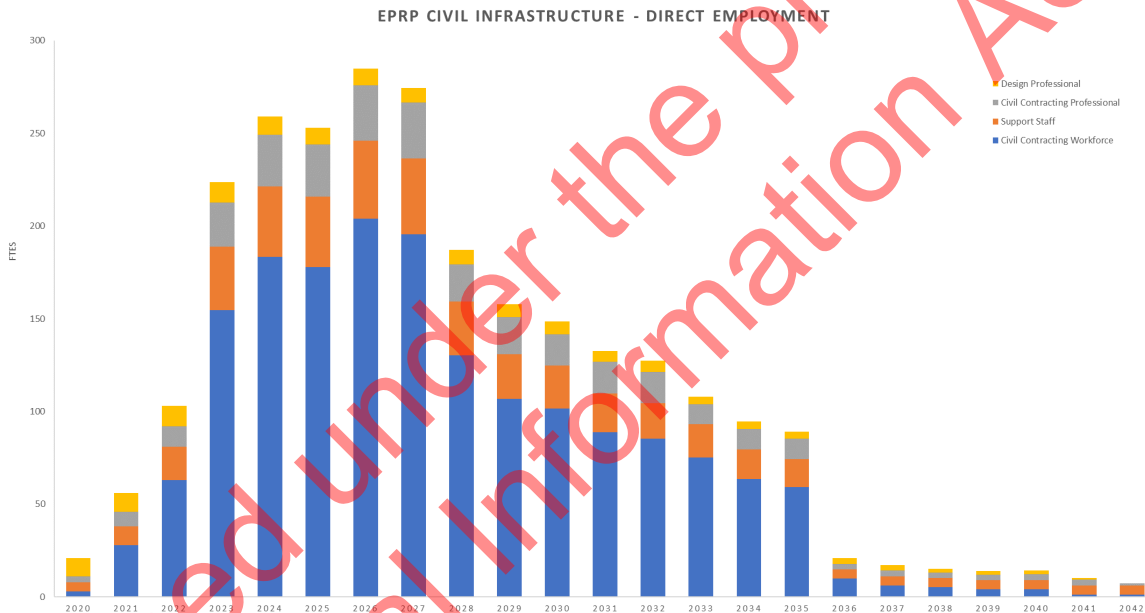


EASTERN PORIRUA REGENERATION PROJECT EMPLOYMENT PROJECTIONS FROM INVESTMENT IN INFRASTRUCTURE

Direct Employment

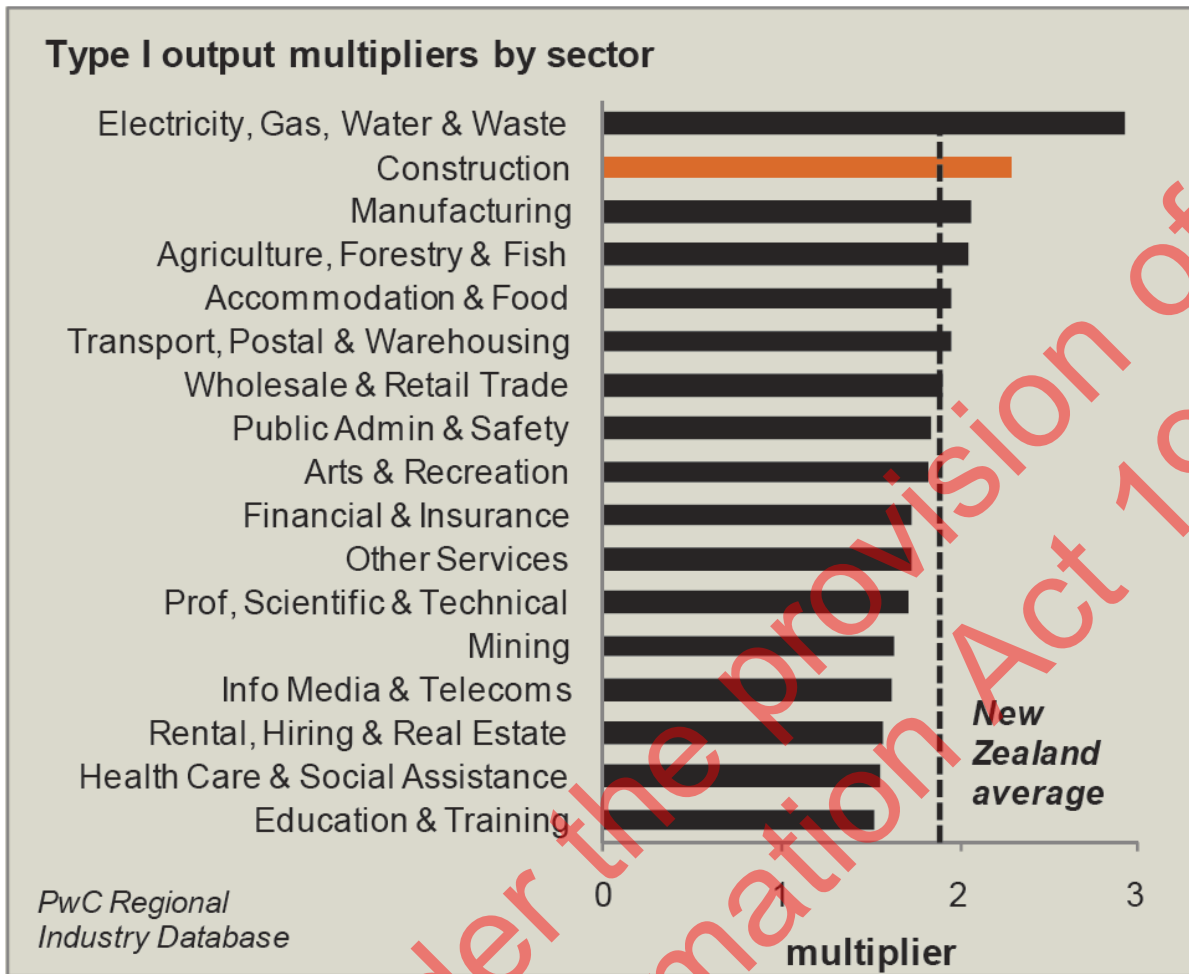
It is relatively straight forward to calculate the direct employment that will result from investment in the infrastructure of Eastern Porirua as the EPRP team have a deep understanding of the works required and accurate statistical data on what quantum of workforce would be required to deliver this scope. The below chart shows the projected direct employment which is forecast to peak at 285 Full Time Equivalents (FTEs) in 2026. The average annual employment for the first 7 years is 185 FTEs.



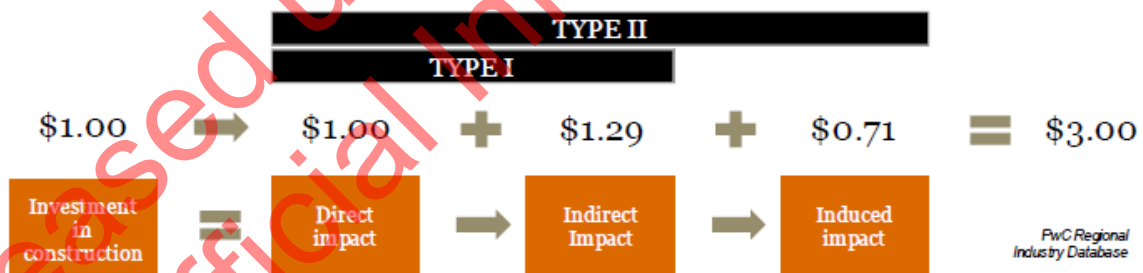
Investment multiplier models

It is well documented, both within New Zealand and internationally, that investment in infrastructure generates significant indirect and secondary employment on top of the direct employment shown above. Infrastructure investment creates both upstream (oversight, regulatory and management) and downstream or induced (sub-contracting, consulting and supply chain) employment. These secondary effects are generally referred to as an investment multiplier.

Investment in infrastructure and construction has been proven to have higher multipliers than investment in other sectors. Below is an extract from a report by PWC titled, *Valuing the role of Construction in the New Zealand Economy*, which shows that investment in the construction sector as a more immediate effect on economic stimulus than investment in many other areas.



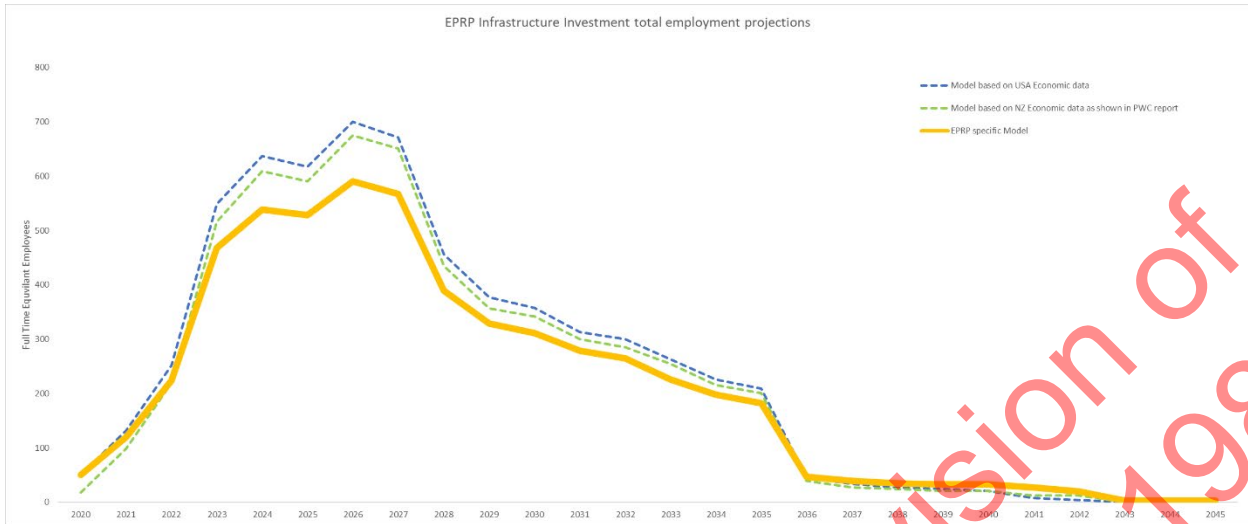
PWC go on to show that one dollar of investment in the construction sector equates to a total of three dollars of economic activity as summarised below:



Of course this indirect or induced economic activity goes hand in hand with further job creation as the impacted entities, such as the construction supply chain, generally need to increase staffing to accommodate the increased demand.

In the United States, studies by the Economic Policy Institute have found that for each US\$100 billion spent in infrastructure, job growth is boosted by roughly 1 million full-time equivalents (FTEs).

The EPRP team have also done some analysis on what this multiplier could look like for the EPRP project based on its specifics. Below is a chart comparing the various employment models and as you can see the EPRP specific model is more conservative on peak job creation, hence it has been used to assess the potential total employment of investment in eastern Porirua infrastructure.

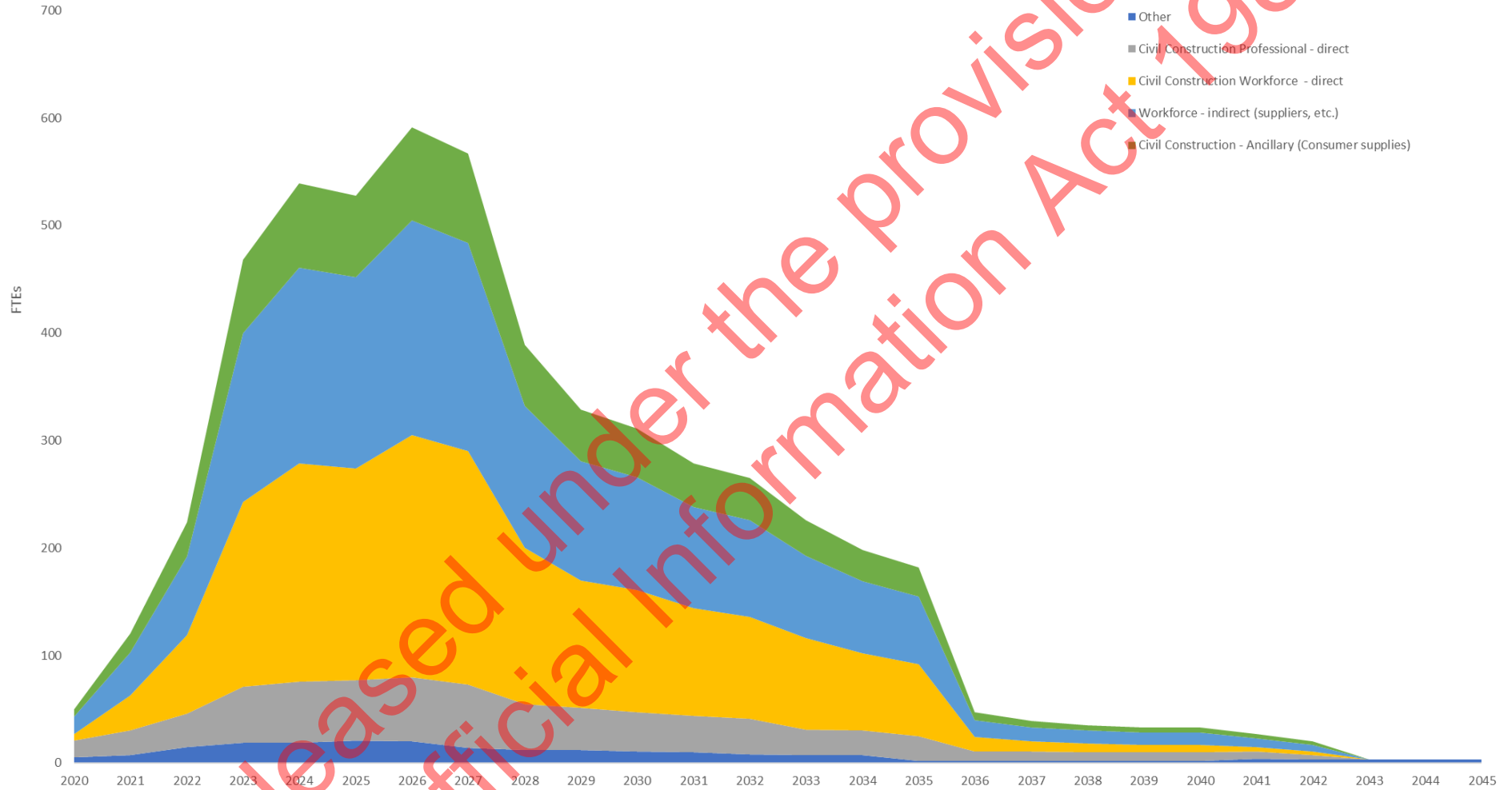


Total Employment

Adopting the EPRP specific model, investment in eastern Porirua infrastructure is projected to create a peak of 591 employment positions by 2026 and average annual employment for the first 7 years of 386 FTEs. As can be seen by the below graph these positions would be created across the board from low to high income positions but is predominantly (62% at peak) made up of the “workforce” category which are generally lower skilled / hourly rate positions. What can also be seen is there is a sharp and early incline of job creation which is sustained for many years before it starts to decline, by which time there will likely be other infrastructure projects coming online to sustain employment.

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EPRP Infrastructure Investment total employment projections



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