

SUMMARY STATEMENT OF JOHN BALLINGALL ON BEHALF OF STEWART FAMILY ASSETS LIMITED

Summary of Evidence

1. My name is John Stacey Ballingall. I am a Partner at Sense Partners Limited, an economic consultancy. I have 25 years' experience applying economics to a wide range of business and policy issues, including regional economic development and economy-wide modelling.
2. My evidence has assessed the potential economic effect of the NOR on the SFAL Site.
3. The core question in terms of the economic effect of the NOR is: what are the marginal costs and benefits of a NOR being in place, relative to a scenario where it is not in place?
4. Through its proposed NOR, Space Ops seeks to ensure its current operations are protected and that it can continue to attract investment into expanding its operations into the future. In my opinion:
 - (a) Existing employment, existing investment and satellite services that would continue without the NOR are not benefits that should be considered. As far as I am aware, they would happen regardless of the decision on the NOR.
 - (b) The marginal benefits of this option are therefore the potential increase in investment, subsequent flow-on economic activity and additional jobs for the regional economy.
5. The marginal costs of the proposed NOR are that it will impose constraints on potential industrial development pathways at the Site, relative to its current unencumbered state. These constraints take two forms:
 - (a) Physical constraints, largely related to the horizon mask, that limit the height of structures that can be built in certain areas of the Site; and
 - (b) Investment uncertainty constraints, which are introduced if the NOR is implemented because potential tenants will find it less attractive to locate at the Site with the waters muddled in terms of how easy it will be to operate there.
6. In my opinion, these constraints will increase the required rate of return (or 'hurdle rates') potential investors at the Site will require before committing to major long-term developments. The NOR makes the Site less appealing to some potential tenants, especially those with operations that involve structures that could be materially impacted by the NOR.
7. I have used a robust model of the regional economy to estimate the potential regional economic costs of the NOR constraining development pathways at the Site. My modelling compares an

unconstrained development scenario out to 2040 (in which no NOR is in place) with a NOR-constrained scenario. The difference in regional economic impacts can be seen as an indication of the marginal costs of the NOR.

8. In the NOR-constrained scenario, a combination of the physical and investment uncertainty constraints leads to significant changes to the nature and economic value of activities that might realistically take place at the Site. The NOR-constrained scenario assumes that Site continues to develop, but more gradually, and as a lighter-scale industrial and logistics estate rather than as a heavy industrial precinct as envisaged in the unconstrained scenario. Most notably, in the NOR-constrained scenario the wind farm and silicon smelter do not proceed.
9. Comparing these scenarios, the NOR leads to the Otago-Southland regional economy forgoing up to \$3.00b of GDP between 2027 and 2040.
10. Household spending – a measure of economic well-being – is \$1.84b lower over the same period due to softer job growth and lower real wage growth. Employment at the peak of the construction period in the unconstrained scenario is 990 full time equivalent jobs higher than under the NOR-constrained scenario.
11. Even if my estimates of losses are at the upper bound, given they were modelled before the revised NOR conditions were put forward, one could halve or quarter my estimated losses and the regional economic benefits forgone would still be significant.
12. I have seen no quantified estimates of the additional benefits to regional economic well-being from Space Ops expanding its operations under the NOR.
13. But based on my economic modelling, they would need to be extremely large to justify the otherwise significant reductions in regional economic well-being associated with imposing constraints on development at the Site.

Conclusion

14. I strongly disagree that the adverse economic effects of the NOR would be minor or acceptable.
15. My economic modelling demonstrates the effects of the NOR are likely to be significant – a potential loss of \$3.00b (72.1%) of the accumulated regional GDP benefits that would otherwise occur under an unconstrained development scenario between 2027 and 2040.



John Stacey Ballingall

28 September 2026