

**BEFORE THE GREATER WELLINGTON REGIONAL COUNCIL AND HUTT
CITY COUNCIL
EASTERN BAYS SHARED PATH PROJECT**

Under the Resource Management Act 1991

In the matter of applications for resource consents by Hutt
City Council under section 88 of the Act, to
carry out the Eastern Bays Shared Path Project

**SUMMARY STATEMENT OF EVIDENCE OF MICHAEL CAMPBELL COPELAND
(ECONOMICS) ON BEHALF OF THE APPLICANT**

15 December 2020

1. My name is **Michael Campbell Copeland**. I provided evidence dated 30 November 2020, on behalf of Hutt City Council ("**HCC**") addressing the economic effects of the proposed Eastern Bays Shared Path Project (the "**Project**"). The main points from my evidence can be summarized as follows.
2. The proper baseline for evaluating future economic (and non-economic) effects of the Project is the economic effects with the Project in place as compared to the economic effects without the Project in place. This comparison is particularly relevant in the context of the expected need, at some time in the future, to rebuild the existing seawall if the Project (which will incorporate replacement seawalls and revetment structures) is not constructed.
3. The Project is estimated to cost \$30 million. Of this, \$15 million (50%) will be covered by an allocation from the Crown Shovel Ready Projects allocations and the remainder (\$15 million) will be split between Waka Kotahi NZ Transport Agency ("**Waka Kotahi**") (approximately 50% or \$7.5 million) and HCC (approximately 50% or \$7.5 million).
4. During the 3-4 year construction of the Project, there will be increased expenditure, employment and incomes, with associated economic benefits, for businesses and residents of Hutt City and the Wellington Region.
5. Once operational, the Project will also contribute economic benefits to businesses and residents of Hutt City and the Wellington Region, as a consequence of:
 - (a) savings in travel time costs and accident costs from safer and more efficient commuting, recreational opportunities for pedestrians and cyclists and improved connectivity for local residents;
 - (b) health improvements from increased walking and cycling;
 - (c) greater resilience for Marine Drive and the lifeline utilities within the road corridor including the Main Outfall Sewer Pipeline, water supply, stormwater, electricity, gas and telecommunications services. If the Project does not proceed upgrading and renewal works of the existing seawall would need to be undertaken at an estimated cost to HCC (and its ratepayers) of \$15.7 million, to protect the road and services located within the road corridor. Without this work being undertaken there would instead be ongoing and increasing operation and maintenance costs and additional road closure disruption costs incurred by HCC and local residents and businesses;
 - (d) climate change resilience benefits;

- (e) tourism economic benefits for Hutt City and the Wellington Region as a result of the Project's part in helping to establish the Wellington Region as a recreational cycling destination; and
 - (f) potential travel benefits for residents from the knowledge that walking and cycling trips can be undertaken more safely and efficiently and that the road is more resilient and less prone to closure when emergency travel is required (even where they may not choose or need to undertake such trips). Potential travel benefits mean that there is a willingness to pay for improved access, even if it is not used. Residents benefit from feeling less isolated and from the knowledge that they have a broader range of recreational activities or commuting options available to them.
6. The economic analysis prepared for the AEE estimated a benefit cost ratio ("**BCR**") for the Project of 1.3 – ie the quantified benefits are 1.3 times the quantified costs. However, this quantitative economic analysis excluded a number of significant economic benefits and, in addition, 75% of the Project's estimated total capital cost will be funded by central government. Therefore, from a narrower Hutt City or Wellington Region perspective the Project's BCR is much higher, and the Project represents an efficient use of resources and provides for the economic well-being of local residents and businesses.
7. I have reviewed the submissions raising economic issues. None of the issues raised in submissions alter my view that the Project will have significant overall net positive economic benefits for the Wellington Region and especially Hutt City.
8. The GWRC section 42A report identifies a number of positive effects of the Project, including a number of economic effects, and assesses these as being significant. The HCC section 42A report records that its author took into account the positive effects of the Project, including economic effects, in making its positive recommendation on the Application.
9. The Project will enable people and communities to provide for their economic well-being and represents an efficient use of resources. These are relevant matters when considering the granting of resource consents under the Resource Management Act.