes that that the region provides a diversified portfolio of accommodation options and options for accessing various forms of housing.
 13. Housing demand and provision is not static and, instead, reflects the constantly changing effects wrought by numerous variables. APL’s proposal will complement existing options and add to diversity in the portfolio.
 14. One likely effect of the pandemic has been to increase the pressure for flexibility, to show up the costs of static and outdated modes of configuration, create urgency around the need for variety in availability of funding mechanisms and generate a strong stimulus to re-think the adequacy of traditional responses.

15. The potential for cost being imposed (over and above what would be incurred without the APL proposal at some point) in components of the public infrastructure system (three waters for example) is discussed. Direct costs are to be paid as per various charging regimes while external costs noted above will arise regardless of the APL proposal at some point.
16. It was also noted that the potential for costs arising through viability and execution issues are:
 - (a) No different to those found for any development; and,
 - (b) Dealt with by means of phased development in APL's project design.
17. Taken overall on the several measures of net benefit, I believe that:
 - (a) There are no material adverse economic effects; and,
 - (b) There are significant benefits in GDP, employment, and other elements.
18. Dr Fairgray states in the updated Section 42A report appendix he prepared, that the estimates provided in my analysis "suggest" that I have incorrectly used output rather than value added multipliers in arriving at the estimates.
19. This is incorrect. Value added multipliers were used as explained in para 6.3 of my EIC resulting in the data set of in the appendices to my EIC.
20. If estimates seem to Dr Fairgray to be large it should be noted that some cover impacts expected over more than a decade, that GDP estimates frequently fall within broad ranges and that there is very significant scope for variation which does not affect the basic conclusion of the analysis.
21. I therefore conclude that:
 - (a) There are no economic effects which would amount to adverse effects likely to arise from the proposal; and that,
 - (b) There would be significant adverse economic effects likely to arise from declining the APL proposal.

Brent Wheeler B.A., Ph. D
9 September 2020