IGNITING NORTHLAND'S POTENTIAL

Light-Touch Regional Deal Proposal

NorthlandInc
Growing Northland's Economy
Kia tupu ai te ōhanga o Te Tai Tokerau

Whangarei District Council

Te Kaunihera o Te Hiku o te Ika
Far North District Council

KAIPARA DISTRICT
Kaipara te Oranganui • Two Oceans Two Harbours

Northland REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

REGION AND CONTACT DETAILS

The region's economic/geographical area is Northland / Te Tai Tokerau and encompasses the same geographical area as the Northland Regional Council's boundary – which is the area north of the boundary line that stretches from south-east of Mangawhai across to the Kaipara Harbour and all the way up to New Zealand's northernmost tip, Cape Rēinga.

The councils involved are all four councils within Northland / Te Tai Tokerau.

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1 EXECUTIVE SUMMARY

We are committed to Igniting Northland's Potential through a genuine partnership with the Government. The opportunity is to maximise the potential of key industries where Northland has clear advantage.

This requires a step change in the provision of the infrastructure needed to power growth. The region has stable and accountable governance and a strong private sector which is a compelling platform for a long-term partnership with government and delivered with our communities, with Māori and the private sector.

OUR VISION

The most diverse, exciting and prosperous place to live in Aotearoa.

Over the last decade there has been a proliferation of opportunities to live and work in our region and we are a highly sought-after tourism destination with a unique cultural heritage. Our population continues to grow as we welcome new Northlanders from across the world and other regions, particularly Auckland.

Looking ahead, our communities, industry, and Māori 'initiatives' backed by government will make Northland the premier region for New Zealanders to live work and play. We are already working together, and this deal will make us go further, faster:

- We will be intimately connected with Auckland through better rail and road networks and the further development of our deep-water port, marine services and surrounding energy precinct – improving economic outcomes for Auckland as well as Northland.
- Improved infrastructure means we are more productive. More and more businesses have chosen to locate in the North bringing job opportunities and greater diversity. Improved infrastructure combined with funding for innovation has grown our primary and other exports to the nation and the world. From field-to-plate Northland has built an international reputation for quality, ingenuity, and sustainability.
- As the birthplace of the nation Northland will mark 200 years since the signing of Te Tiriti more confident than ever in who we are. More whanau have come home contributing to a thriving Māori economy underpinned by increased capability and investment via Crown settlements. Partnership across agencies, Māori, industry, and community supporting each other to continue to grow our people and our region are commonplace.
- We have more sustainable housing, a health infrastructure and primary care capability in the community to fit the needs of a growing and aging population.

Achieving our vision means we are empowered, economically secure, resilient, and healthy, involved in generating wealth so that our communities and our whanau continue to thrive and prosper, continue to chase their aspirations knowing that they can and will be realised right here.

OUR OBJECTIVES:

- Enhance our role as supplier of food, value-added products, services, energy and infrastructure to Auckland.
- We will support thriving local communities, embedded environmental foundations, and a prosperous economy.
- Business, community and Iwi Māori leading innovation, taking our ideas to the world.
- Domestic and international visitors having unique historical and cultural experiences.
- Leveraging off Northland as the Birthplace of New Zealand.

This vision and stated objectives will however only be realized if there is a sustained investment in infrastructure, both to address current deficits and to position the region for future growth and success. This proposal addresses the need for sustained infrastructure investment, working together with the private sector and developing credible implementation plans for major projects. There are significant growth plans for sectors that support a regional deal for Northland, and this is the foundation of our 10-year implementation plan and our 30 year vision.

At the heart of our proposal is the opportunity to maximise the potential of key industries where Northland has clear areas of advantage and where there are opportunities to create jobs, new businesses, export growth etc.

FUTURE PROOFING ENERGY

Northland is the supplier of fuels to New Zealand's biggest market/ the major contributor to New Zealand's transport and aviation sectors, embedding the country's fuel security now, and as we transition to a low carbon economy. Northland is a testbed for renewable energy with an abundance of sun and wind. The growth of wind and solar projects already seen in the region provides further resilience to our electricity network and improves community resilience and reduces energy poverty especially, in our isolated Māori communities. Adding further capability to the Grid line will enable transmission connectivity to bring more energy projects online to the Auckland market, as well as providing local energy sources to allow more businesses to establish in the region.

EXPANDING MARINE MANUFACTURING

Northland has an historically capable and also fast-growing marine service sector. The floating dry dock and marine maintenance facility is a significant opportunity catalysing private investment and enhancing naval resilience while supporting commercial coastal shipping operations. The expansion of Northport improves Port capability, strengthening the gateway to export markets and brings Northland alongside Tauranga, and Auckland as part of the Upper North Island port strategy. Additionally, efforts to renew the inshore commercial fishing fleet evidence the sectors capability to build, repair and refit vessels.

ENHANCING PRIMARY SECTOR

Northland is a productive 'food basket' with a strong and innovative primary sector. The expanse of productive land and optimal growing conditions allows for new crops an alternative growing techniques/ pasture use to be tested and brought to full production. This enhances New Zealand's international standing as a premium food producer while adding to the country's food security. Northland aquaculture sector is entrepreneurial with both onshore and sea-based aquaculture that is increasing its ability to exploit Northland's natural advantages The waters around Northland are ideal for aquaculture with the growth of New Zealand's mussel fisheries dependant on Northland produced spat! The expansion of Aquaculture farming is being explored by Māori. The land-based NIWA aquaculture facility - situated in the Marsden Hub - is well advanced in growing and selling Kingfish to export markets.

GROWING VISITOR ECONOMY

Northland has been an extraordinary meeting place over centuries. It is steeped in rich cultural history, is a place of spiritual significance and the birthplace of modern Aotearoa New Zealand. Domestic and international visitors have been drawn to this region to explore and experience our people and place. The proximity to Auckland is an advantage that needs to be leveraged further. Continued investment in the sector will allow Northland operators and the region to enhance the value of our visitor experiences, to build on what for many international visitors is the 'experience of a lifetime' and to inspire return visitation from New Zealanders.

Māori Economy Northland is home to a substantial Māori economy: built around pakihi (businesses) that are typically the foundation of our small Tai Tokerau communities. The embedding of fibre networks is an example of ways to power up the growth of online businesses and the exposure to a wider audience of Māori horticulture, agriculture and aquaculture products as well as retail art and creativity.

Infrastructure underpins the growth plans across all of these sectors:

The opportunities are clear, unlocking these and realising Northland's potential requires a step change in the provision of the infrastructure needed to power growth. First and foremost, enabling infrastructure is a critical contributor to the economic wellbeing of our communities. Secondly, enabling infrastructure for stand-out (significant) projects contributes to the growth of Auckland (NZ's biggest market) and to the rest of New Zealand.

There are challenges and opportunities ahead:

- Accommodating a growing population given the pressure this brings to housing and services (i.e., medical, educational).
- Increasing unemployment particularly in our vulnerable populations (Māori/Pasifika; women; disabled) in a low growth, high-cost regional economy.
- Developing a skilled, capable and Northland based workforce - working with industry and Te Pukenga to ensure we're building the right skills in the right places.
- Addressing a history of underinvestment in infrastructure (including housing).
- Adapting our communities to a changing climate.
- Enabling broader connectivity with other regions through infrastructure (i.e., road, rail, air, marine (port), digital).

Our commitment - sustained economic growth in our key sectors:

There is a collective commitment to enabling sustained economic growth in our key sectors, and to work collaboratively with government, the private sector and project owners to get growth projects across the line. With every growth project comes the promise of jobs, new skills and capability and a higher standard of living for Northlanders.

This commitment is backed by co-investment and robust governance structures that bring community, Māori, local and central government agencies together to secure positive outcomes for the region (as was proven through COVID-19, cyclone Gabrielle).

How we will partner with central government – delivering economic growth together

Across the region we already have a strong track record of partnership working, across local government, with communities and with Māori and the private sector. This regional deal, provides an opportunity to build upon this track record, and to further enhance how we work with central government, including:

- Through a clear and transparent partnership that aligns regional with national economic development priorities.
- By a shared appreciation of the role of economic growth in growing thriving communities.
- Commitment to efficient implementation and delivery, holding ourselves accountable to achieving positive, intergenerational outcomes for our communities.

We welcome the opportunity provided through this regional deal to bring community, industry local and central government together to deliver exponential growth to Northland. Our regional deal will initially grow Northland GDP by $977M, will create 6,022 new jobs, and increase exports by $877M.

For this to occur Northland requires commitment from the Government to reprioritisation, to co-investment, to open export markets and resources while identifying/ removing legislative barriers to economic growth.

2 ALIGNMENT WITH THE STRATEGIC FRAMEWORK

LAYING THE FOUNDATION FOR FUTURE GROWTH

Northland is already well advanced in understanding the dynamics of our region, it's challenges and opportunities and what needs to be done to transform our economy and improve our communities. We are ready for action and implementation and have already made progress in key areas. A Regional Deal will be made within the strategic framework formed from the Taitokerau Northland Economic Wellbeing Pathway and The Northland Mayoral Forum priorities and will utilise the political consensus and clear delegation to the Joint Regional Economic Development Committee. The regional framework aligned to national objectives provides a solid foundation for growth and addresses:

- A slowed economy, with interest rates weighing on housing construction, and inflation challenging purchasing power and consumption.
- An investment gap in addressing the needs of a rapidly growing population.
- Local and central government needing to focus on improving competition policies and streamlining the regulatory environment to help revive productivity growth and lift living standards in the long run.
- Adaptation to climate change which will require changes to land-use planning and a comprehensive long-run energy strategy.

In order to most effectively contribute to this challenge, Northland has developed Te Rerenga, Taitokerau Northland Economic Wellbeing Pathway which sets a long-term vision for a sustainable, innovative, and prosperous economy focusing on the wellbeing of people, the economy, and the environment. Te Rerenga sets out at a high-level how we can contribute to the New Zealand economy across three key pillars:

- **Our Economy:** Support the development of an innovative, progressive and growing economy where people of Te Taitokerau Northland have a raised standard of living comparable to the rest of New Zealand.
- **Our People:** Empower our people to reach their full potential, be in good health and actively engage in the workforce and community, in the place of their choice.
- **Our Environment:** Embed environmental foundations necessary to support a thriving regional economy.

The Northland Mayoral Forum is committed to strategically collaborating to take Northland Forward together and has identified the following six regional priorities which underpin the Regional Deal framework:

- **Connecting Northland** – implementing a quality multi model transport system connecting Northland to Auckland and ensuring roads are safe for our community.
- **Infrastructure resilience and climate change** – the effects of climate change will increasingly disrupt our water, land, ecosystems, people and economy. This will fundamentally require Northland councils to operate differently.
- **Northland as a regional economic hub** – develop regional economic hubs including Marsden Point / Ruakākā, Kaikohe and the re-purposing of Marsden Point refinery
- **Housing and associated infrastructure** – improve the quality of residential properties and infrastructure requirements need to be in place.
- **Restoring the health of the environment** – a healthy environment supports people and communities to thrive.
- **Local Government as a trusted partner** with central government

CENTRAL GOVERNMENT PRIORITY OBJECTIVES

BUILDING ECONOMIC GROWTH

DELIVERING CONNECTED AND RESILIENT INFRASTRUCTURE

IMPROVING THE SUPPLY OF AFFORDABLE AND QUALITY HOUSING

TE RERENGA PILLARS

OUR ECONOMY

Support the development of an innovative, progressive and growing economy where people of Te Taitokerau Northland have a raised standard of living comparable to the rest of New Zealand.

OUR PEOPLE

Empower our people to reach their full potential, be in good health and actively engage in the workforce and community, in the place of their choice.

OUR ENVIRONMENT

Embed environmental foundations necessary to support a thriving regional economy.

NORTHLAND MAYORAL FORUM REGIONAL PRIORITIES

NORTHLAND AS A REGIONAL ECONOMIC HUB – develop regional economic hubs including Marsden Point / Ruakākā, Kaikohe and the re-purposing of Marsden Point refinery.

CONNECTING NORTHLAND – implementing a quality multi model transport system connecting Northland to Auckland and ensuring roads are safe for our community.

INFRASTRUCTURE RESILIENCE AND CLIMATE CHANGE – the effects of climate change will increasingly disrupt our water, land, ecosystems, people and economy. This will fundamentally require Northland councils to operate differently.

HOUSING AND ASSOCIATED INFRASTRUCTURE – improve the quality of residential properties and infrastructure requirements need to be in place.

RESTORING THE HEALTH OF THE ENVIRONMENT – a healthy environment supports people and communities to thrive.

LOCAL GOVERNMENT AS A TRUSTED PARTNER with central government

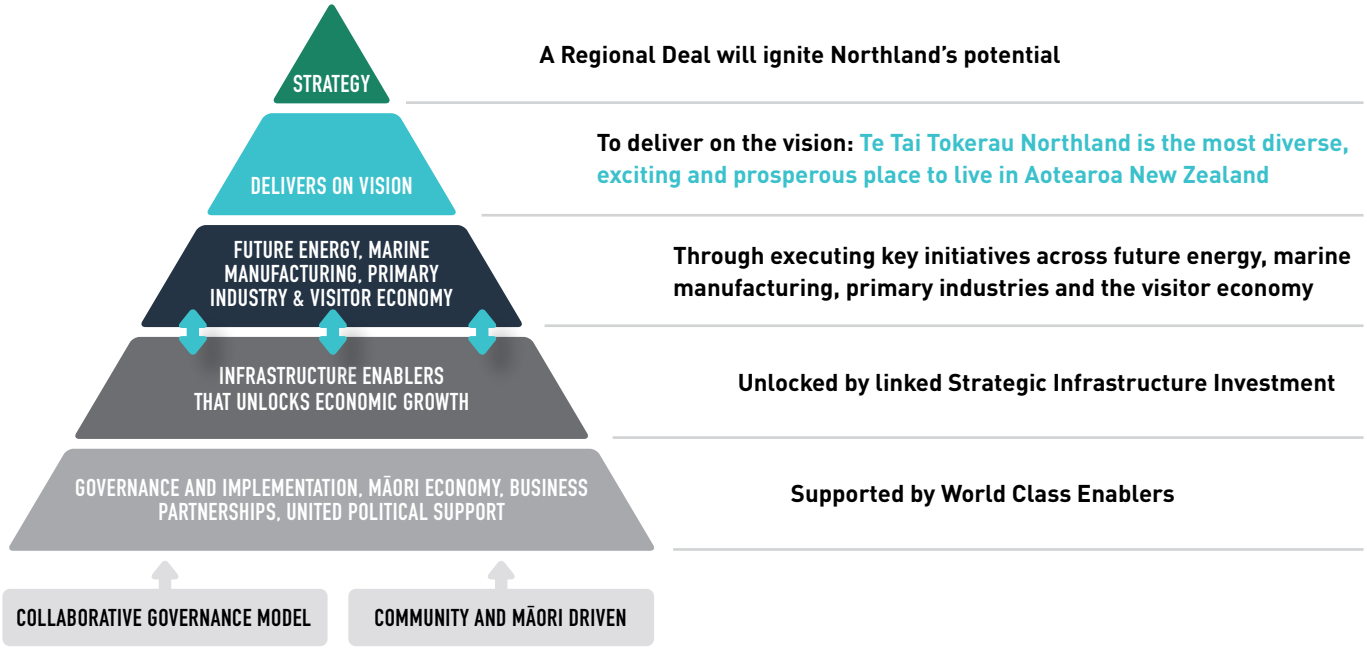
REGIONAL DEAL

REGIONALLY ENABLED, CENTRALLY SUPPORTED:

The government's objectives of the regional deal framework align strongly with the regional objectives for Northland.

NATIONAL OBJECTIVE	NORTHLAND REGIONAL OBJECTIVE
Building Economic Growth	The need for economic growth that creates opportunities through having new and innovative ideas, increasing productivity, creating more exports and elevates the standard of living couldn't be more obvious in Northland. Our focus is on economic growth as we have opportunities to enhance job creation, attract investment, and provide resources for local businesses, ensuring all our community's benefit.
Delivering Connected and Resilient Infrastructure	Complements priorities around efficient infrastructure that is essential for supporting a thriving regional economy while achieving positive environmental outcomes. This alignment promotes the foundation necessary for sustainable practices that ensure resource availability for future generations. Recognises that projected growth rates needs infrastructure network to support (transport, housing and local development).
Improving the Supply of affordable and quality housing	Resonates with Te Rerenga, the Northland Forward Together priorities, Whai Kainga Steering Group priorities, all of which are focused on having access to affordable and quality housing.

Strategic Logic Structure



In terms of this regional deal, in order to deliver on the aligned regional and national objectives, our vision for our region will be achieved through four key sector development initiatives:

- Future Proofing energy
- Expanding Marine Manufacturing
- Enhancing Primary industry
- Visitor economy development

To support these four initiatives and achieve our vision we need to deliver the cross cutting infrastructure needed to create opportunities and support a resilient economy and ensure the policy settings are enabling. Developing and keeping our people is a fundamental building block of our approach – education and workforce development intrinsically linked with provision of housing opportunities. Enhanced connectivity to Auckland and the rest of the country will significantly boost the region's economic potential. Stronger links to Auckland will promote growth in key industries, fostering resilience and stability in the face of weather disruptions.

The following table shows the key infrastructure projects that unlock the initiatives:

KEY SECTOR DEVELOPMENT INITIATIVES	KEY INFRASTRUCTURE PROJECTS
FUTURE ENERGY	**The Northland Corridor** (NZTA Roading Investment)
MARINE MANUFACTURING	**Rail to Marsden Point**
PRIMARY INDUSTRY SECTOR DEVELOPMENT	**Airport Strategy**
VISITOR ECONOMY	**Local Waters Done Well**
	Accommodating workforce (Housing)
	Education and Workforce (including the Northland Knowledge Hub)
	Health care provision within the region (1st Priority Whangārei Hospital)

Linkage Between Enablers & Initiatives

Infrastructure Enablers	Energy	Marine	Agriculture	Tourism
Northland Corridor	●	●	●	●
Rail to Marsden Point	●	●	●	●
Energy Bridge	●	●	●	●
Workforce	●	●	●	●
Housing	●	●	●	●
Airports	●	●	●	●
Local Water Done Well	●	●	●	●
Healthcare	●	●	●	●

● STRONG CORRELATION
● MEDIUM CORRELATION
● LIMITED CORRELATION

3 WHAT DRIVES GROWTH IN YOUR REGION?

In the year ended March 2024[1], the Northland economy produced $10.6 billion in GDP, sustained 82,680 filled jobs and contributed $2 billion in exports (Table 3.1). Over the past decade there have been two distinct periods of growth. Prior to 2019, the Northland economy was growing at more than 3% per annum, with strong primary sector returns, particularly from forest harvesting, and historically high levels of population growth. Since then, economic activity has been much weaker, impacted by both general headwinds such as inflation, high interest rates, lower commodity prices and a reduction in international tourism, and specific regional factors such as additional COVID-19 lockdowns, storm events disrupting transport links, and the private sector decision to stop the refining of petroleum products - at Marsden Point.

Table 3.1. Northland GDP, filled jobs and exports by broad sector grouping

	Gross Domestic Product (GDP)				Filled Jobs				Exports			
	$Million	Share of total	Average annual growth rates		Number	Share of total	Average annual growth rates		$Million	Share of total	Average annual growth rates	
Sector	2024	2022-24	2014-19	2019-24	2024	2022-24	2014-19	2019-24	2024	2022-24	2014-19	2019-24
Energy	$566	7%	0%	-12%	759	1%	0%	-4%	$0	2%	-5%	-100%
Marine manufacturing	$129	1%	9%	2%	826	1%	6%	3%	$20	1%	-6%	8%
Primary and associated manufacturing	$1,448	13%	3%	0%	11,927	15%	2%	-1%	$1,617	73%	5%	0%
Tourism	$587	5%	3%	9%	6,751	7%	1%	-1%	$319	9%	3%	5%
Other manufacturing	$442	4%	4%	1%	3,274	4%	3%	1%	$151	6%	3%	4%
Non-tourism private sector dominated services	$2,893	28%	3%	2%	26,023	32%	3%	2%	$213	8%	13%	1%
Construction	$799	8%	8%	4%	10,246	12%	7%	5%	$11	0%	66%	7%
Public sector dominated services	$1,817	16%	3%	4%	22,432	27%	3%	3%	$27	1%	8%	2%
Total[1]	**$10,609**	**100%**	**3%**	**1%**	**82,680**	**100%**	**3%**	**2%**	**$2,357**	**100%**	**4%**	**-1%**

Notes

1. Total GDP includes Owner-occupied property development and Unallocated

Key sectors set to drive economic growth:

The four key sectors that have been prioritised within our regional deal proposal are important contributors to the economy for various reasons. The Primary and associated manufacturing sector accounts for 13% of GDP and 77% of exports, providing an important underlying level of economic activity vital for many businesses across the region supplying goods and services to this sector. Tourism is an important export earner for the region and provides many employment opportunities. The above average growth rates in Marine manufacturing underlines the competitive advantage Northland has in this sector. Reorientating the energy sector to focus on future fuels, building on the natural climate and geological advantages of the region, can replace the important contribution that oil refining had in the Northland economy. Further figures and commentary about economic growth in the region can be found in appendix B.

Actions to unlock or enable economic growth:

There are several actions that Northland local authorities have already undertaken to unlock or enable economic growth. These are summarised in Table 3.2 along with some additional actions that are under consideration. In terms of central government support for growth, Table 3.3 outlines what we need, both in terms of broader, New Zealand wide actions, and specific in Northland that will be part of a regional deal.

Table 3.2. Actions taken by local government to support economic growth in Northland

Sector	What we are doing	What we will do in the future
FUTURE ENERGY	Work collaboratively with private sector, e.g., 2022 submission on Transpower's consultation about establishing a Renewable Energy Zone in Northland	Encourage further private investment into energy generation (geothermal, solar, wind) Support private investment into a revitalised Marsden Point energy precinct
MARINE MANUFACTURING	Allocation of IGR project development funds to support business case developments for inshore fishing fleet and dry dock	Work with Central Government to build on the existing marine manufacturing capability and underlying infrastructure (housing, schools etc) to support navy maintenance/ training relocation & further boat building & maintenance
PRIMARY AND ASSOCIATED MANUFACTURING	Multi-million dollar investment in water storage and distribution schemes in Mid North and Kaipara Multi-million-dollar investment alongside NIWA in testing commercial scale RAS pilot Investment and implementation of Extension 350; develop and co-funding for Tuputupu Grow Northland Allocation of IGR project development funds to support business case developments for indigenous wood products study, peanut trial and horticulture development	Resilient pastures programme Support development of food manufacturing at Ngawha Innovation and Enterprise Park Consider further investment in NIWA expansion (if RAS pilot proves viable) Support aquaculture development in Northland Mussels, oysters – especially in Far North Further water storage scheme development
VISITOR ECONOMY	Implementing the Taitokerau Northland Destination Management Plan (TNDMP) through Northland Inc and our tourism industry stakeholders Further developing cruise ship business in Whangārei District based off learnings of BOI Investment into Hundertwasser Art Centre and Manea Footprints of Kupe visitor experiences Revitalisation of the Twin Coast Discovery Highway (Northland Journeys) Developed Taitokerau Northland Destination Management Plan in 2021 Developed Regional Walking and Cycling Strategy in 2019, and development of various trails across the region. E.g., Twin Coast Cycle Trail, Kaihu Valley Development of infrastructure to support using council funding and TIF Allocation of IGR project development funds to support business case developments for potential Great Walk in Bay of Islands	Through Northland Inc and Māori advisory groups, supporting further local product development, especially Māori based Supporting initiatives for appropriate hotel & boutique accommodation developments across the region

OTHER/GENERAL	All four councils have: • joint and equal ownership of Northland Inc Limited • membership on Joint Regional Economic Development Committee • funding commitments to the Investment and Growth Reserve	Developing a Regional Infrastructure Strategy in 2025

Table 3.3. Actions from central government to support economic growth in Northland.

Sector	General	Regional Deal
FUTURE ENERGY	Seeing Northland as an energy solution for Auckland – in terms of resilience (including Auckland Airport), increased generation privately funded and as a way of reducing the cost of energy – by relooking at the current energy model pricing system in total	[redacted] Legislation to enable energy bridge SEZ/SPZ for Marsden Point and surrounds to protect existing jobs and create new jobs
MARINE MANUFACTURING	Marsden Point rail link	Continue work to establishthe Floating Dry Dock and Shipyard at Marsden Point Support to build a new electric inshore fishing fleet for NZ in Whangārei
PRIMARY AND ASSOCIATED MANUFACTURING	Completion of the Northland Corridor RONS Reducing cost of energy for manufacturers (see above)	Alignment of agencies
VISITOR ECONOMY	Maintain the International Visitor Levy and create strategy for investment and distribution. Support funding of regional tourism system and the Regional Tourism Organisation, to enable Northland Inc to work closer with Tourism New Zealand and encourage a larger segment of international visitors to head north.	Develop closer working relationship with new Investment NZ and Northland Inc on FDI into Northland, e.g. for hotels/ accommodation to accommodate tourism demand Support for new Northland tourism initiatives through Kānoa e.g. hotels, Ocean Flyer, Māori product development etc
OTHER/GENERAL	Maintain rental scheme for housing	Carbon Border Adjustment Mechanism at Border to cement production at Golden Bay Cement).

DRIVING A STEP CHANGE IN GDP

In terms of the anticipated growth that will be triggered by a regional deal, Table 3.4 provides some high-level estimates of what this will look like if all the various actions set out in this proposal are implemented. The final shape of some of the actions is yet to be fully determined, e.g. what ships the dry dock will serve; involvement of local content used Nevertheless these estimates show that a regional deal will generate a considerable step change in GDP, employment and exports from the region. Northland's growth spills over to other regions, notably Auckland, as well as a small but noticeable rise in national levels.

Table 3.4. Annual Total additional impact (direct, indirect and induced) of the four initiatives on ongoing GDP, employment and exports for Northland and New Zealand

	GDP		Employment		Exports	
	($M, 2024 prices)		Number of filled jobs		$million, current	
Sector	**Northland**	**NZ**	**Northland**	**NZ**	**Northland**	**NZ**
Energy	$291	$495	1,348	2,500	$315	
Marine manufacturing	$111	$255	693	1,257	$31	
Primary industry	$438	$785	2,058	2,975	$423	
Tourism	$138	$252	1,922	2,563	$108	
Total increase	**$977**	**$1,786**	**6,022**	**9,294**	**$877**	
Impact on regional and national economy						
Current level (2024)	$10,609	$418,824	82,678	2,807,834	$2,406	$90,900
Percentage increase	9.2%	0.4%	7.3%	0.3%	36.4%	1.0%

[1] 2024 values for tourism and exports will be included when they become available from Infometrics (anticipated date of 27 February).

FUTURE ENERGY

$566 MILLION GDP[1]

759 JOBS[2]

$0 MILLION EXPORTS[3]

MARINE MANUFACTURING

$129 MILLION GDP[1]

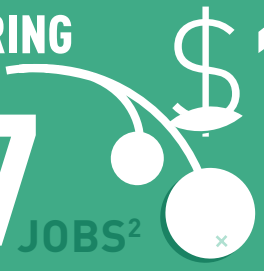
826 JOBS[2]

$20 MILLION EXPORTS[3]

PRIMARY AND ASSOCIATED MANUFACTURING

$1,448 MILLION GDP[1]

11,927 JOBS[2]



$1,617 MILLION EXPORTS[3]

VISITOR ECONOMY

$587 MILLION GDP[1]

6,751 JOBS[2]

$319 MILLION EXPORTS[3]

[1] Gross Domestic Product (GDP) $Million 2024
[2] Filled Jobs - Number 2024
[3] Exports $M 2023

4 CENTRAL AND LOCAL GOVERNMENT PARTNERSHIP

The region has regional unanimity, clear delegation, effective agencies and a clear track record which gives it a real strength in working together:

The following Councils are included as part of this regional deal light touch proposal:

- Northland Regional Council
- Far North District Council
- Whangārei District Council
- Kaipara District Council

All four Northland Councils have collaborated with and continue to collaborate with Central Government, **with our communities, with Iwi / Māori and the private sector.** Examples of this collaboration between local and central government include:

COLLABORATION FOCUS: BUILDING ECONOMIC GROWTH

All four Councils are shareholders in Northland Inc which undertakes economic development & destination management for Councils. A Joint Regional Economic Development Committee, established under the Local Government Act (LGA) and been in place since 2021 has as one of its responsibilities as per its terms of reference:

- Make decisions relating to the governments Regional Deals initiative for establishing long-term agreements between central and local government, including but not limited to submitting a proposal, finalising a Memorandum of Understanding and negotiating a deal, ensuring alignment with regional priorities and collaboration among councils.
- The Joint Regional Economic Development Committee is an effective forum for engaging with government ministers and others on economic growth opportunities on behalf of the region.
- Regional Infrastructure Fund (RIF)– development of regional priorities as requested by Regional Economic Development Minister. Through a series of workshops, Northland Inc and the Joint Regional Economic Development Committee developed a prioritised list of regional opportunities for the RIF. This included a prioritisation process using a high-level assessment of each opportunity against a criteria of five factors. Engagement with Iwi leaders occurred through the regional Iwi and Local Government Chief Executive (ILGACE) forum.

WATER STORAGE IN NORTHLAND AS EXAMPLE OF PARTNERSHIP DEVELOPMENT

New water storage and distribution schemes in the Mid North and Kaipara are examples of effective local and central government partnership prompted by drought events in the early 2010s. On recommendation from Northland Inc, the Northland Regional Council (NRC) allocated $240,000 as a co-funding contribution to begin seeking solutions. With this funding, NRC successfully applied for funding from MPI's Irrigation Acceleration Fund (IAF) to undertake a Strategic Irrigation Infrastructure Study. This was followed by a Scoping of Irrigation Scheme Options co-funded with Crown Irrigation Investments Limited (CIIL). Council received considerable input from MPI and CIIL staff throughout the optioning process, including assistance in framing, selecting, and reviewing the studies and determining appropriate next steps.

These studies identified initial water storage and distribution opportunities in the Mid North and around Dargaville. In 2019, NRC successfully applied to the Provincial Growth Fund (PGF) for grant funding to continue the feasibility investigation and loan funding for an initial build. Three councils (NRC, Kaipara District Council and Far North District Council) contributed funding to the feasibility work. Governance was provided by a project steering group chaired by the NRC CEO, with membership comprising the CEOs of KDC and FNDC, and two crown appointees, Hon Murray McCully and Hon Dover Samuels. The Te Tai Tokerau Water Trust (TTTWT) was then formed to continue the work as the project moved into the commitment phase, requiring the application for resource consents and raising private capital. Both central and local government have provided additional funding to support the Trust's ongoing construction activity.

COLLABORATION FOCUS: DELIVERING CONNECTED AND RESILIENT INFRASTRUCTURE

- **Northland Regional Transport Committee.** The Committee, which comprises representatives from all councils and NZ Transport Agency/Waka Kotahi has the function of preparing a Regional Land Transport Plan and a Regional Public Transport Plan for Northland. The standard of the transport networks in Northland is currently considered a dis-enabler to economic growth. The development of a revised Regional Land Transport Plan under the auspices of this committee will be vital to improving transport infrastructure in line with the Governments transport reforms and objectives.
- **Local Waters Done Well (LWDW)** – all councils are working together on the LWDW approach – in principle decisions made by all councils in December on the options to further investigate and all will be consulting with our communities in the first quarter of 2025.
- **Northland Lifelines Group** – significant ongoing liaison between councils and central Government including the commitment and funding to build a new Civil Defence centre in Whangārei.

COLLABORATION FOCUS: MANAGING GROWTH AND HOUSING

- **Urban Growth Partnership – Northland to Auckland Corridor Plan.** The Ministry of Urban Housing and Development under the previous Government was the lead agency for the development of an Urban Growth Partnership in Northland. This commenced in 2019. This project reports into the Whai Kainga Steering Group Northland. Initial spatial planning commenced on this project with all Councils collaborating on and inputting into a constraints and opportunities mapping exercise that created a draft map in 2022.
- **Whai Kainga Steering Group.** District councils are represented on the Whai Kainga Steering Group. Whai Kainga is structured to support a range of housing initiatives, from repairs of substandard housing to larger development, and Māori housing including Papakāinga. Government agencies included in this collaboration include Kainga Ora, Ministry Housing and Urban Development and Ministry of Social Development, Te Puni Kokiri. Whai Kainga will play a central part, alongside a regional deal, in the government delivering on its objective to increase housing supply ('Going for housing growth'). An Urban Growth Partnership or similar regional spatial planning initiative as part of regional deal, will bring the Whai Kainga Steering Group into an oversight role.
- **Investing in an urban growth partnership** for Northland will ensure that there is the tool to capture and manage the implementation of government reforms spatially across the region. This specifically includes the National Infrastructure Pipeline, Transport, Water reforms (Local Waters Done Well), Transport which will directly inform spatially at macro level where housing supply is needed to meet future demand in alignment with the National Policy Statement on Urban Development and changes to the Resource Management Act and Medium Density Residential Standards.

5 COMMITMENT TO REGIONAL SPATIAL PRIORITIES

All Councils are committed to the Ministry of Housing and Urban Development led project for an Urban Growth Partnership for Northland.

All three territorial local authorities have either completed spatial plans or intend to complete spatial plans for their districts by 2027.

- Whangārei District Council is currently completing a Future Development Strategy (FDS) as required under the National Policy Statement Urban Development.
- Far North District Council is taking an FDS approach to Spatial Planning in the Kerikeri/Waipapa area. Far North District Council, via its Te Kuaka (Te Ao Māori) Committee, has approved the establishment of a District Wide Kaupapa Framework to ensure that governance and representation is in place for a District Wide Spatial Plan. This framework could be extended to all of Northland to address previously raised concerns from Te Kahu o Taonui about adequate representation in governance, steering and working groups on region wide spatial plans like the proposed Auckland to Northland Urban Growth Partnership mentioned above.

Northland / Te Taitokerau Councils are committed to integrated spatial planning, maintaining good working relationships with each other. The regional scale strategies as well as the more localised spatial plans are described in the table below.

Region-wide	Whangārei District	Kaipara District	Far North District
Te Rerenga – Taitokerau Economic Wellbeing Pathway Tai Tokerau Northland Economic Action Plan (TTNEAP) Taitokerau Northland Destination Management Plan (TNDMP)	Future Development Strategy	Kaipara District Economic Development Strategy 2024	Far North 2100, an 80-year, wellbeing centric vision for the Far North (approved 2021). Commencing District wide Spatial Planning in first quarter of 2025 with confirmed iwi and hapū governance structures in place. Te Pātukurea, will deliver a 30-year Spatial Plan for Kerikeri/Waipapa in June 2025. While t not yet officially a Tier 3 Council under the National Policy Statement Urban Development this project as followed the requirements of Future Development Strategy as guide to its development.
Climate Change Strategy	Housing Strategy	Kaipara District Spatial Plan - Ngā Wawata 2050 (2020)	Housing Strategy in development – due 2025 with an interim action plan in place.
Regional Land Transport Plan	Blue / Green Network Strategy	New Kaipara District Plan (notified Q1 2025)	Open Spaces Strategy in development. This will commence with an Open Spaces Policy to inform a Development Contributions Policy.

Regional Public Transport Plan	Infrastructure Strategy	Kaipara Infrastructure Strategy - September 2024	Infrastructure Strategy (2021 –27 LTP Lite)
Arataki (Waka Kotahi)	Place based spatial plans, including spatial planning for Marsden / Ruakākā which has been enabled through the District Plan and Infrastructure Planning	Kaipara Kai Growing Larger New Opportunities to Increase Food Production in the Kaipara District	Placemaking Plans in progress for Kororareka/ Russell and Kaikohe. Council adopted the Kaitaia Masterplan in December 2024.
Upper North Island Strategic Alliance (UNISA)			
Te Pūrunga ki Te Raki – Regional Workforce Plan (MBIE)			

STRATEGIC REGIONAL ALIGNMENT

Across these documents there are a range of consistent themes or objectives – and with that comes an innate strategic alignment between projects, even if they sit in separate districts or under different documents. These all align with the regional objectives presented in section 2.

By committing to a Regional Deal, the Councils and Government are partnering to consolidate a 30-year vision and commit to drive innovation and alignment across the region on infrastructure delivery to support economic growth.

Significant infrastructure projects have been identified. Increasing the level of certainty around their timing and coordination of delivery will increase the reliability and market-attractiveness of the projects while ensuring they aren't competing for resources (labour, skills, materials). This will reduce or avoid cost-overruns.

There is strong support for Spatial Planning across the Region.

This will likely align with updates to the NPS-UD, where an FDS would be tasked with a potential 50-year horizon. This would be worked through with government as a partner and is a fundamental document for the Regional Deal in the future.

6 CAPABILITY, CAPACITY AND READINESS TO IMPLEMENT AND DELIVER

Collaboration and deliver are already strengths in the region and we will look to build on these local and central government level through this regional deal process.

Effective governance and leadership are essentials for successful regions, and the Regional Deal provides the platform for further uniting our council, government, Māori, industry and community leaders to drive for success. We propose using existing established mechanisms and enhancing the ability for different levels of government to collaborate on emerging issues.

NIF RLG (Northland Intersectoral Forum/ Regional Leadership Group)is a long-standing forum comprised of regional agency, Māori, local government and regional economic development agency. The purpose of the RLG is to address economic and social wellbeing issues in the region, through working collaboratively towards on-the-ground solutions/outcomes for our communities. The group is co-chaired by the Regional Public Service Commissioner for Northland and the chair of Te Kahu o Taonui (Iwi collective) supported by co-chairs and members of five sub-committees responsible for health, social wellbeing, economy, housing, environment. The RLG acted as a direct link between communities, agencies and central government during COVID-19 and cyclone Gabrielle. This allowed 'community voice' to be heard by policy makers, and for the RLG to act as a sounding board for evolving policy at national level and in the region.

'Northland | Forward Together' is the collective work programme for all four Northland councils to work together to deliver better outcomes for Northland and its people. The Northland Chief Executives' Forum and the Northland Mayoral Forum retain oversight of the programme. However, all the elected members of the four Northland councils meet three times a year to be kept up to date with progress and abreast of new developments.

Successes to date include collaborative local body election campaigns, civil defence shared services, Northland One Voice Collaboration, joint procurement/contracts, LIDAR capture for all of Northland, development of a regional GIS viewer, active recreation/sports facilities and the establishment of the Joint Regional Economic Development Committee to complement the move to joint ownership of Northland Inc.

The Mayoral Forum, members of which are represented on the Joint Regional Economic Development Committee. All councils have formally approved this committee to be the lead governance entity for the regional deal process. It is proposed to use this structure along with addition of representatives from Māori and the private sector and to include a range of central government agencies (via the Regional Leadership Group) that are key to the success of the regional deal.

Governance Group: provides a point of collective oversight to ensure that the development and implementation of the Regional Deal achieves the vision and outcomes. Responsible for the resolution of any issues that remain unresolved at the Leadership Group level. Membership to include:

- The Infrastructure and Investment Ministerial Group
- Joint Regional Economic Development Committee (JREDC)

Leadership Group: provides strategic oversight of delivery of all Regional Deal initiatives including briefings to the Governance Group on progress, emerging risks and opportunities as required. They also agree membership and terms of reference for Implementation Working Groups and provides strategic oversight to the implementation of the Regional Deal. Membership is likely to include:

- Department of Internal Affairs - Chief Executive or Senior Management, MBIE & Kānoa, MPI etc
- Local Government - Council CEO's
- Northland Inc CEO
- Iwi / Māori Representatives
- Business Leaders

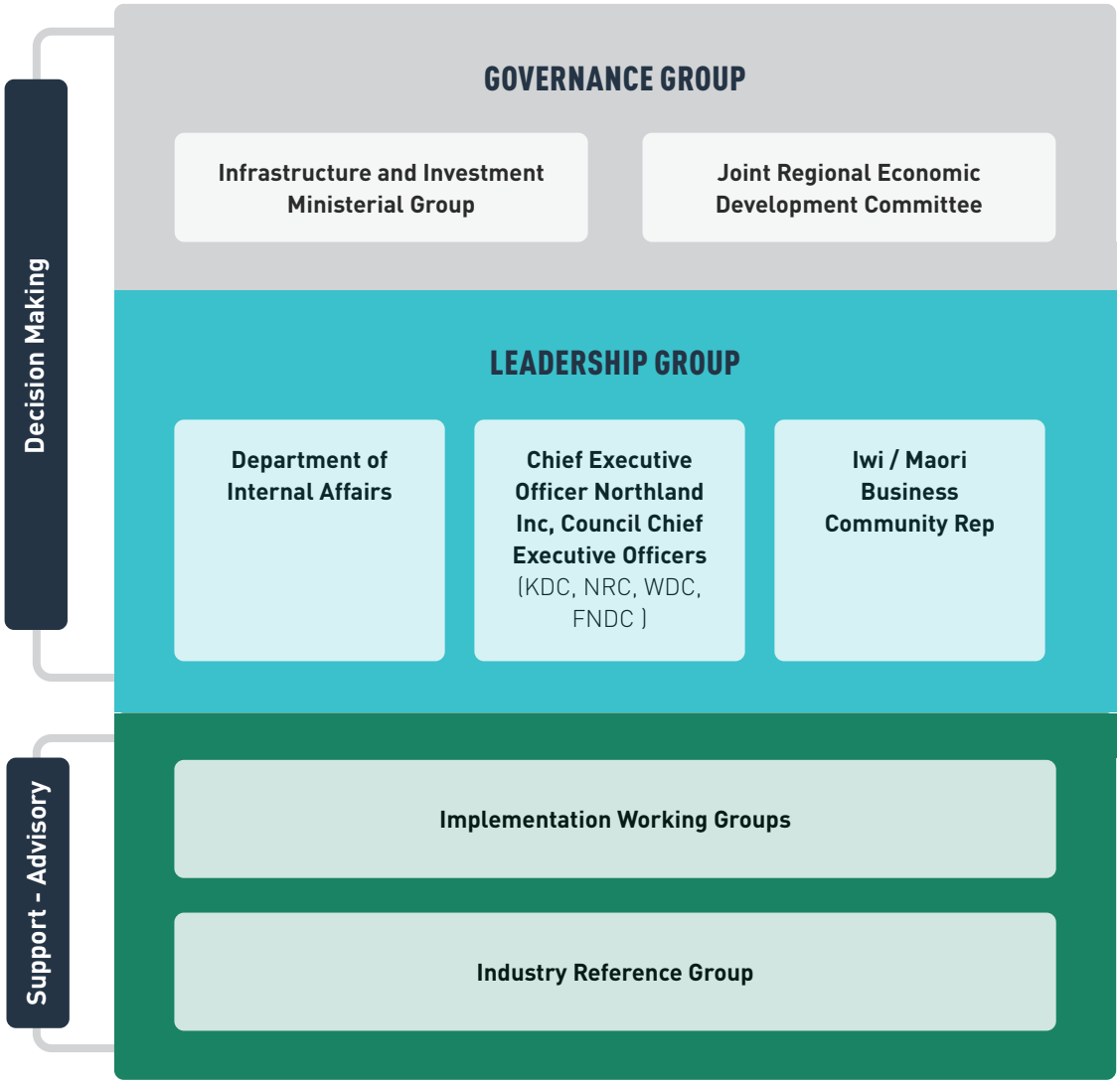
Implementation Working Groups: will be established by the Leadership Group to provide technical and strategic advice, and co-design and discuss the implementation of agreed projects and commitments.

Industry Reference Group: provides a forum for interested business, industry, research and community leaders and representatives to discuss and guide the implementation of the Deal.

Northland Inc is the best entity to coordinate the successful delivery of this regional deal. It has a proved track record of working alongside communities, Māori, businesses and investors to identify initiatives that will strengthen, diversify, and grow Northland's economy to help achieve equity and environmental sustainability.

Northland Inc is considering the establishment of a Programme Management Office (PMO) to assess, monitor and report on the implementation and impact of the many and various economic growth plans across the region. This will be a good mechanism to support delivery and impact metrics and reporting of this regional deal.

Regional Collaboration Across Groups



7 REGIONAL DEAL PRIORITY PROJECTS/INITIATIVES

The **regional deal priorities** are presented in four key sectors - within each priority are specific activities that align with the strategic frameworks, regional and nationally and are important contributors to the economy:

Developing a **future energy** sector can go some way towards replacing the contribution that oil refining made to the Northland economy (~6% of Northland GDP). Success looks like a $290M increase in GDP, 1,348 new jobs and $315M in exports.

The **marine manufacturing** cluster is achieving above average growth rates that underline the comparative advantage Northland has in this sector. Success looks like a $111M increase in GDP, 693 new jobs and $31M in exports.

Primary and associated manufacturing sector accounts for 14% of GDP and 77% of exports, providing an underlying level of economic activity vital for many businesses across the region that supply goods and services to this sector. Success looks like a $438M increase in GDP, 2,058 new jobs and $423M in exports.

Visitor Economy - Tourism is an important export earner for the region and provides an employment pathway for many Northlanders. Success looks like a $138M increase in GDP, 1,922 new jobs and $108M in exports.

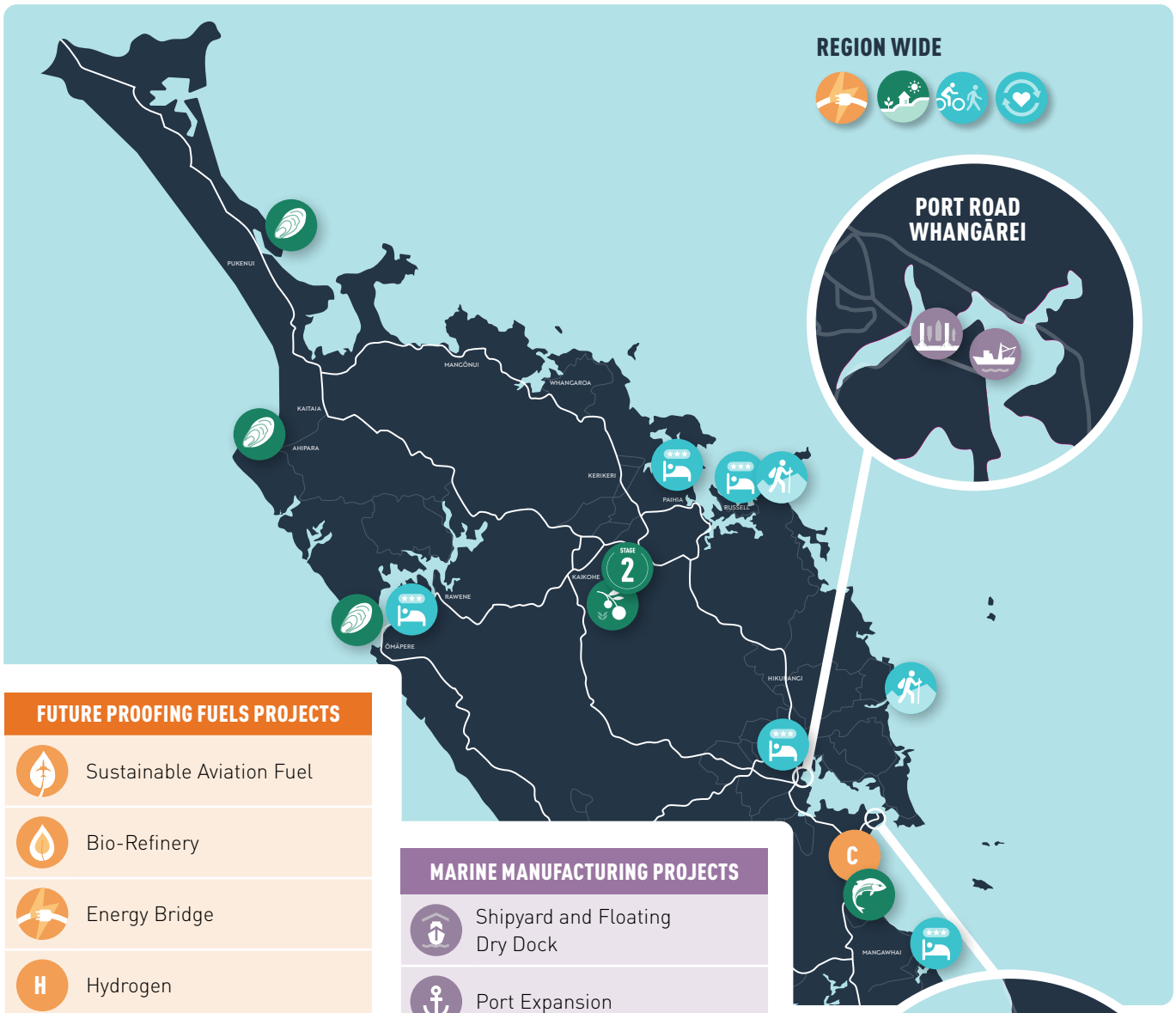
To support these four initiatives and achieve our vision we need to be delivering the infrastructure needed to support these opportunities and build a resilient economy and ensure the policy settings are enabling. Developing and keeping our people is a fundamental building block of our approach – education and workforce development intrinsically linked with provision of housing opportunities.

COMBINED SECTORS IN NORTHLAND

Energy, Marine Manufacturing, Primary Industry Development, Visitor Industry

$977M	6,022	$877M
TOTAL GDP IMPACT	TOTAL EMPLOYMENT IMPACT	TOTAL EXPORTS IMPACT

SUMMARY MAP AND KEY



FUTURE PROOFING FUELS PROJECTS

- Sustainable Aviation Fuel
- Bio-Refinery
- Energy Bridge
- H Hydrogen
- C Captura

PRIMARY SECTOR PROJECTS

- Food North
- Kingfish Expansion
- Mussel & Oyster Spat
  Te hiku (Whangape, Ahipara, Parengarenga, Hourhora, Ranganu, Whangaroa)
- Water Trust
  Te Koporu and Mid North
- Land Utilisation
- Processing and Cool Storage
- Stage 2 Ngawha Park Stage 2

MARINE MANUFACTURING PROJECTS

- Shipyard and Floating Dry Dock
- Port Expansion
- Inshore Fishing Fleet
- Marina Development
- Navy Maintenance and Training

VISITOR ECONOMY PROJECTS

- Better Quality Visitor Accommodation
- Connectivity to Auckland
  Northport to downtown, Auckland (Ocean Flyer)
- Walking and Cycling Strategy
- Great Walk
  Russell to Cape Brett to Whangamumu bay
- Reinvigorating our Identity

FUTURE ENERGY

The region will play a significant role in supporting New Zealand's energy transition, through lower-carbon future fuels manufacturing, as well as a range of energy security projects such as electricity firming and storage opportunities.

Marsden Point is a large, underutilised site with attractive zoning and existing resource consents, existing world class infrastructure, proximity to the electricity transmission network, and is a pivotal connection to Auckland and New Zealand's fuel supply chain. Sites like this are rare globally, and this puts the region in a unique position to move quickly forward with future fuels production and energy resilience.

Northland has great solar and wind resources for renewable electricity. These types of generation can be developed quickly and cost effectively – currently there is over 600MW of renewable energy generation ready to be deployed at pace and a further 1400MW of proposals. $200m of centrally funded transmission and distribution infrastructure unlocks $1b of private investment and defers over $2b of transmission investment in Auckland (the energy bridge project). This is a key contribution to Auckland and the country's energy requirements and resilience.

Table 7.1 below summarises the projects that collectively make up the future energy initiative. Acknowledging that completing other key infrastructure upgrades as identified through the infrastructure strategy will be critical to ensuring success of these projects.

Further details on the future proofing energy initiative are included in Appendix A.

Table 7.1 Future Energy Projects

PROJECT NAME AND DESCRIPTION	Sustainable Aviation Fuel	Bio-Refinery	Energy Bridge	Support for other projects
Project Dimensions	[redacted]	[redacted] ▸ 150 FTE ongoing [redacted] Note figures are Northland Inc's estimates only	▸ $200M investment ▸ Unlocks 600MW generation	▸ Hydrogen and Methanol Production ▸ CO2 Capture
Current Status and Timeframes	Detailed Feasibility	[redacted]	Business Case being finalised	Pre-feasibility
Regional and National Alignment	▸ Supports aviation industry (significant for business and tourism) ▸ Contributes to Climate Change commitments	Contributes to Climate Change commitments	Supports Auckland economy	Contributes to Climate Change commitments
Lead Organisation	[redacted]	[redacted]	North Power, Top Energy & Transpower	Hiringa Energy Captura
Project Partners	As above	As above	As above	As above
Expected Impacts	Energy Resilience and diversification	Significant Export opportunity	Unlocks significant private sector investment Energy security for Auckland	Energy resilience and security
Northland Offer	▸ Private sector investment ▸ Enabling infrastructure	▸ Private sector investment ▸ Enabling infrastructure	Regional delivery	▸ Private sector investment ▸ Enabling infrastructure
Ask of Government	[redacted]	Expression of support to underpin capital raise	Enabling legislation	Regulatory Support and Policy Alignment

Total impact (direct, indirect and induced) of future fuel projects on ongoing annual GDP, employment and exports for Northland and New Zealand

	GDP		Employment		Exports	
	($M, 2024 prices)		Number of filled jobs		$million, current	
Sector	**Northland**	**NZ**	**Northland**	**NZ**	**Northland**	**NZ**
Sustainable aviation fuel	$74	$154	123	281	$300	
Bio-refinery	$25	$51	230	526	$15	
Energy bridge	$164	$232	843	1,342	$0	
Support and other projects	$28	$58	153	351	$0	
Total increase	**$291**	**$495**	**1,348**	**2,500**	**$315**	
Impact on regional and national economy						
Current level (2024)	$10,609	$418,824	82,678	2,807,834	$2,406	$90,900
Percentage increase	2.7%	0.1%	1.6%	0.1%	13.1%	0.3%

MARINE MANUFACTURING CLUSTER

Development of a floating dry dock and associated marine maintenance facility represents a significant opportunity for regional economic development. This is both a vital infrastructure project and a catalyst for private investment. This initiative aims to strengthen the naval resilience and support coastal shipping operations including the inter-islander ferries. The project has the potential to deliver ongoing, transformative benefits for both the local community and the wider national economy.

The expansion of Northport, New Zealand's northernmost deep-water port, is crucial for accommodating future freight needs in Northland and North Auckland. An additional 270m berth and expanding the terminal to create a modern container facility enhances the port's capabilities, keeping pace with global shipping trends while promoting a seamless connection between rail, road, and sea freight through KiwiRail's proposed Marsden Point spur.

Renewing the inshore commercial fishing fleet seeks to develop a facility in Whangārei dedicated to building a new class of vessels designed for reduced carbon emissions, fuel consumption while creating high-paying jobs and training opportunities. The establishment of a new 115-berth marina in Whangārei is intended to expand marine industry capacity, attract tourism, promoting a vibrant marine-focused economy.

The further development of Marsden Point with a dry dock, port expansion and planned residential development as Whangārei's 'second urban centre'- combined with the well-established industrial capability of Whangārei's marine engineering cluster – is a strong incentive to relocate part of the Royal New Zealand Navy's maintenance and training capabilities freeing up valuable land and resources in Devonport.

Table 7.2 below summarises the projects that collectively make up the marine manufacturing cluster initiative. Northland Inc has a key role to play in supporting cluster activation and coordination in order to maximise the regional strengths this sector has.

Further details on the marine manufacturing cluster initiatives are included in Appendix A.

Table 7.2 Marine Manufacturing Projects

PROJECT NAME AND DESCRIPTION	Shipyard and Floating Dry Dock	Port Expansion	Inshore Fishing Fleet	Marina Development	Navy Maintenance and Training
Project Dimensions	[redacted]	[redacted]	▸ $80M investment ▸ 70FTE ongoing	▸ $24M investment ▸ 60 FTE ongoing	▸ Maintenance and training capabilities relocated to Marsden Point
Current Status and Timeframes	Business Case completed	Reviewing next steps post consent decision	Business Case completed	Further Capital raise	With NZDF
Regional and National Alignment	Critical project in NZ's infrastructure pipeline	Significant infrastructure to support Auckland, national economy and global trade	Fishing industry contributes $5b to NZ economy (significant exporter)	Catalyst / facilitator of economic activity	Aligns with national defence force asset planning
Lead Organisation	MBIE	Northport	Northland Inc	Whangārei Marina Trust	Ministry of Defence
Project Partners	Northport	As above	Private Sector	WDC	As above
Expected Impacts	▸ Augment Northland's marine cluster to national significance and regional benefit ▸ Catalyst for significant private sector commitments	Northport plays an important role in the Northland regional economy supporting import and export activity.	▸ Extend current boat and shipbuilding capabilities, and capture secure work. 70 new vessels ▸ Decarbonisation of fleet, improved catch methods	Facilitate increasing demand for marine servicing such as refits for boats	New facilities, access to drydock and marine repair industry, improved wellbeing, better work/life balance and improved housing accessibility compared to Auckland
Northland Offer	Construction partner through Northport	Private sector investment (Northport)	▸ $45M private sector contribution ▸ Sector capability	Local investment (Whangārei Marina)	Enabling infrastructure, available land
Ask of Government	Lead the investment raising process	Northport expansion is critically linked to the future of transport infrastructure supporting the Upper North Island Supply Chain	▸ Purchase first boat. ▸ Vessel retirement scheme	Support raising investment	Planning

Total impact (direct, indirect and induced) of marine manufacturing projects on ongoing annual GDP, employment and exports for Northland and New Zealand

	GDP		Employment		Exports	
	($M, 2024 prices)		Number of filled jobs		$million, current	
Sector	**Northland**	**NZ**	**Northland**	**NZ**	**Northland**	**NZ**
Shipyard and floating dry dock	$23	$41	287	441	$25	
Northport expansion	$73	$186	225	536	$0	
Inshore fishing fleet	$6	$12	80	123	$2	
Marina development	$3	$6	40	62	$4	
Navy maintenance and training	$6	$10	61	95	$0	
Total increase	**$111**	**$255**	**693**	**1,257**	**$31**	
Impact on regional and national economy						
Current level (2024)	$10,609	$418,824	82,678	2,807,834	$2,406	$90,900
Percentage increase	1.0%	0.1%	0.8%	0.0%	1.3%	0.0%

ENHANCING PRIMARY SECTOR

Northland is a New Zealand food basket with a strong and innovative agriculture sector. The expanse of productive land and optimal growing conditions allows for new crops and alternative growing techniques/ pasture use to be tested and brought to full production – enhancing New Zealand's international standing as a premium food producer. The waters around Northland are a hotbed for aquaculture with the growth of New Zealand's mussel fisheries dependant on Northland produced spat.

The sector needs to continue to produce as efficiently as possible, to diversify into new and different products, and to find opportunities to process and add value to those products before they leave the region. Immediate opportunities include:

- expansion of land-based aquaculture (Kingfish at Bream Bay),
- Oyster and Mussel aquaculture (particularly in Te Hiku),
- Food processing facilities and further development of the Ngawha Innovation and Enterprise Park and continuing to pilot and trial different opportunities that support optimal land use.

Opportunities across the primary sector connect with Māori Development priorities and the need to significantly lift regional capability. This strategic alignment supports local businesses and amplifies the potential for innovation. Combining investments in hard and soft infrastructure will ensure that collective efforts yield substantial long-term benefits, enhancing economic resilience, creating jobs, and preserving cultural sustainability in the region.

Table 7.3 below summarises the projects that collectively make up the primary industry sector development initiative.

Further details on the primary sector initiatives are included in Appendix A.

Table 7.3 Primary Sector Projects

PROJECT NAME AND DESCRIPTION	Food North	Kingfish Expansion	Mussel & Oyster Spat	Water Trust
Project Dimensions	▸ $20M investment ▸ 50 FTE	$90M investment	Developing capture tech, best practices for spat survival Investing in nurseries	Construction of water storage & uptake and use of water for horticulture
Current Status and Timeframes	B/C completed Capital raising	Seeking interest for investors	Cluster development underway	
Regional and National Alignment	Economic growth, Improved productivity & exports	Economic growth, Improved productivity & exports	Economic growth, Improved productivity & exports	Economic growth, Improved productivity & exports
Lead Organisation	Far North Holdings	NIWA	Industry	Te Tai Tokerau Water Trust
Project Partners	Northland Inc, FoodBowl	NRC, Northland Inc	MPI, Northland Inc	Northland Inc
Expected Impacts	Added value manufacturing and export opportunities	Significant export opportunity	Food production and export opportunities Industry support through improved spat production	Strengthening of sector, new crops, export opportunities
Northland Offer	Support capital raising process	Support capital raising process NRC to consider further investment	Cluster support through Northland Inc	Sector support – link growers/ produces to opportunities Demonstrate value of water through trails and demonstration site Coordinate with government (MPI etc)
Ask of Government	Capital	Expression of support to underpin capital raise	Planning and Capital	Partnership to promote water use uptake – incentives, trials, field days

PROJECT NAME AND DESCRIPTION	Land Utilisation	Processing and Cool Storage	Ngawha Park Stage 2
Project Dimensions	Trials and pilots occurring across region	▸ $45M ▸ 100 FTE	Expansion of tenants on Park
Current Status and Timeframes	Market Opportunity Analysis underway	Capital raising	Implementation
Regional and National Alignment	Economic growth, Improved productivity & exports	Economic growth, Improved productivity & exports	Economic growth, Improved productivity & exports
Lead Organisation	Northland Inc, Land owners	Industry	Far North Holdings
Project Partners	MPI, TPKNRC, Maori Land owners	Industry	Northland Inc
Expected Impacts	Strengthening of sector, added value manufacturing and export opportunities	Significant export opportunity Diversified value-add manufacturing (oils etc)	Strengthening of sector, added value manufacturing and export opportunities
Northland Offer	Sector support – link growers/ produces to opportunity Coordinate with government (MPI, TPK etc)	Sector support – link growers/ produces to opportunity	Sector support – link growers/ produces to opportunity
Ask of Government	Partnership on delivery	Expression of support to underpin capital raise	Partnership on delivery

Total impact (direct, indirect and induced) of primary sector projects on ongoing annual GDP, employment and exports for Northland and New Zealand

	GDP		Employment		Exports	
	($M, 2024 prices)		Number of filled jobs		$million, current	
Sector	Northland	NZ	Northland	NZ	Northland	NZ
Food North	$2	$4	22	39	$2	
Kingfish RAS expansion	$28	$71	98	226	$19	
Mussel and oyster spat	$4	$7	39	66	$4	
Te Tai Tokerau Water Trust	$334	$543	1,172	1,497	$287	
Land utilisation	$43	$95	359	458	$72	
Processing and cool storage	$9	$26	145	297	$20	
Ngawha Park Stage 2	$19	$38	224	393	$19	
Total increase	**$438**	**$785**	**2,058**	**2,975**	**$423**	
Impact on regional and national economy						
Current level (2024)	$10,609	$418,824	82,678	2,807,834	$2,406	$90,900
Percentage increase	4.1%	0.2%	2.5%	0.1%	17.6%	0.5%

VISITOR ECONOMY DEVELOPMENT

Tourism expenditure in the region has shown signs of growth post covid with the region retaining levels of domestic spending and slowly regaining international expenditure. However international expenditure in the region only represents 19% of total visitor spending compared to over 27% nationally. International visitors typically travel outside of peak season and bring a higher per visitor spend than domestic, making them an important segment for further sector growth, while helping to smooth seasonality trends.

For Northland to increase its share of international spending and grow export revenues there is a need to enhance the region's visitor offering and improve the productivity of the sector. The region needs additional quality visitor accommodation, enhanced visitor products and experiences a stronger cohesive regional identity and promotion, enabling support of the regional tourism system through funding of the Regional Tourism Organisation.

Table 7.4 below summarises the projects that collectively make up the visitor economy initiative. Further details on the tourism initiative are included in Appendix A.

Table 7.4 Visitor Economy Projects

PROJECT NAME AND DESCRIPTION	Better Quality Visitor Accommodation	Connectivity to Auckland	Walking and Cycling Strategy	Great Walk	Reinvigorating our Identity
Project Dimensions	▸ Bay of Islands ▸ Whangārei ▸ Hokianga ▸ Mangawhai	▸ $700M investment	Complete Kaihu Trail and extend into Far North	Cape Brett-Kauri forest-Whangamumu-Elliot Bay-Russell forest	Developing and positioning Northland's story as a platform for investment
Current Status and Timeframes	Feasibility	Delivery	Implementation of Strategy	Business Case	Discussions initiated
Regional and National Alignment	Boost tourism, job creation	Economic growth & resilience, improve productivity	Boost tourism, job creation	Boost tourism, job creation	Attract Investment
Lead Organisation	Private Sector	Ocean Flyer	Councils	Rawhiti 3B2 Ahu Whenua Trust (3B2)	Northland Inc
Project Partners	Private Sector	Private Sector	Community Private sector	Ipipiri Nature Conservancy Trust	Industry
Expected Impacts	Boost tourism, job creation	Significant change in connectivity between Whangārei and Auckland	Boost tourism, job creation	Boost tourism, job creation	Position region as desirable destination to visit and invest
Northland Offer	Provision of supporting infrastructure	Expression of support to underpin capital raise	Partner, jobs locally	Business case development	Lead investment proposition
Ask of Government	Expression of support to underpin capital raise	Expression of support to underpin capital raise	Capital, support to raise investment	Capital, support to raise investment	Advocate for national benefits

Total impact (direct, indirect and induced) of tourism sector projects on ongoing annual GDP, employment and exports for Northland and New Zealand

	GDP		Employment		Exports	
	($M, 2024 prices)		Number of filled jobs		$million, current	
Sector	Northland	NZ	Northland	NZ	Northland	NZ
Better quality visitor accomodation	$16	$26	290	369	$12	
Connectivity to Auckland	$34	$87	76	203	$31	
Walking and Cycling Strategy	$2	$5	48	69	$2	
Great Walk	$3	$5	59	74	$2	
Reinvigorating our identity	$82	$129	1,449	1,846	$60	
Total increase	**$138**	**$252**	**1,922**	**2,563**	**$108**	
Impact on regional and national economy						
Current level (2024)	$10,609	$418,824	82,678	2,807,834	$2,406	$90,900
Percentage increase	1.3%	0.1%	2.3%	0.1%	4.5%	0.1%

INFRASTRUCTURE TO MAKE IT HAPPEN

To support these four initiatives and achieve our vision we must deliver the infrastructure needed to create opportunities, support a resilient economy and ensure the policy settings are enabling. Developing and keeping our people is a fundamental building block of our approach – education and workforce development intrinsically linked with provision of housing opportunities.

There are key infrastructure projects that unlock the initiatives, and it will be important to link these with the spatial planning and future growth work of councils to ensure appropriate land is unlocked for development and housing - particularly in areas around the Northern Growth corridor, Mangawhai, Kaiwaka and Dargaville.

Key infrastructure projects that are essential to the initiatives mentioned previously in this section are:

- The Northland Corridor (NZTA Roading Investment)
- Rail to Marsden Point
- Enhancing Regional Airports (including completing an Airport Strategy)
- Airport Strategy
- Local Waters Done Well
- Enabling Housing to Accommodate Growth
- Education and Workforce (including enabling Knowledge Hub)
- Health care provision within the region (1st priority Whangārei Hospital)

Further detailed explanation of each of these projects is included in Appendix A

All four councils all have a forward programme of that will have a direct impact on the four initiatives and the supporting infrastructure requirements identified as part of this regional deal. Section 10 provides further information on these relevant projects / programmes.

Security of core infrastructure is key to Northland's future prosperity. Northland's topography and demographics – a long thin area with relatively scattered population – is a challenge to those looking to ensure provision of services across all infrastructure areas. Coordinating infrastructure planning, decision-making and investment is key. Taking a collaborative approach will provide a clear and comprehensive picture of the required investments and ensure a robust and sustainable planning, prioritisation and delivery process occurs. The region has committed to completing a Regional Infrastructure Strategy which is underway (funding is secured for this through Northland Inc).

8 WHAT WILL YOUR REGION BRING TO A REGIONAL DEAL?

The region brings to the table joint political focus, proven co-operation, on-going investment, enthusiasm, and passion for the region.

We will focus our regional development agency, Northland Inc on coordinating the delivery and implementation of the regional deal. In addition, Northland Inc brings strengths in investment attraction and collaborating with the private sector and Māori to bring together co-investment opportunities – ensuring that local and central government investments are maximized for greater impact.

There is an opportunity to align the investment priorities of funds within the region with the regional deal priorities. Other areas to be explored in the future include rating income, user charges and better use of government tools such IFF and RIF. Councils have already committed to a number of infrastructure projects that underpin the initiatives. Further details on these are included in Section 10. Councils acknowledge the opportunities through future annual plan and long-term plan processes to continue to align local and central government investment.

Immediate priorities that support all initiatives are:

- **Ongoing commitment to integrated economic & spatial planning** - the region has completed its economic strategy (Te Rerenga) and has committed to completing a Regional Infrastructure Strategy (funding is secured for this through Northland Inc).
- **A joined-up approach to development Contributions** – consistency across the region, alignment with Government direction (LG Systems Improvements Policy) and opportunities to reduce the upfront contribution (i.e. amortise) when supporting new business development.
- **Develop a regional approach to procurement and broader outcomes.**
- **Local and central working better together** – functional relationships between government agencies is vital for fostering collaboration and improving service delivery. All agencies working in unison towards shared goals and having the customer benefit front and centre. This is a natural expansion of the functions of the Regional Leadership Group and could be applied on sub-regional basis – for example at Marsden Point initially
- **Special Economic Zones** – review spatial and planning mechanism to ensure they are attracting investment, providing necessary infrastructure and promoting clustering and innovation (initially Marsden Point and Ngawha Park). Noting that the area already has supportive District Plan zoning.

Immediate priorities that support the Future Energy Initiatives:

- Secure private sector investment
- Deliver enabling infrastructure planned within Long Term Plans
- Regional delivery of Energy Bridge - completed within 5 years)

Immediate priorities that support the Marine Manufacturing Cluster Initiatives:

- Secure construction partner through Northport for shipyard and floating dry dock
- Private sector (Northport) commitment to fund port expansion
- $45M private sector contribution to new marine manufacturing facility (inshore fishing)
- Local investment supporting continued development of sectors capability.

Immediate priorities that support the Primary Industry Sector Initiatives:

- Support capital raising process with NRC to consider further investment in Kingfish that underpins sector growth and export opportunity.
- Cluster support through Northland Inc/TPK and MPI for Aquaculture particularly in Te Hiku
- **Sector support** – link growers/produces to opportunities.
- **Coordinate with government (MPI, TPK) sector support** – link growers/produces to opportunities and support implementation of water storage through new crops, trials and field days.

Immediate priorities that support the Visitor Economy Initiatives:

- Provision of supporting infrastructure to support accommodation developments.
- Implementation partner for walking and cycling projects with local procurement.
- Business case developed for great walk.
- Lead investment proposition for reinvigorating regional identity

Short to medium-term priorities are those initiatives that require a more extended timeframe for implementation and are planned to be executed through the next Long-Term Plan (LTP) cycle (first half of 2027). Medium Term priorities are:

- **Airport Strategy** – whilst this will be considered at a high level through the regional infrastructure strategy – a more detailed strategy will be required to be developed considering long term population growth, business needs and tourism growth.
- **Regional Investment Fund** - partner with government and other private and philanthropic investors to leverage the existing Investment and Growth Reserve (IGR) and develop a more strategic partnership-based approach to investment within the region.
- **Education Strategy & Delivery Mechanisms** – matching employment for school leavers, underemployed and unemployed with relevant employment in the region. Partnering to create a Knowledge, Education and Arts Hub that offers multi-provider tertiary training, student accommodation and a regional hub and spoke system. This system will better align education courses with employer needs. The current Northtec land at Raumanga will be repurposed for residential housing and the funds used as a mechanism for enabling the Knowledge Hub. The education content & delivery will be better aligned with regional employer needs – which will need a joint Government/Regional approach.
- **Pensioner housing portfolios** – Government and councils working together on long-term sustainable solutions to pensioner housing.
- **Papakāinga provisions** – reviewing Papakāinga provisions within District Plans to ensure that they are enabling and aligned.
- **Housing needs** - developing a collective view of housing needs generated by the significant infrastructure projects (i.e. the Hospital, Port expansion, four lanning etc), identifying potential large scale housing opportunities that could meet these (i.e. the Raumanga site)
- **Social and affordable housing** - agreeing a pipeline of social housing and affordable rentals across the region to give certainty to the sector, along with enduring funding settings that make these developments viable.

9 WHAT ARE YOU SEEKING FROM CENTRAL GOVERNMENT AS PART OF A DEAL?

Northland is asking the government to work with our region to create alignment between central and local investment decisions that will also support the initiatives within this regional deal.

We require Ministerial involvement in the governance of our regional deal. Critical to the success of this regional deal is formalising collaborative relationships at senior management levels with key government agencies including MBIE, MPI and DIA.

An example of aligning investments decisions is greater alignment with Kānoa to ensure the Regional Infrastructure Fund is implemented in partnership with the region.

Immediate priorities that support all initiatives are:

- **Special Economic Zones** – establish how this will attract investment, boost exports, create more jobs, promote clustering and innovation (initially Marsden Point and Ngawha Park) – this will have a strong manufacturing focus with attention on attraction and creating operational efficiencies, logistics and export processing.
- **Transport and electricity infrastructure are fundamental for these initiatives.** A relentless focus on delivering the Northland Corridor (three roading projects spanning 100km between Warkworth to Te Hana, Te Hana to Port Marsden and Port Marsden to Whangārei), the Marsden Point Rail Link, and electricity through the Energy Bridge is required.
- **Reducing electricity cost and supplying more to Auckland** – an updated regulatory framework capable of driving regional optimisation is key to enabling the Energy Bridge, and ensuring New Zealand's regulatory and policy frameworks are fit for purpose in enabling electrification of the economy. The region has significant sustainable energy production to support Auckland's energy demand. Align the Regional Infrastructure Fund with the initiatives identified as part of this regional deal.

Immediate priorities that support the Future Proofing Energy Initiatives:

[redacted]

Immediate priorities that support the Marine Manufacturing Cluster Initiatives:

- **Shipyard and Floating Dry-Dock** – Lead the investment raising process for the Shipyard and Dry Dock.
- **Northport expansion** is critically linked to the future of transport infrastructure supporting the Upper North Island Supply Chain
- Purchase first boat for inshore fishing proposal and commit to development of a Vessel retirement scheme.

Immediate priorities that support the Primary Sector Initiatives:

- Expression of support to underpin capital raise for key projects.
- Planning and Capital into aquaculture
- Partnership on delivery for land use and pilots

Immediate priorities that support the Visitor Economy Initiatives:

- Expression of support to underpin capital raising for key projects.

At the same time, the region is seeking to work with government to develop regional approaches including funding, immigration settings, local (social) procurement, workforce development and housing:

- Commit to a solution to address carbon emissions leakage, ensure long term domestic manufacturing with the introduction of a Carbon Border Adjustment Mechanism ('CBAM'). A CBAM is an adjustment of the price of a product (via the NZ ETS) entering New Zealand to account for its embedded carbon emissions to ensure parity with the domestic cost of carbon. This supports companies such as Golden Bay Cement to continue investing in decarbonisation and efficiency improvements.
- Work collaboratively with the National Infrastructure Funding and Financing – partnering to fund and finance key infrastructure.
- A portion of Goods and Services Tax (GST) or local taxation to be retained within the region. This policy will ensure that the economic benefits generated through taxation directly contribute to local projects, infrastructure improvements, and community services, and allowing recirculation of their contributions. An example could be to target 5% of GST into infrastructure to support 4000 new houses.

Workforce

- Empower Northland to upskill and train our own people, working closely with industry to ensure we have the right skills in the right places, allowing major projects in the region to meet targets for employing locally.
- Incentivise our employers and their employees to remain in Northland so that those skills and capabilities are retained for the benefit of local businesses and communities.
- Development of smarter immigration and investment settings. A targeted and responsive immigration framework can attract talent where it is required and encourage business investments that align with regional goals. By facilitating skilled migration and providing support for investors, central government can help local economies thrive and address skills shortages that may hinder growth.

Collaboration

- Embed a recognized mechanism to ensure collaboration across agencies, with local and central government, to foster improved service delivery and realise efficiencies and effectiveness. We recommend that this function sits with the Regional Leadership Group.

Enabling Housing

- Continue to streamline the Building Consent Process through system changes and risk and liability settings. Review anti-competitive behaviour in the building and construction supply sector.
- Develop regional and sub-regional standards for building standards that reflect a changing climate –Example national insulation standards applicable in sub-tropical Northland.
- Pensioner housing portfolios – Government and councils working together on long-term sustainable solutions to pensioner housing.
- Developing a collective view of housing needs generated by the significant infrastructure projects (i.e. the Hospital, Port expansion, four lanning etc), identifying potential large scale housing opportunities that could meet these (i.e. the Raumanga site)
- Social and affordable housing - agreeing a pipeline of social housing and affordable rentals across the region to give certainty to the sector, along with enduring funding settings that make these developments viable.

Spatial Planning

- Legislate Government agencies which control nationally and regional infrastructure to actively participate in Regional and Sub-Regional Spatial Planning that is led by the Region. This includes Waka Kotahi, Ministry of Education, Te Whatu Ora, MHUD, KO, NZ Rail. This could be via a restart of an Urban Growth Partnership in Northland. Review opportunities for better alignment of the planning for RLTP - this activity should be better informed by regional spatial planning.
- Limit the ability to appeal District Plan changes that are enabling a Regional Deal Outcome agreed to between the Government and Northland.

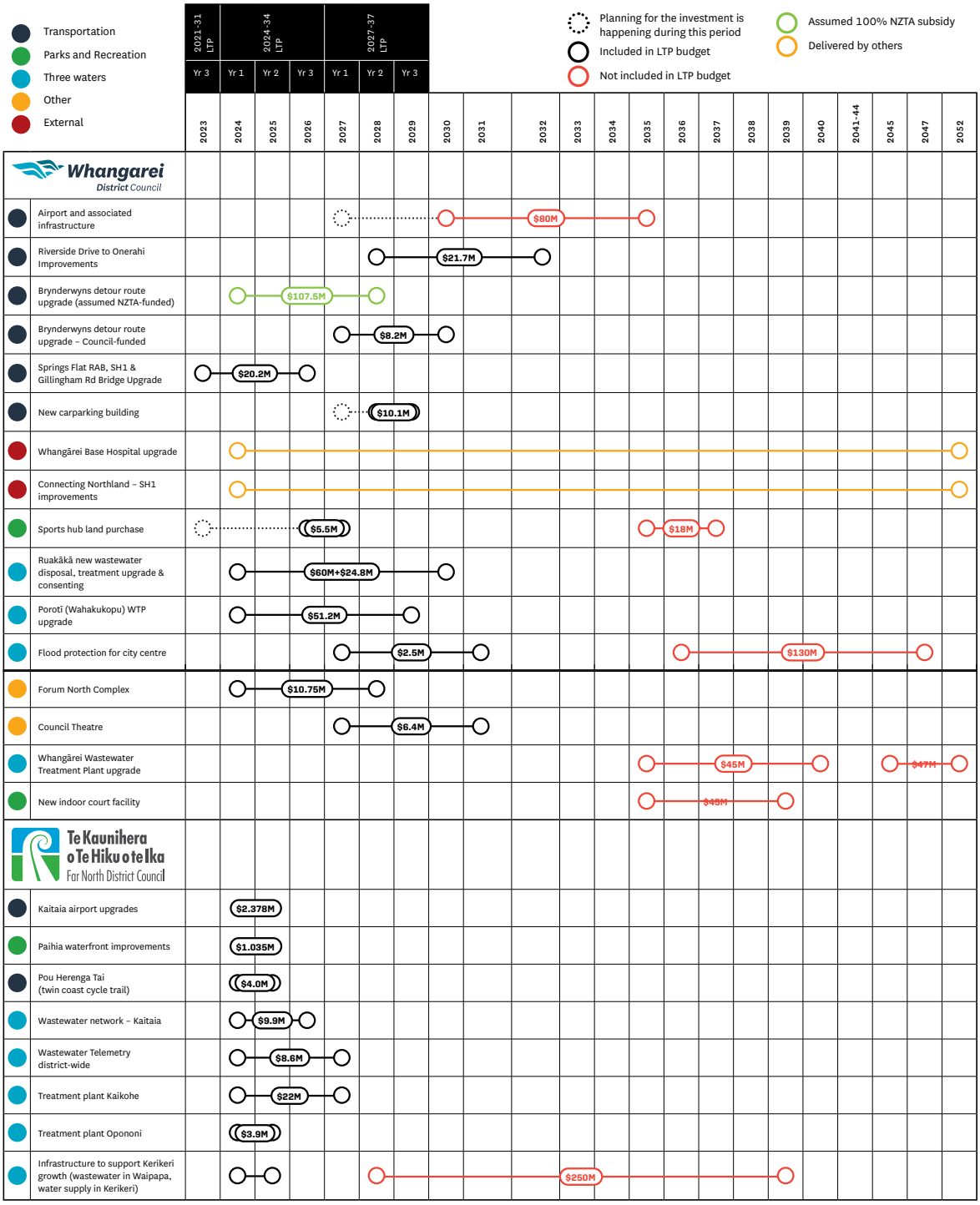
10 FURTHER SUPPORTING INFORMATION

COUNCILS CURRENT PROJECTS

All four councils all have a forward programme of work as part of their responsibilities. For each council a number of these projects/programmes will have a direct impact on the four initiatives and the supporting infrastructure requirements identified as part of this regional deal. Further details on these relevant projects / programmes are provided below:

Table 10.1: Relevant projects In District Council LTP's

Regional projects



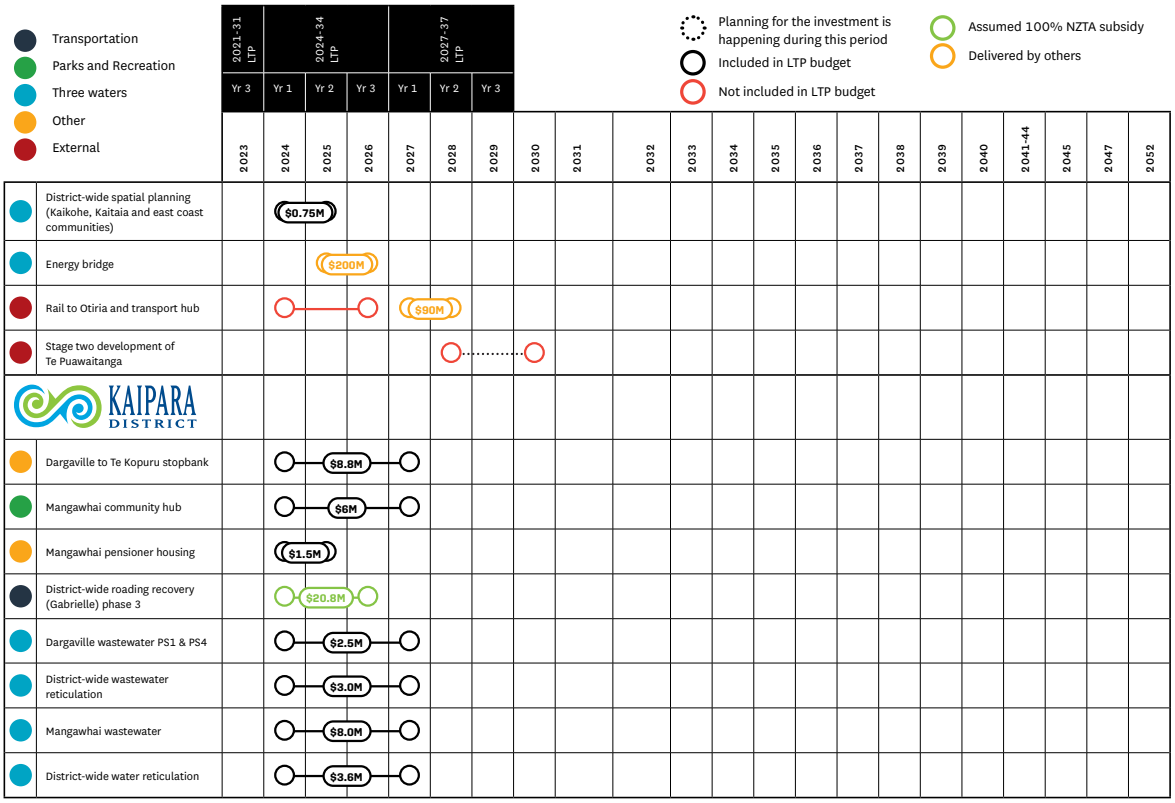


Table 10.2: Relevant projects currently in RIF process

Row #	Project name by Group	Proponent	Brief description	Likely year
	Group 1			
1	Dargaville to Te Kopuru Stopbank Upgrade	KDC	Reconstructing the existing 11km of stopbank between Dargaville and Te Kopuru to protect against a 1 in 100 year flood event	Year 1
2	Dargaville water security	KDC	Connection to the Kaipara Water Company distribution network (tied to TTTTWT Kaipara Water Scheme - expansion project)	Year 1
3	Gravity drainage gates (Hikurangi Swamp Scheme)	WDC	Construct box culverts through the stock banks to release water faster after a flood	Year 1
4	Otakairangi Bund (Hikurangi Swamp Scheme)	WDC	Construct an earthen bund on the southern end of the wetland to retain water	Year 3
5	Otonga pocket coversion (Hikurangi Swamp Scheme)	WDC	Use the Otonga pocket to store 40 million m^3 of flood water	Year 3+
6	Raupo Floodgate Canal K	KDC	Installation of a new floodgate structure at the mouth of K canal, supporting the G canal floodgate project funded in the current tranche of the climate resilience programme	Year 3+
7	Whangarei Airport	WDC	Essential physical upgrades to the airport's infrastructure at Onerahi, focusing on hard assets that enhance resilience	Year 2
	Group 2			
8	Kaihu Valley Trail	KDC	Completion of trail to Donnellys Crossing	Year 1
9	Lower Whangatane Spillway Upgrade	NRC	Upgrade spillway to prevent overtopping	Year 1
10	New Regional Sports Facilty	WDC	Establishment of new indoor sports facility in Whangarei to cater for increased demand	Year 3+
11	Ngā Manga Atawhai	NRC	Removal of trees that can fall on power lines during storm events	Year 1
12	Quarry Road Flood Risk Reduction Bridge Upgrade Phases 1 and 2	NRC	Bridge upgrade to address flooding	Year 1
13	Raupo district flood defence improvements	KDC	Increase height of existing stopbanks	Year 3+
14	Turner Centre	FNDC	Redevelopment of the Turner Centre to enable it better utilise the existing spaces and target a more financially sustainable mix of events	Year 2
15	Twin Coast Cycle Trail / Te Pou Herenga Tai	FNDC	Finalisation of Taumarere to Opua	Year 1
16	Whangarei Theatre	WDC	Replacement of unused council offices within forum north with a Lyric theatre	Year 3+
	Group 3			
17	Dargaville Airport	KDC	Rehabilitate existing air facility in Dargaville	Year 3+
18	Mangawhai Shared Path	KDC	Connectivity from Wood Street to Mangawhai Heads Surf Beach, and from Moir Street to Mangawhai Primary School, and Insley Road bridge rehabilitation and shared footpath	Year 3+

APPENDIX A

Detailed Information to support Section 7

INTRODUCTION

Prior to 2020, the Northland economy was growing at more than 3% per annum, with strong primary sector returns, particularly from forest harvesting, and historically high levels of population growth. Since then, economic activity has been much weaker, impacted by both general headwinds such as inflation, high interest rates, lower commodity prices and a reduction in international tourism, and specific regional factors such as additional COVID-19 lockdowns, storm events disrupting transport links, and the private sector decision to stop petroleum refining activity at Marsden Point.

The four key areas for action set out in this regional deal proposal are important contributors to the economy:

- Developing a **future proofed energ**y sector can go some way towards replacing the contribution that oil refining made to the Northland economy (~6% of Northland GDP).
- The **marine manufacturing** cluster is achieving above average growth rates that underline the comparative advantage Northland has in this sector.
- **Primary and associated manufacturing** sector accounts for 14% of GDP and 77% of exports, providing an underlying level of economic activity vital for many businesses across the region that supply goods and services to this sector.
- **Tourism** and the visitor economy is an important export earner for the region and provides an employment pathway for many Northlanders.

To support these four initiatives and achieve our vision we need to be ensuring the policy settings are enabling and we need to be delivering the infrastructure needed to create opportunities and support a resilient economy. Developing and keeping our people is a fundamental building block of our approach – education and workforce development intrinsically linked with provision of housing opportunities. There are also number of key infrastructure projects that unlock the initiatives:

- The Energy Bridge (electricity network upgrades)
- The Northland Corridor (NZTA Roading Investment)
- Rail to Marsden Point
- Enhancing Regional Airports (including completing an Airport Strategy)
- Local Waters Done Well
- Enabling Housing to Accommodate Growth
- Education and Workforce (including enabling the Knowledge Hub)
- Whangārei Hospital Improvements

If we are successful in this approach we anticipate our economy will initially grow Northland GDP by $977M, will create 6,022 new jobs, and increase exports by $877M.

1 FUTURE PROOFING ENERGY

Developing a future energy sector can go some way towards replacing the contribution that oil refining made to the Northland economy, supporting New Zealand's energy transition and maintaining the role that these products play in our economy nationally.

The future energy cluster identifies the significant role the region could play in supporting New Zealand's energy transition, through opportunities such as additional storage, lower-carbon future fuels manufacture, as well as a range of energy security projects such as electricity firming and storage opportunities. There is a confluence of favourable factors at play at Marsden Point: a large, underutilised site with attractive zoning and existing resource consents, existing world class infrastructure, proximity to the electricity transmission network, and connection to New Zealand's fuel supply chain. Sites like this are rare globally, and this puts the region in a unique position to move quickly forward with future fuels production and energy resilience.

Northland has great solar and wind resources for renewable electricity. These types of generation can be developed quickly and cost effectively – currently there is over 600MW of renewable energy generation available to deploy at pace. $200m of centrally funded transmission and distribution infrastructure unlocks $1b of private investment, and a key contribution to NZ Inc's energy requirements and resilience.

The image on the following page summarises the projects that collectively make up the future energy initiative and then a more detailed description of each project follows. Acknowledging that other key infrastructure upgrades as identified through the infrastructure strategy will be critical to ensuring success of these projects.

SUSTAINABLE AVIATION FUEL

Sustainable Aviation Fuel (SAF) is emerging as the most technically viable way to bring down aviation emissions for medium to long-haul travel. Given our proximity to Auckland, and critical role in the jet fuel supply chain, we are well positioned to help facilitate the renewable fuel transition in New Zealand. [redacted] are investigating the development of a e-Sustainable Aviation Fuel (eSAF) manufacturing facility that could supply the government targets for jet fuel requirements for the aviation sector in New Zealand.

Our critical infrastructure is capable of handling 'drop in' lower-carbon fuels, including second-generation biofuel and SAF. As a 'drop in' fuel, SAF can use existing infrastructure such as existing ships, storage tanks, pipelines, and airports, and does not require any changes to the tens of thousands of aircraft currently in use. It is also the lowest cost option for the future.

BIO-REFINERY

A biorefinery development would utilise Channel's decommissioned assets from the hydrocracking complex, as well as newly constructed plant (including to process biological feedstocks).

Channel Infrastructure has entered into a conditional project development agreement with [redacted] to develop a biorefinery at Channel's Marsden Point site. The proposed bio-refinery would sit alongside [redacted] proposed e-SAF manufacturing facility.

The [redacted], would build, own and operate the plant, and would be responsible for sourcing feedstock, with Channel acting as landlord and ancillary infrastructure provider. The project remains subject to further engineering studies, agreement on commercial terms and final form agreements, completion of funding and final investment decision by the [redacted] and Channel.

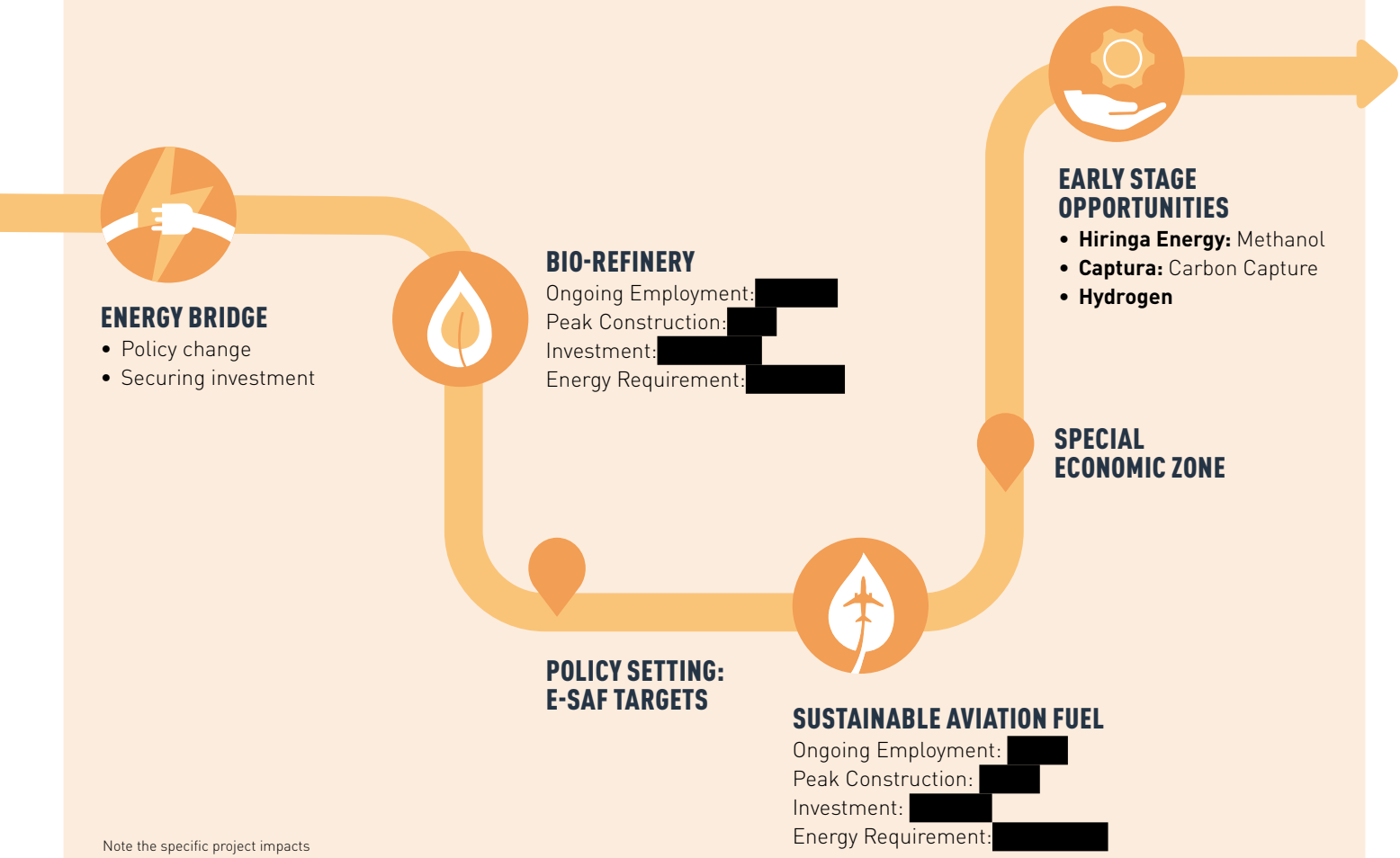
ELECTRICITY NETWORK UPGRADE

The Energy Bridge is a game-changing set of infrastructure investments that can pave the way for an energy future where Northland benefits from its abundant natural resources – sun, wind, and geothermal energy. It would support the strong interest from generation developers and new commercial and industrial electricity consumers seeking renewable electricity sources to meet their decarbonisation goals and it is an evolution of our collective work in 2022 to consider a Renewable Energy Zone. The Energy Bridge would also take advantage of the significant network capacity already available on the national grid between Marsden and Auckland, providing the ability to export electricity southwards.

Northland has great solar and wind resources for renewable electricity. These types of generation can be developed quickly and cost effectively. However, both are intermittent and not always available when people want to use power, so an alternative supply is sometimes needed, such as that provided by Transpower from other generation sources to the south. Geothermal generation is renewable, reliable and in general low cost, but its steady reliability means it can't adjust its output quickly to match the changes in electricity users' needs throughout each day. While the geothermal power plant at Ngāwhā can fully supply the Far North, it can't do that alone without being connected to the electricity transmission network to support these rapid increases and decreases in power use through the day.

- Increase capacity between Maungatapere and Dargaville – upgrade to 110kV

FUTURE PROOFING ENERGY ROADMAP



Note the specific project impacts are estimates from Northland Inc

HARD INFRASTRUCTURE

- Upgraded transmission lines
- Housing (and associated infrastructure)
- Futher renewable energy

SOFT INFRASTRUCTURE

- Policy signaling and change
- Skills attraction
- Workforce development

REGIONAL OFFER

Private investment in:

- Renewable energy
- Biorefinery
- Alternative fuels

Local Government investment in:

- Upgrade of waste water and water treatment plant
- Roading corridor upgrades

KAIPARA

Mangawhai & Kaiwaka:

- Housing development
- Sustainable employment opportunities

Dargaville & Further West:

- Private investment in renewable energy (wind solar)
- Business opportunities for feedstock

WHANGĀREI

- Housing development (Northern growth area, Waipu & One Tree Point)
- Employment and subcontracting opportunities

FAR NORTH

- Private investment in renewable energy (solar)
- Business opportunities for feedstock

- Increase capacity between Kaikohe and Kaitaia by building an additional line
- Upgrade the low capacity 110 kV Henderson
- Increase capacity between Kaikohe and Kaitaia by building an additional line
- Upgrade the low capacity 110 kV Henderson Maungatapere line
- Upgrade the low capacity 220 kV circuit from Huapai
- Regional special protection scheme (SPS)
- Far North Runback Scheme

The primary regulatory hurdle for Energy Bridge is that the neither the Act, nor the Regulations envision a situation where optimisation of planning across Distribution and Transmission networks could unlock a superior outcome for NZ Inc. New Distribution assets (build by Top Energy or Northpower) and Connection Assets (upgraded by Transpower) can only be charged to Northland, despite the fact that the majority of benefits flows to Auckland and New Zealand more generally. Resolving this impasse, and putting in place either [1] dedicated funding, [2] a regional arrangement, or [3] an updated regulatory framework capable of driving regional optimisation is key to enabling the Energy Bridge, and ensuring New Zealand's regulatory and policy frameworks are fit for purpose in enabling electrification of the economy.

HYDROGEN AND METHANOL PRODUCTION

Hydrogen's abundance and unique properties make it a key piece in the puzzle of our world's energy solutions. It is an excellent source of renewable energy - ideally suited to power buses, trucks, and other heavy vehicles and it can produced and used cleanly.

Hydrogen is a store of energy, playing the role of a battery. Hydrogen can be produced when the natural resource is available and stored for when it is needed. It can also support the electricity grid, providing demand control during peak times, and enabling more efficient use of our electrical infrastructure.

When hydrogen is created from green sources, it can be utilised as a zero-emission source of industrial heat and power and as a clean feedstock for industrial chemical processes that use hydrogen (such as fertiliser manufacturing, methanol production and refining).

Hydrogen is a key building block of our industrial chemicals such as ammonia NH3, which typically use natural gas (methane - CH4) or coal as their feedstock to create hydrogen.

Methanation is an exciting CO2-net-zero process that captures carbon and combines it with H2 (hydrogen) to produce a synthetic methane. Synthetic methane (CH4) is a green replacement for natural gas, and when combined with carbon capture can produce net zero emission synthetic fuels.

CO2 CAPTURE

The ocean absorbs nearly one-third of our carbon emissions — but at great cost to itself. Captura has designed a solution to enhance this natural cycle while safeguarding the ocean's health: removing excess CO2 from the upper ocean, so it can absorb more carbon from the air.

Our Direct Ocean Capture system runs with just two ingredients: seawater and renewable electricity. Using Captura's proprietary membrane and electrodialysis technology, it extracts CO2 directly from seawater to be permanently stored or reused. Once the carbon is removed, the ocean naturally draws down CO2 from the atmosphere to rebalance.

2 EXPANDING MARINE MANUFACTURING CLUSTER

The marine manufacturing sector is achieving above average growth rates underlining the comparative advantage Northland has in this sector.

The proposal for a floating dry dock and associated marine maintenance facility in Northland represents a significant opportunity for regional economic development. The development would not only serve as a vital infrastructure project but also as a catalyst for private investment.

This initiative aims to strengthen the naval resilience and support coastal shipping operations. The project has the potential to deliver ongoing, transformative benefits for both the local community and the wider national economy. The first notable frigate-building project in Whangārei was the Leander-class frigates in the 1960s and 1970s. These projects laid the groundwork for later frigate-building projects and cemented the region's shipbuilding capacity and expertise for New Zealand.

The expansion of Northport, New Zealand's northernmost deep-water port, is crucial for accommodating future freight needs in Northland and North Auckland. Current plans include adding a 270m berth and expanding the terminal to create a modern container facility. This enhances the port's capabilities, keeping pace with global shipping trends while promoting a seamless connection between rail, road, and sea freight through KiwiRail's proposed Marsden Point spur.

Renewing the inshore commercial fishing fleet seeks to develop a facility in Whangārei dedicated to building a new class of vessels designed for reduced carbon emissions, fuel consumption while creating high-paying jobs and training opportunities. The establishment of a new 115-berth marina in Whangārei is intended to expand marine industry capacity, attract tourism, promoting a vibrant marine-focused economy.

The further development of Marsden Point with a dry dock, port expansion and planned residential development as Whangārei's 'second urban centre'- combined with the well-established industrial capability of Whangārei's marine engineering cluster – is also a strong incentive to relocate part of the Royal New Zealand Navy's maintenance and training capabilities to free up land and resources out of Auckland.

The image on the following page summarises the projects that collectively make up the marine manufacturing cluster initiative and then a more detailed description of each project follows.

SHIPYARD AND FLOATING DRY DOCK

Investment in a floating dry dock and associated marine maintenance facility in Northland could unlock transformative regional economic development and a marine cluster. Northland has a unique opportunity to leverage its existing comparative advantages and established, scalable, marine sector.

A robust increase in regional GDP and significant job creation are anticipated, including:

- $290 million in gross value add by 2060.
- 1,130 additional FTE jobs by 2060.

These outcomes are expected to be driven by the floating dry dock and associated marine maintenance facility's potential to catalyse private investment, as well as the expected multiplier effects of economic activity at the Port and shipyard.

The floating dry dock and associated marine maintenance facility are pivotal, catalytic infrastructure projects. They have the potential to drive significant private sector investment, bolster regional economic development, underpin the resilience of coastal shipping and the blue economy, strengthen naval resilience, and deliver strong economic outcomes for NZ Inc.

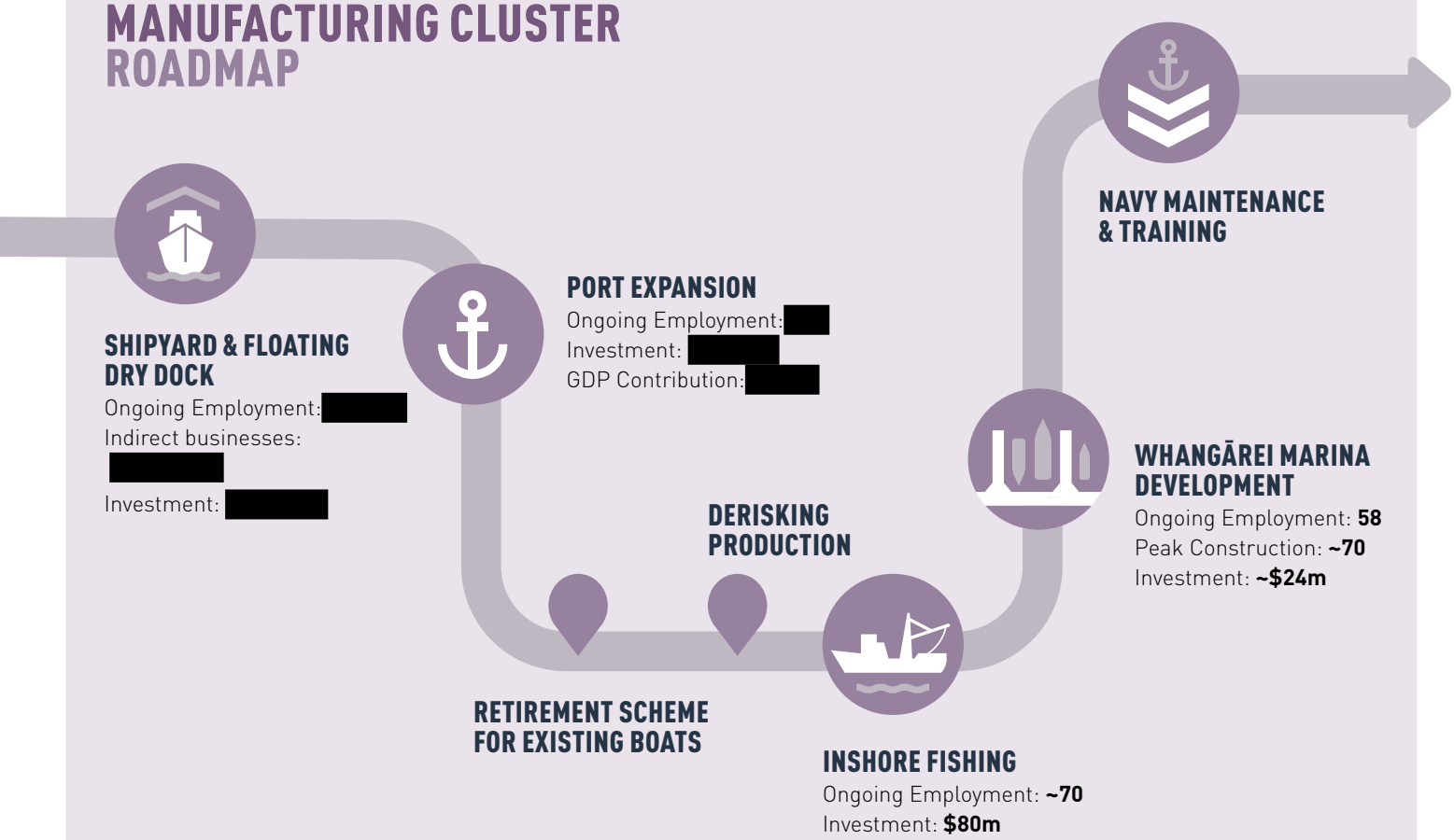
The floating dry dock and associated marine maintenance facility is a core piece of infrastructure that would deliver economic and resilience benefits to New Zealand.4 In addition, it has the potential to catalyse substantial private sector development and deliver strong economic outcomes for the Northland Region.

NORTHPORT EXPANSION

Northport is New Zealand's northernmost deep-water commercial port. They are the closest port to most international markets and located less than two hours from Auckland, New Zealand's main commercial hub. Their unique position combined with deep-water capabilities means they have a vital role to play in our national economy and global trade.

To meet the future freight needs and support both Northland and North Auckland's growth, it's clear that Northport must expand. As one of New Zealand's key ports, they must keep up with global shipping trends. That means being able to handle more freight, offer more diverse services and adapt to changing freight needs.

EXPANDING MARINE MANUFACTURING CLUSTER ROADMAP



HARD INFRASTRUCTURE

- Northland Corridor
- Housing

SOFT INFRASTRUCTURE

- Skills attraction
- Workforce development

ADDITIONAL BENEFIT(S)

- Private investment in and employment in marine manufacturing businesses (Whangārei & Opua)
- Development of nationally significant infrastructure
- Better supply chain connectivity

KAIPARA

Mangawhai & Kaiwaka:

- Housing development
- Sustainable employment opportunities

WHANGĀREI

- Housing development (Northern growth area, Waipu & One Tree Point)
- Employment and subcontracting opportunities (marine sector)

FAR NORTH

- Employment and subcontracting opportunities (marine sector)

Northport currently holds a consent that has provision for an additional 270m berth and c. 4.5ha reclamation and has lodged a consent application for its Eastern Terminal Expansion.

Covering approximately 13 hectares, the proposed eastern development will extend the existing port eastwards to accommodate a modern, efficient, container terminal capable of handling and storing expected increases in freight volumes. The expansion will also enable Northport to integrate the port with KiwiRail's proposed Marsden Point spur, seamlessly connecting rail, road and sea freight.

- Potential for 1,400 additional Northland jobs

Northport already contributes around $40M in direct GDP, and an estimated $440M in indirect economic value, every year.

INSHORE FISHING FLEET

Transformational change is required to renew the inshore commercial fishing fleet (which is very old, unsafe and carbon intensive) with a new class of vessel which is designed to provide a pathway to zero carbon in 15-20 years. The project will be delivered by three existing well established Northland engineering firms, who will form a joint venture to develop a purpose-built facility in Whangārei. The project is seeking a combination of government and private sector funding to establish a purpose built facility to get production-run cost efficiencies. Inshore Innovation is the catalyst for New Zealand becoming a regional leader in working boat construction, as America's Cup was for the white boat industry.

- Immediate carbon emissions reductions, with vessels that are designed to provide a pathway to zero carbon in 15-20 years, as technology matures.
- 10,800mt less CO2 emissions pa.
- 330,000lt less fuel burnt.
- Long term, high paying jobs and trades training across multiple disciplines.
- An achievable avenue for SME owner operators and Iwi to invest in new vessels.
- A transformational change to the inshore fishing sector: Fewer vessels catching the same volume of fish, creating higher paying jobs with less reliance on foreign crew. Increasing the value, export earnings and tax take, from the same catch volume. Reduced benthic impacts of fishing from reduced fleet size. Reduced protected species impacts from reduced fleet size. Improved health and safety outcomes. Built to adopt world leading innovation and technology.
- A transformational change to the capability and capacity in the marine engineering sector that links well with other marine based initiatives and opens the opportunity to undertake extensive non-fishing related contracts which are currently going offshore and for fishing related builds outside the target size range of this initiative.
- Enhances the reputation of New Zealand fisheries management.

WHANGĀREI MARINA

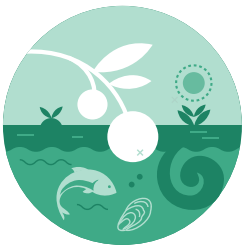
The investment in new infrastructure (specifically a new 115 berth marina) that will expand the marina capacity within the cluster and deliver wider economic and community benefits to the Whangārei District. The key outcomes of the project are:

- To expand the local marine industry's capacity, specifically, the berthing space available at Whangārei to support efforts in attracting international and domestic boats. To contribute to growth in the tourism sector, by attracting yacht crews along with their additional visitors, offshore family and friends.
- To contribute to a strong and vibrant community in Whangārei, growing the recreation opportunities on water and increasing land-based visitors to and around the marina.

NAVY MAINTENANCE AND TRAINING

The further development of Marsden Point with a dry dock, port expansion and planned residential development as Whangārei's 'second urban centre'- combined with the well-established industrial capability of Whangārei's marine engineering cluster – is a strong incentive to relocate part of the Royal New Zealand Navy's maintenance and training capabilities to free up land and resources out of Auckland.

3 ENHANCING PRIMARY SECTOR



Primary and associated manufacturing sectors account for 14% of GDP and 77% of exports, providing an important underlying level of economic activity that is vital for many businesses across the region supplying goods and services to this sector.

Northland is one of New Zealand's food baskets with a strong and innovative agriculture sector. The expanse of productive land and optimal growing conditions allows for new crops an alternative growing techniques/ pasture use to be tested, and brought to full production – enhancing New Zealand's international standing as a premium food producer. The waters around Northland are a hotbed for aquaculture with the growth of New Zealand's mussel fisheries [dependant on Northland produced spat]

The approach to supporting this sector is multi-faceted – the sector needs to continue to produce as efficiently as possible, it needs to diversify into new and different products, and it needs to find opportunities to process and value to those products before they leave the region. Immediate opportunities include:

- Land based aquaculture (Kingfish at Bream Bay) – expansion on site, new sites and exports
- Oyster and Mussel aquaculture – particularly in Te Hiku
- Food processing facilities and further development of the Ngawha Park
- Further expansion of water storage and supporting uptake of the existing reservoirs
- Continue to pilot and trial different opportunities that support optimal land use.

The strategic alignment with Māori development priorities and the overarching goal of enhancing regional capability significantly strengthens the interconnectedness of various opportunities across the primary sector. This collaboration supports local businesses and amplifies the potential for innovation within the sector. Combining investments in hard and soft infrastructure will ensure that collective efforts yield substantial long-term benefits. Leading to enhanced economic resilience, job creation, and cultural sustainability in the region.

The image on the following page summarises the projects that collectively make up the primary industry initiative and then a more detailed description of each project follows.

KINGFISH PRODUCTION

NIWA's research has shown that the market places farmed haku alongside the best Chinook salmon New Zealand has on offer. Rapid growth, efficient conversion of feed to fish and behaviour amenable to aquaculture conditions, excellent flesh quality for a range of product options (such as whole fillets, sushi and the highly valued sashimi) underscore the opportunity. While there is limited marine-based farming in Australia and land-based production in Europe, there is a scramble to expand production in North America to begin to satisfy the burgeoning demand for this fish. NIWA and New Zealand enjoys a distinct advantage in having an advanced broodstock programme founded on our abundant and genetically diverse wild stocks.

We have developed commercial-scale hatchery production technology for kingfish that will allow New Zealand to capitalise on this lucrative opportunity. Our hatchery at the Northland Aquaculture Centre (NAC) at Ruakākā, can consistently produce 500,000 kingfish fingerlings per year (readily scalable to one million), to provide surety for first commercial entrants. The hatchery is supplied with eggs from multiple production broodstocks, each on a discrete seasonal cycle to ensure a year-round supply of eggs. An ongoing elite, multi-generational brood programme provides for continuous genetic improvement of our stocks.

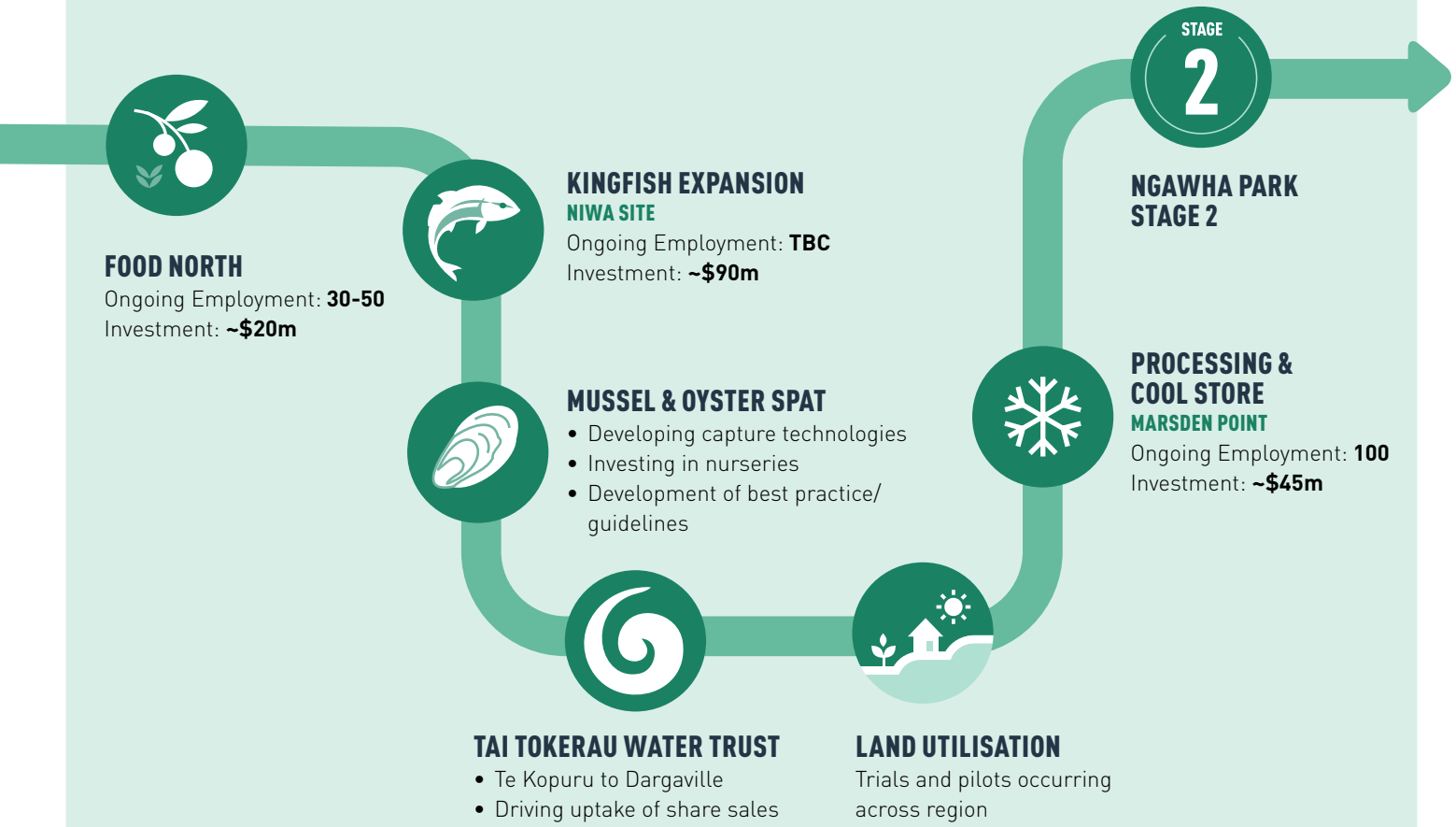
NIWA's research has found that kingfish are particularly well suited for farming in land-based recirculating aquaculture systems (RAS). They can reach the market size (three kilograms) within 12 months of spawning. Haku thrive in RAS; circular tanks suit their natural schooling and feeding behaviour. The systems for exchanging and refreshing the water are engineered to ensure a consistent, healthy rearing environment.

Our product testing and feedback from early market adopters show that the product has a remarkable shelf life and unquestionable quality. Our kingfish product received first place for the Best in Taste award in 2018 and was runner-up in 2019, as part of the Taste of Auckland festival.

NIWA, with our investment partner, Northland Regional Council, built our first commercial-scale RAS unit to produce up to 600 tonnes of haku per year. We see this module at our Northland Aquaculture Centre in Ruakākā as the first in a series which will be developed at NAC and beyond.

The project aims to produce 3,000 tonnes per annum and will involve an additional 75 full-time equivalent (FTE) positions. It is projected to generate a conservative farm gate price of NZ$19, requires NZ$90 million investment to construct and following careful analyses, the expected after-tax net profit is estimated to be between 6% and 7%, with a corresponding rate of return of 8% to 10%.

ENHANCING PRIMARY SECTOR ROADMAP



FOOD NORTH
Ongoing Employment: **30-50**
Investment: **~$20m**

KINGFISH EXPANSION
NIWA SITE
Ongoing Employment: **TBC**
Investment: **~$90m**

MUSSEL & OYSTER SPAT
- Developing capture technologies
- Investing in nurseries
- Development of best practice/ guidelines

TAI TOKERAU WATER TRUST
- Te Kopuru to Dargaville
- Driving uptake of share sales

LAND UTILISATION
Trials and pilots occurring across region

PROCESSING & COOL STORE
MARSDEN POINT
Ongoing Employment: **100**
Investment: **~$45m**

NGAWHA PARK STAGE 2

HARD INFRASTRUCTURE
- Roading
- Housing

SOFT INFRASTRUCTURE
- Central government and local government alignment

ADDITIONAL BENEFIT(S)
- Improving access to water (output/productivity)
- Exploring opportunities for diversification
- Investing in Value-Add opportunities

KAIPARA
Mangawhai & Kaiwaka:
- Housing development
- Sustainable employment opportunities

WHANGĀREI
- Housing development (Northern growth area, Waipu & One Tree Point)
- Employment and subcontracting opportunities

FAR NORTH
- Employment and subcontracting opportunities

FOOD NORTH

The Food North project seeks to build and operate an open-access, shared food manufacturing facility at Ngawha Innovation & Enterprise Park (the Park) to meet increasing regional demand for processing facilities in the region by growers, F&B, and bioactive ingredient manufacturers in Northland and beyond.

The facility will be built and fit out to food manufacturing standards enabling the production of food fit for human consumption. The project cost will include basic equipment to meet the regional processing need for juicing, cooking, freeze drying, extraction, milling and packaging/ bottling. Manufacturers can use the existing kit or bring their own if the type and scale of equipment is not held by Food North.

The facility will offer support for self-manufacturing by firms as well as some toll manufacturing on a pay per use basis. It is targeted at businesses that are seeking to add value to crop seconds through processing into higher value products and ingredients, and for those small but growing businesses that need to scale up to meet growing market demand but who are not yet processing full time. The total building area will be 1910 m^2 built on a 9488 m^2 site that allows for future expansion that would be provided by Far North Holdings Ltd. The land would be provided at no cost to the Food North operating company.

The project is a partnership between Far North Holdings Ltd (FNHL), Northland Inc (NInc) and NZ Food Innovation Auckland (The FoodBowl).

The independent cost benefit and economic impact assessment shows that Food North will generate benefits that significantly outweigh the costs. It has been assessed to have a benefit-cost ratio (BCR) of 1.12 and an overall net position of $10.3m (using a 5% discount rate over 20 years). A sensitivity analysis still has the project generating positive net benefits even in the worst-case scenario with a spread of $2m-$18m.

Combined economic impacts (of construction & operation of Food North over 20 years) are also positive across the range of scenarios. Food North is expected to deliver total GDP of $18.7m in the Far North District, $4.4m to the rest of Northland, and $28.2m to the rest of New Zealand.

A total of 693 job years'5 worth of work is expected to be generated over 20 years with 286 of these in the Far North District. A total of $7.7m will be returned to households in the form of income.

The total cost of the build is $20 million. This total cost component includes land, design, construction and fit out of the building and equipment, as well as initial working capital to cover the first three years of operation.

NGAWHA PARK STAGE 2

The Ngawha Innovation and Enterprise Park (the Park) is being developed on a 240-hectare rural site, just a few minutes outside of Kaikohe. The development of the base infrastructure was funded by Central Government through Kānoa - Regional Economic Development & Investment Unit. The Park is being developed by the council-owned company Far North Holdings Limited (FNHL), mana whenua Ngāti Rangi, and the local business community, with support from Northland Inc as the regional economic development agency for Northland.

Focusing on kaitiaki, employment opportunities, circular economies and regional capability development. The Park believes in mahi tahi, working together and in partnership with mana whenua, it aspires to create a more prosperous community. The four pou that the park is aspiring to are:

- High Value Manufacturing & Production
- Innovation and R&D
- Workforce Development & Support
- Circular Economy

NEW PRODUCTS / CROPS

There is a significant opportunity to increase adaptation and innovation in Northland's primary sector around land use choice through to commercialising new potential agribusiness opportunities. This will create more high-quality employment and a more prosperous primary sector from farm gate to domestic and international consumer. Independent research suggests the potential new employment opportunity for Northland is between 4,500 and 10,500 new jobs through value added manufacturing and new crops, (Coriolis, 2019).

In order to achieve this, it is critical to connect researchers and funders, identifying and supporting projects that will support the vision of sustainable, optimised land use, as well as the wider primary sector development initiatives for Northland. All of this is underpinned by the need for a quadruple bottom line focus on economic, social, cultural and environmental outcomes.

TE TAI TOKERAU WATER TRUST

Suitable land for horticultural development is increasing in value across the country and a consistent supply of water is the key to unlocking this potential. With access to water, landowners are able to consider more diverse and profitable land uses.

Reliable water means consistent production for existing growers and reduced risk for those looking to switch to a new, higher-value crop.

The intention is to supply sufficient water to irrigate approximately 4000ha of land in the Kaipara and 3000ha in the Mid North.

The flow on value from irrigation comes in the form of increased land values and options, greater employment opportunities as well as increased investment from the land-owner. A study of the potential economic impact of the proposed Mid North scheme could create up to 440 new jobs and lift the value of output in the by $178m. The Kaipara scheme could create up to 437 new jobs and lift the value of output in the region by $220m.

MĀORI LAND UTILISATION AND PRIMARY SECTOR OPPORTUNITIES

Whenua tupu (ancestral land) is at the heart of Māori identity and wellbeing, holding significant cultural, social, and economic value. For iwi and hapū, the whenua represents whakapapa, tūrangawaewae, and a tangible link to tūpuna (ancestors), embedding kaitiakitanga as a core responsibility to protect and enhance its value for future generations. Unlocking the potential of Māori land by transitioning from traditional uses such as forestry and livestock farming to more intensive and diverse land uses—like horticulture, high-value cropping, and aquaculture—presents a unique opportunity for growth. These land-based industries offer pathways to sustainable employment, better productivity, and improved land utilisation while ensuring the whenua remains a taonga tuku iho (treasured inheritance).

Optimising Māori land use aligns closely with regional development priorities, such as those highlighted in aquaculture expansions (mussel and oyster spat, kingfish farming) and land utilisation pilots already trialling alternative practices. Strategic investments in processing and cool-store infrastructure, combined with new opportunities in horticulture and high-value cropping, provide immediate economic benefits through employment and skills development. These sectors are labour-intensive, fostering meaningful employment opportunities that will encourage whānau to return to tribal lands, strengthening the foundations of hapū, marae, and local communities.

Advancing Māori land utilisation within the primary sector will deliver far-reaching outcomes. Increased incomes and employment opportunities directly contribute to lifting living standards for whānau and their tamariki mokopuna while addressing intergenerational aspirations for self-determination. Coupled with investment in hard infrastructure, like roading and housing, and soft infrastructure, such as workforce training and local government alignment, this approach enhances productivity, supports diversification, and safeguards cultural and environmental sustainability. By prioritising Māori-led land innovation, we unlock the economic and social potential of whenua tupu, ensuring enduring prosperity for Māori communities across Te Tai Tokerau.

This is a Maori leadership priority expressed by Iwi and hapu governance bodies within the region and articulated through Te Rerenga.

MUSSEL & OYSTER

The world's climate is changing, the global population is growing, and natural ecosystems are under increasing pressure. Consumers and regulators are increasingly demanding sustainability not just at the farm level, but across the value chain – from farm to plate.

Most of the world's wild capture fisheries are at or near capacity. Aquaculture is the proven way to increase sustainable seafood production within the earth's environmental limits.

Aquaculture is and will continue to be a value success story.

A strong innovation programme and co-investment between Government and industry have been key to New Zealand delivering premium, high value products to the world. There is still scope for being more productive, efficient and sustainable, and deriving greater value from what we grow. Examples include mussel and oyster spat survival, powders and extracts; high value nutrition; and premium kingfish. There are other opportunities on offer – such as through macro-algae farming to provide ecosystem services, and local production of sustainable feedstocks.

Support industry to transition to selective breeding and biome technology to improve value and resilience and support an industry-led spat strategy to safeguard from the impacts of climate change and provide for planned growth.

There is the potential to scale up oyster and mussel production in the region. Expanding oyster production by an additional 150ha alone would contribute around $14M to GDP and over 200 jobs. Mussel production could increase from current levels to over 4800tonnes by 2035 contributing over 20M to GDP.

The 5 iwi of Muriwhenua earlier this year made an application via the Fast Track Legislation to acquire marine farming space. This collaborative effort is an essential first step in creating a significant economic footprint within our collective mana moana. The final shape and form of the aquaculture space will be settled via the eventual statutory consent process. There has been a concerted effort to develop the workforce for our emerging marine farming enterprise. We have personnel employed with our partners. This is future proofing our work force for the foreseeable future.

As an example - Te Aupouri's Mussel investments have grown considerably in last two years - their collaboration with Westpac Mussels remains positive, and are trading strongly with Te Whakatohea's Open Ocean company. Te Aupouri are able to relocate spat from Te Oneroa a Tohe and grow it at Houhora Bay. After a period of 7 months, it reaches 30 - 40 ml size and is sold to Te Whakatohea growers, Opotiki. There is an acute shortage of both mussel spat and seed in the industry. The unpredictability of beach cast spat, and the high mortality rate means the final mussel production has suffered. Fortunately, their mussel spat production farm has not suffered these problems as they have far more demand than they can supply. Their growth potential is sizeable and likely to reach circa $3 million per annum from 45 lines.

PROCESSING AND COOL STORE

The New Zealand Avocado industry has transformed over the past five decades, shifting from a small, locally connected sector with numerous small orchards, packhouses, and exporters to a $250million industry. Future growth is projected at 6% annually. This expansion has attracted significant investment from commercial players, leading to a shift towards large-scale orchards. Consequently, the industry now places greater emphasis on cost-efficiency, profitability, and achieving economies of scale, driven by increased production capacity and international competition.

Traditionally, the epicenter of the avocado industry has been the Bay of Plenty, where most orchards span less than

4hectares, representing 85% of the industry. Nevertheless, a notable transformation is underway. Recent and future growth is concentrated in the north and west of Whangārei.

In this region, various stakeholders, including individual investors, Iwi, Pamu, and syndicates, are establishing orchards exceeding 100 hectares with high-density plantings. Furthermore, there is potential for an additional 1000 hectares of land suitable for avocado cultivation, signaling a total of approximately 4000 hectares in the pipeline.

We are poised to unlock untapped value in the North, with the burgeoning avocado oil industry and the potential of avocado by-products. A significant packhouse that can both process avocados for export markets and also produce avocado oil, targeted at both export markets and cosmetic and manufacturing firms. There will also be opportunities for avocado by-products and freeze dry-waste stream utilisation.

A really significant part of the operation is a third part logistics cold storage facility to support the avocado industry and also to support current demand in a wide range of food groups in Northland – including the potential for an adjacent kingfish processing facility.

4 VISITOR ECONOMY DEVELOPMENT

Tourism is an important export earner for the region and provides many employment opportunities.

The sector provides over 7000 jobs and representing nearly 9% of total jobs, and over 5% of regional GDP. This is higher than the national averages of less than 7% of jobs and only 3.5% GDP. The sector has been growing steadily since 2000 with strong growth of 33% in 2023, however growth has been lower than New Zealand averages and given Northland's natural assets this is an untapped opportunity.

Tourism expenditure in region has also been growing significantly post covid with the region retaining levels of domestic spending and slowing regaining international expenditure. However international expenditure in the region only represents 19% of total visitor spending compared to over 27% nationally.

For Northland to increase its share of international spending and grow export revenues there is a need to enhance the region's visitor offer and improve the productivity of the sector. This will need:

- Better quality visitor accommodation
- Enhanced visitor products and experiences
- Stronger regional identity and promotion

The image below summarises the projects that collectively make up the visitor economy initiative and then a more detailed description of each project follows.

VISITOR ECONOMY DEVELOPMENT ROADMAP

BETTER QUALITY VISITOR ACCOMMODATION

- Bay of Islands
- Whangārei
- Hokianga
- Mangawhai

CONNECTIVITY TO AUCKLAND

IMPLEMENTATION OF NORTHLAND WALKING & CYCLING STRATEGY

GREAT WALK: EASTERN BAY OF ISLANDS

Development of a great walk across Elliot's Farm and out to Cape Brett

REINVIGORATING NORTHLAND'S IDENTITY

HARD INFRASTRUCTURE

- Northland Corridor
- Regional air connectivity strategy

SOFT INFRASTRUCTURE

- Destination marketing activity
- Localised DMP development

ADDTIONAL BENEFIT(S)

- Improved connectivity (visitor and freight) into Central Auckland
- Private investment into accommodation offerings
- Opportunity for further tourism product development

BETTER QUALITY VISITOR ACCOMMODATION

Hotel developments in the region – including in the Hokianga and Bay Islands, with the later being associated with The Duke, represent a significant opportunity for enhancing the region's tourism appeal. The Duke offers a unique blend of luxury and authentic local experiences, attracting visitors with its stunning views and proximity to cultural and natural attractions. As a result, it not only serves as a high-quality accommodation option for tourists but also promotes local activities such as art galleries, hiking trails, and cultural tours. By positioning itself as a premium destination, The Duke seeks to contribute to the Bay of Islands international reputation as an appealing getaway, benefiting local businesses and communities through increased tourist expenditure and job creation.

In Whangārei hotel developments are focusing on tapping into the thriving business and tourism market by offering modern amenities and unique experiences that cater to a diverse range of visitors. In Whangārei, the hotels would be strategically located to access the vibrant town basin. Meanwhile, Mangawhai has experienced significant population growth and has a developing golf industry. These developments not only bolster the local economy by attracting more visitors but also foster collaboration among local businesses, promoting a vibrant tourism ecosystem that enhances overall regional growth and sustainability.

Overall, the development of quality hotel accommodation is a multifaceted strategy that not only enhances the visitor experience but also stimulates economic growth, creates jobs, and contributes to sustainable tourism practices. This alignment of interests effectively boosts productivity within the tourism sector and strengthens the overall economic landscape of the destination.

RE-INVIGORATING OUR IDENTITY

Re-positioning and/or re-invigorating Northland's regional identity involves strategically redefining how the region is perceived, both internally by its residents and externally by visitors and stakeholders.

Highlighting the unique heritage, traditions, and stories of Northland's Indigenous Māori culture can create a sense of pride and attract interest from tourists seeking authentic experiences.

Showcasing Northland's stunning landscapes, beaches, and natural attractions can promote tourism and outdoor activities. Marketing campaigns emphasizing eco-tourism can draw visitors who are interested in conservation and outdoor experiences.

By re-invigorating the region, Northland can attract new businesses and investments, focusing on industries such as tourism, marine repair and refit and the primary sector. This can lead to job creation and economic growth.

Collaborating with local businesses, organizations, and local and central government can create a unified approach to branding the region. Leveraging partnerships can lead to innovative ideas and shared resources for marketing efforts. re-positioning Northland's regional identity offers the opportunity to enrich the community's sense of pride, stimulate economic growth, and attract visitors while celebrating the region's unique characteristics. Engaging local stakeholders throughout the process is crucial for success, ensuring that the new identity resonates with both residents and visitors.

WALKING AND CYCLING STRATEGY

Walking and cycling is becoming an ever more important part of the transport mix. The region has developed a walking and cycling strategy which recognises several prominent issues and opportunities relating to walking and cycling in the region including:

- growing participation rates;
- the presence of three nationally significant journeys; a lack of connectivity between infrastructure;
- the importance of working together to develop and jointly fund new opportunities; and
- the need to unlock the economic impact that walking and cycling creates in a way that protects sensitive areas.

The strategy will assist in achieving the vision and responding to the issues and opportunities by delivering on four strategic focus areas.

1. Developing appealing and cohesive walking and cycling networks that connect Northland.
2. Growing walking and cycling participation and promoting Northland's coastal point of difference.
3. Improving community wellbeing including creating economic opportunities.
4. Ensuring walking and cycling infrastructure, and its use, is sustainable

The region presently contains several long distance cycle trails:

- The Pou Herenga Tai/Twin Coast Cycle Trail between Ōpua and Horeke
- The Far North Cycleway from Cape Reinga to the Hokianga Harbour
- Kauri Coast Cycleway between Rāwene and Dargaville
- Kaipara Missing Link from Dargaville to Poutō Point at the mouth of the Kaipara Harbour and then by boat to Helensville

Northland is the northern starting point of the Te Araroa Trail, a walking route which runs the entire length of the country from Cape Reinga to Bluff. There are a large number of other scenic walks managed by DOC of varying length and grades, as well as a series of short walks managed by district councils. DOC manages a total of 119 tracks in Northland, representing 11% of all DOC tracks in New Zealand.

Northland has a relatively small number of overnight or multi-day tracks, including the Cape Brett Track and the Te Paki Coastal Track. None of these tracks are currently designated as

a 'Great Walk'. Northland has a relatively high proportion of short walks (93 tracks, equivalent to 13% of the total).

A number of new projects are proposed as part of this regional strategy that will connect the region's regional routes into a cohesive network.

GREAT WALK

The "Ipipiri Nature Conservancy Trust" (the Trust) is working alongside key partners including the 3B2 Trust, local hapu, DOC, businesses, other not for profits and local community groups to establish what could potentially be a "Great Walk," which links the Cape Brett Walk, the Cape Brett Kauri Forest Walk, the Whangamumu Walk, the Elliot Bay/Farm Walk to the Russell Forest Walk.

The development of such a tourism product would create a world class tourism asset for the wider Bay of Islands area and provide a platform for the development of other commercial enterprises subsequently creating training and employment opportunities for locals. Overall it is the Trusts view that this development will sustain and enhance the local ecology and economy and allow for further investment in ecological activity in the Eastern Bay of Islands area.

Natural tourism opportunities such as this, which look to capitalise and add value to the unique natural amenity value of the region, have the potential to enhance the region's visitor offering and create opportunities for environmental improvement and economic development.

Strategically the development of this project complements the development of the Northland Byway Journeys, specifically the "Secret Coast Route," whereby it could become a key attraction on the route, helping to assist with visitor dispersal and promoting longer stays for visitors to the region. The development of the Northland Byway Journeys forms part of a wider Twin Coast Revitalisation Project which has been developed to encourage customers to visit new places, try new experiences and stay longer in Northland.

OCEAN FLYER

Ocean Flyer will start operating fully electric seagliders in New Zealand from mid-decade. Seagliders will be sustainable, fast, comfortable and affordable. The seaglider is a wing-in-ground-effect craft that operates a few meters off the water's surface and couples the high speed of an airplane with the low operating cost of a boat.

Seagliders make use of the 'wing-in-ground-effect (WIG)' and have been built to leverage existing port infrastructure. The seagliders begin their journey with the hull in the water, rising onto foils as the speed increases before eventually generating lift so that the seaglider begins to fly in-ground-effect at about 10m above the water.

The aerodynamic advantage of the "ground effect" includes significant operational efficiencies, increased payload capability, greater range and speed.

The Ocean Flyer concept of operations is to connect Northland daily to the main city centre of Auckland for passengers and parcel freight. The connection will offer Northland residents and businesses travel options that are not currently available by air, and which would otherwise involve lengthy and arduous road journeys that emit greenhouse gasses. Journey time from Northport to downtown Auckland is estimated to be 40 minutes duration and 8-10 passenger trips are envisaged to be available each day. The Ocean Flyer service schedule emphasises frequency and reliability and will be akin to a shuttle service during the day.

We believe that the better regional connectivity provides Tai Tokerau with an opportunity to improve the productivity of our key sectors, promote regional economic development opportunities and attract inward investment, which in turn will lead to greater prosperity and community wellbeing, through better access to services and facilities.

The Ocean Flyer base at Whangārei is expected to generate 40+ new, highly skilled and permanent jobs in the area between 2023 and 2025. Jobs will include people from maritime operations, route specialists, aviation and marine engineers, specialists in flight physics, electrical engineers, ship captains, meteorologists and propulsion engineers. Once operations commence these jobs will increase further within the Northland region, crossing 100 jobs as Whangārei is to be the primary base.

5 INFRASTRUCTURE TO MAKE IT HAPPEN

To support these four initiatives and achieve our vision we need to be ensuring the policy settings are enabling and we need to be delivering the infrastructure needed to create opportunities and support a resilient economy.

Developing and keeping our people is a fundamental building block of our approach – education and workforce development intrinsically linked with provision of housing opportunities. There are also number of key infrastructure projects that unlock the initiatives, and it will be important to link these with the spatial planning and future growth work of councils to ensure appropriate land is unlocked for development and housing. Particularly in areas around the Northern Growth corridor, Mangawhai, Kaiwaka and Dargaville.

Key infrastructure projects that will be essential to supporting the success of the initiatives mentioned previously in this section are:

- The Energy Bridge (electricity network upgrades)
- The Northland Corridor (NZTA Roading Investment)
- Rail to Marsden Point
- Enhancing Regional Airports (including completing an Airport Strategy)
- Local Waters Done Well
- Enabling Housing to Accommodate Growth
- Education and Workforce (including enabling the Knowledge Hub)
- Whangārei Hospital Improvements

Further detailed explanation of each of these projects are outlined in this section.

Security of core infrastructure is a key to Northland's future prosperity. Northland's topography and demographics – a long thin area with relatively scattered population – is a challenge to those looking to ensure provision of services across all infrastructure areas. Coordinating infrastructure planning, decision-making and investment is key. Taking a collaborative approach will provide a clear and comprehensive picture of the required investments and ensure a robust and sustainable planning, prioritisation and delivery process occurs. The region has committed to completing a Regional Infrastructure Strategy (funding is secured for this through Northland Inc).

ELECTRICITY NETWORK UPGRADES

The Energy Bridge is a game-changing set of infrastructure investments that can pave the way for an energy future where Northland benefits from its abundant natural resources – sun, wind, and geothermal energy. It would support the strong interest from generation developers and new commercial and industrial electricity consumers seeking renewable electricity sources to meet their decarbonisation goals and it is an evolution of our collective work in 2022 to consider a Renewable Energy Zone. The Energy Bridge would also take advantage of the significant network capacity already available on the national grid between Marsden and Auckland, providing the ability to export electricity southwards.

Northland has great solar and wind resources for renewable electricity. These types of generation can be developed quickly and cost effectively. However, both are intermittent and not always available when people want to use power, so an alternative supply is sometimes needed, such as that provided by Transpower from other generation sources to the south. Geothermal generation

is renewable, reliable and in general low cost, but its steady reliability means it can't adjust its output quickly to match the changes in electricity users' needs throughout each day. While the geothermal power plant at Ngāwhā can fully supply the Far North, it can't do that alone without being connected to the electricity transmission network to support these rapid increases and decreases in power use through the day.

- Increase capacity between Maungatapere and Dargaville – upgrade to 110kV
- Increase capacity between Kaikohe and Kaitaia by building an additional line
- Upgrade the low capacity 110 kV Henderson Maungatapere line
- Upgrade the low capacity 220 kV circuit from Huapai
- Regional special protection scheme (SPS)
- Far North Runback Scheme

ARATAKI NORTHLAND ROADING

In recent years, Northland has grown faster than any other region in the country, placing pressure on housing and infrastructure, including transport. Overall, the region's population is expected to grow from 200,000 to 231,000 by 2048. The key transport challenges now and in the future that the region will need to address are

Poor connectivity to Auckland and the rest of the country inhibits the region realising its economic potential. The region depends on connections to Auckland for economic growth in key industries, but these connections are limited and vulnerable to climate change disruptions.

High socio-economic deprivation outside the urban areas is worsened by transport disadvantage as many rural, dispersed communities, have limited access to essential services, hindering their development and wellbeing.

A hazardous environment making it expensive and difficult to look after existing infrastructure. Northland's isolated, rural location and unique geography make it prone to slips and flooding, challenging the resilience of the transport network and increasing maintenance costs.

The region has a disproportionately poor road safety record, largely caused by driver behaviour. The region has more than double its share of fatal crashes compared to the national population, with young rural drivers at the highest risk.

Fast growth in and around Whangārei puts pressure on its urban transport network. Low-density development and limited public transport have increased car dependency, straining the urban roading network

Key shifts over 30 years

Improve access to economic and social opportunities, particularly in the rural north and west of the region. People in remote and rural communities, such as Dargaville, Hokianga, and the Far North district, need better access to socio-economic opportunities, including access for Māori to culturally important locations. This access should be affordable and meet residents' needs. Collaboration across sectors like healthcare, telecommunications, technology, education, and community is essential.

Enable community-led solutions, particularly for road safety. The region has a high rate of Death and Serious Injuries (DSI), particularly among Māori, due to various socioeconomic and structural issues. Centralised efforts to improve driver behaviour have been ineffective. New approaches should empower local communities to lead in addressing driver behaviour, alongside ongoing safety infrastructure improvements and enforcement. Community-led solutions should also be promoted in shared mobility, climate adaptation, and emergency response.

Maintain networks in a way that adapts to a changing climate. Maintaining transport networks cost-effectively while keeping vital links open will become more challenging due to climate change, heavy traffic and community expectation. Proactive planning and new approaches are needed to manage these impacts. Involving mana whenua in decision-making will also improve local responses to severe weather, support the economy, and create innovative funding solutions.

Enable successful development and growth in Whangārei and growing coastal/rural communities. Projected growth in Whangārei, Mangawhai, and Ruakākā requires the transport system to support housing and employment growth by providing necessary infrastructure and services. This ensures people can access key facilities and employment centres. Affordable, safe, and reliable travel options are crucial for residents to access critical services and manage traffic increases from population and employment growth.

Develop multiple reliable and resilient connections to Auckland and the rest of New Zealand. Frequent road closures from extreme weather events have highlighted the importance of reliable and resilient connections to Auckland and the rest of New Zealand for Northland's success. Enhancing these connections is crucial for access to goods and services, supporting the economy through safe freight movement, and facilitating travel for residents and visitors.

Increase the positive contribution the transport system makes to Māori outcomes. Regional Māori leaders emphasize that inadequate transport infrastructure hinders the potential of tangata whenua. They advocate for addressing these challenges to unlock opportunities. The holistic, values-led approach of Te Ao Māori, combined with deep environmental knowledge, economic contributions, growing population, and extensive relationships, offers a strong opportunity to tackle the region's transport challenges effectively.

Transformational change to the strategic State highway and rail network

SH1 Kawakawa to Kaitaia: Confirm a cost-effective a long-term solution to current vulnerabilities to slips. Investigate potential alternative routes to existing connection. North Auckland Line (rail).

Auckland to Marsden Point: planning exercise is needed to confirm programme of investments over time and implementation pathway for capacity and resilience improvements on the Oakleigh to Swanson section.

SH1 Whangārei to Auckland Corridor: Safety improvements between Whangārei and Port Marsden and an alternative route to the Brynderwyn Hills.

The Northland Corridor is made up of 4 Roads of National Significance (RoNS). Connecting to Ara Tūhono - Pūhoi to Warkworth in the south, we'll design and construct the corridor from south to north in 3 sections: Warkworth to Te Hana, Te Hana to Port Marsden Highway and Port Marsden Highway to Whangārei.

Stretching from Warkworth to Whangārei, the road will address the critical resilience and safety issues facing the current road. Northland has one of the worst safety records in the country and SH1 over the Brynderwyn Hills was closed in both directions last year for 36 days and closed southbound only for 37 days – totalling 73 days.

The new road will unlock economic growth and productivity by moving people and freight efficiently, quickly, and safely across the region, support housing development and provide more resilience during extreme weather events.

Ara Tūhono - Warkworth to Te Hana is designated and consented with property purchases underway and we're planning to commence construction of this section by the end of 2026. We're also assessing previous work North of Te Hana to determine the best route to take forward.

The Government has agreed in principle to an accelerated delivery strategy and we're considering a wide range of funding, financing, and delivery tools to deliver this project quickly and cost effectively.

RAIL TO MARSDEN POINT

A rail connection that meets the needs of existing and future users will enable improved economic integration between Auckland and Northland, in the same way highway and rail investments have better integrated our largest economic centre with the Waikato and the Bay of Plenty. While rail will only be able to service some freight types, the recent opening of the NAL and then investment in the Marsden Link signals to the private sector that Northport and the Marsden Point area have the potential to accommodate large-scale industrial and freight logistics activities that suit rail.

Significantly improved land transport connectivity could, when delivered alongside a range of other outcomes, deliver enhanced economic growth for the region. To illustrate this point, if Whāngārei economic growth accelerated to match that achieved by Hamilton in 2018 (0.4% higher job growth than Whāngārei in 2018), or potentially even Tauranga (1.8% higher job growth in 2018), this could see Whāngārei employment grow by an additional 2,000 jobs to as much as 9,400 jobs over 12 years. This assessment has not been included in the benefit cost ratio.

A rail connection, as part of ongoing improvements to land transport connectivity more generally, would help position Northland more completely in the upper North Island growth triangle. The key 'push' factor for this potential movement of freight and industrial activity to Northland is the ongoing growth of Auckland.

Over the last ten years Auckland's population has grown faster than previously forecast and is now

expected to grow to 2.4 million people by 2043, with around half this future population living north of the Waitematā Harbour. This growth is placing constraints on the transport system within the city and the land available for industrial and freight activities.

The critical 'pull' factors that would attract commercial interest are, once connected by rail, the available industrial land and proximity of the Marsden Point area to Auckland. This will be complemented by the 'push' factors within Auckland as land area and road space become more contested, increasing the cost of doing business for some high volume industrial and freight logistics activities.

A rail connection linking Auckland and the Marsden Point area will provide private sector decision-makers the level of service certainty they require to consider locating their operations there, where rail suits their requirements. Such a response from the private sector will create significant employment uplift for the Marsden Point-Ruakākā area. While some of this employment will be displaced from Auckland, much of it will be focused around new industries taking advantage of the new transport connection and the ongoing growth in Auckland.

LOCAL WATERS DONE WELL

Government sources estimate that between $120 and $185 billion dollars of investment in three waters (drinking water, waste water and storm water) infrastructure will be needed over the next 30 years to improve the quality of our drinking water and wastewater and stormwater management, across New Zealand.

Reforming our water management will enable us to:

- Meet health, environmental and cultural needs
- Adapt to climate change and build resilience to natural hazards
- Respond to growth, housing and urban development
- Maintain and upgrade ageing infrastructure
- Operate within a constrained budget and workforce.

Councils support the coalition Governments intentions that will see water services remain under local government control. This recognises the importance of local decision-making, and flexibility for communities and councils to determine how their water services will be delivered in the future. The policy will also ensure a strong emphasis on meeting economic, environmental and water-quality regulatory requirements.

All councils are required to complete a Water Services Delivery Plan, which must be submitted to Government by September 2025. These plans must provide a long-term assessment of our water infrastructure, how much we need to invest, and how we plan to finance and deliver it through our preferred water service delivery model.

We must show we can deliver water services that meet regulatory requirements, support growth and urban development, and are financially sustainable.

Councils are currently investigating options for water services delivery, including retaining an in-house business unit, or creating a single council-owned water organisation, or a multi-owned water organisation with our Northland neighbours.

ENABLING HOUSING PROJECTS

Many Northlanders struggle to find suitable accommodation. The shortfall in housing supply is well known and reflected in high housing costs (especially for rentals) making housing affordability worse than the national average. Data from the 2023 Census shows that more Northlanders are living in crowded conditions (one of top four regions after Gisborne, Auckland and Hawkes Bay). There is the likelihood that such housing is cold, mouldy and damp.

We know that the lack of warm dry housing is associated with respiratory health conditions, and repeated hospital admissions. Housing unaffordability leads to short tenures of tenancy which have a flow-on impact to school attendance, school achievement and access to healthcare.

A regional deal for Taitokerau that encompasses house building would ease the financial burden on government from poor housing and contribute to Government Targets in health (Target 1) and education (Targets 6&7). Additionally, it would complement the activity of Community Housing Providers as they scale up to provide social housing in the region.

Quantify the Problem: Recent statistics indicate a significant shortfall in the number of homes required to meet demand, with Northland being one of the regions experiencing more acute challenges. Understanding the extent of this problem necessitates detailed data analysis, including population growth trends, housing stock availability, and the socio-economic status of different communities. Addressing the

housing challenge requires quantifiable metrics to inform targeted interventions.

Partly a Societal Problem: One aspect of the housing crisis stems from a societal issue where a significant portion of the older generation remains in larger family homes, often delaying downsizing to smaller dwellings or retirement villages. This situation is compounded by the presence of many large holiday homes. Owners of these properties may underutilize them or leave them vacant for extended periods, which contributes to the overall housing scarcity. Facilitating a better transition for older homeowners, possibly through incentives or support services, could help release more family-sized homes back into the market for younger families. However, the first step is to quantify the size and scale of this aspect.

Eliminate Unproductive Time: The process of building and developing housing often involves inefficiencies that lead to significant unproductive time. Delays can stem from the approval processes for new builds, waiting for consents, or prolonged negotiations with local councils. Streamlining these processes can accelerate the availability of new housing stock. Implementing technology solutions and improving coordination among involved stakeholders could lead to a reduction in the time and effort required to bring new housing developments to fruition.

Circulate Materials within Region: Housing projects can benefit from increased collaboration within regions to facilitate access to resources and best practices. Circulating materials, knowledge, and support can foster innovation in housing solutions, including modular construction methods or sustainable practices that can minimize waste and reduce costs. By creating networks among builders, suppliers, and local authorities, regions can leverage existing resources more effectively to address housing needs.

Continue to Streamline Building Consent Process: The building consent process is often viewed as a bottleneck in housing development. Continuously reviewing and enhancing this process can lead to faster approvals for new builds. Streamlining could involve adopting more standardized procedures, use of technology and remote inspections, increasing transparency in the decision-making process, and providing clearer guidelines for compliance. By making the consent process more efficient, New Zealand can potentially reduce barriers to housing development, leading to an increase in the supply of homes.

Overall, tackling the housing challenge in New Zealand requires a multifaceted approach that includes societal, regulatory, and economic considerations. By addressing these critical areas thoughtfully, there is potential for meaningful progress in alleviating the housing crisis.

EDUCATION AND WORKFORCE

Matching education needs with population growth is an important part of the education strategy.

Knowledge, Education and Arts (KEA) Hub

The region is seeking to address the issue of employment for school leavers & unemployed and matching them with relevant employment in the region. 60% of Northland school leavers do not pursue education beyond secondary school. The region has the highest percentage of (especially) young people not in education, employment or training in New Zealand. Geographical spread and lack of transport are major barriers. By partnering to enable a Knowledge Hub for multi-provider tertiary training with student accommodation, a regional hub and spoke system linked with a better alignment of education courses to be delivered with employers needs we wish to solve this issue. The current Northtech land at Raumanga could be repurposed for residential housing and the funds from the land could be used as a mechanism to enable the Knowledge Hub.
The education content & delivery could be better aligned with regional employer needs – which will need a joint Government/Regional approach.

The KEA Hub will bring together education, job training and creative activities all in one place. It's a project designed to give people the tools they need to succeed without leaving the region. Centred on Forum North in Whangārei, the KEA Hub will be a collaboration between education providers, local businesses and the community. It's designed to support skills development, technical training and professional growth while also including student accommodation and plans for a state-of-the-art medical training facility.

The planned hub will be based around the former Whangārei District Council (WDC) Forum North headquarters, which has been in only partial use since the council vacated the building for its new civic facility in 2023. Key partners include the University of Auckland and Te Pūkenga.

The new facility would see between 2000 and 3000 students enrolled at any one time at the KEA hub in Whangārei - and its outlying Kaitāia, Kerikeri, Ngāwha and Dargaville campuses.

This potentially includes all of Te Pūkenga's Raumanga Campus and some of the University of Auckland's faculty of medical and health sciences' medical, nursing, pharmacy and optometry study , Whangārei hospital's clinical campus and includes working with GP clinics along with the university's teacher training offerings.

Example of the spokes include the current pressure for public secondary school in Mangawhai due to the population growth experienced in this area and the same is likely to occur in other towns that experience similar growth levels.

Employment

MSD is responsible for the Government Target (Target 5) to reduce the number of people on Jobseeker Support benefit by 50,000 by 2029. While there are measures in place to support Jobseekers into employment the weakness in the regional economy is having an impact on the availability of jobs.
We see there is opportunity via a well-reasoned regional deal to create new jobs and lift capability in the region, particularly in areas of strength (energy, maritime manufacture, value add primary sector (and related) development; tourism/ destination management).

Local procurement

Central and local government can work together around ensuring that an agreed percentage of businesses who successfully receive contracts are local businesses, and that an agreed percentage of the workforce required for local infrastructure and related projects is sourced locally. This approach worked effectively with local government in response to COVID-19 (and Cyclone Gabrielle) and is proven to lift capability in the region (e.g. health and safety in the workplace).

Employing locally lifts economic productivity in the region and is a key driver in shifting the dial on social wellbeing: – helps kaimahi to put kai on the tēpu, to afford to get children to school, to afford rent, save money for a deposit on a first house. We know that the ability to generate wealth through employment – when sustained over time – can create valuable intergenerational assets for our whanau.

At a project level, employing locally reduces the labour costs associated with having to recruit and maintain a workforce from outside of the region. Employing locally also places less of a strain on the available housing stock.

Workforce mapping

The far-sighted nature of Regional Deals would allow for long-term workforce mapping.

With sufficient, early-as-possible detail, agencies can match the skills needed to workforce demand and supply: - identifying gaps where they exist, and creating training pathways with industry (e.g. through Industry Partnerships) and tertiary education partner NorthTec| Te Pukenga, to plug those gaps.

Training

Through ongoing dialogue with NorthTec | Te Pukenga, we know there is a substantial appetite in the region for the development of micro-credential qualifications.

The benefits of micro-credentialling are three-fold: providing employers hands-on talent development in the workplace; allowing akonga to learn as they earn (a 'must-have' in a region that suffers relatively high deprivation); creating stepping stones to a sustainable income (e.g. Amazon $80k p.a.) where personal incomes average ~$33,000 p.a.

WHANGĀREI HOSPITAL- PIHI KAHA

Whangārei Hospital is the largest in Northland and provides several secondary health services for the whole Northland population. The other district hospitals in Dargaville, Bay of Islands and Kaitaia mainly serve their local areas. With demand for services at Whangārei Hospital growing rapidly, new facilities are required to meet the health needs of communities in Te Tai Tokerau.

Planning is underway on the first stage of work to create an acute services building that will meet Northland's unique health needs by increasing service capacity while creating modern, fit-for-purpose facilities that provide equitable health care for its population. This acute services building will be constructed on the existing hospital grounds and named Pūkauakaua in homage to the Pā site it rests on.

Larger clinic areas and additional spaces for support services will enable the smooth running of operations, which will be complemented by new digital technologies to streamline services, support pandemic readiness and equip staff with the tools they need to continue to provide excellent care to Northland communities.

As part of the enabling works, some existing buildings will need to be moved from the building site, allowing for a new Whānau House to support the communities further. In addition, a new Child Health Centre will be constructed adjacent to the Te Kotuku maternity building creating a mother, child and baby health hub.

With improved staff and public zones and culturally inclusive spaces that align with a Māori worldview, the new hospital will create a more welcoming and calming atmosphere for patients and visiting whānau.

Project Pihi Kaha is expected to take eight years to complete, providing broader economic benefits for Te Tai Tokerau. A recent assessment found that it would add an estimated $233m to regional GDP and over 2,700 full-time equivalent jobs.

GOLDEN BAY CEMENT

Golden Bay (GB) have built an enviable reputation as New Zealand's reliable manufacturer and distributor of cement products – leading the industry in New Zealand for over 100 years and proud to continue to develop sustainable binder solutions for the construction industry. The GP cement, EcoSure, already has 27% less CO2e than the ISC 2020 baseline, and they are continuing to lead the way in decarbonisation for a sustainable future.

GB are committed to reducing their carbon footprint by 30% by 2030 and are already well on the path to exceed this target. By reducing their dependence on fossil fuel and replacing coal with waste tyres and construction wood waste combined with their effort of reformulating their product has allowed GB to offer today NZ's lowest carbon GP cement and at a scale that would allow them to get 80%+ substitution rate for coal.

GB's cement manufacturing plant continues to be a centre of engineering innovation and manufacturing excellence where they bring significant economic, employment and business contributions to the wider Whangārei district. The GB plant also provides a stable engineering and industry base for other firms to grow from in a region that desperately needs economic activity.

GB provides employment for 210 staff and makes a strong effort to employ locally to help the Northland region where they contribute 9% of Whangārei District's GDP. GB supplies over 50% of the cement consumed in New Zealand. This provides supply chain resilience and significant benefit to New Zealand in a time of global supply chain disruptions, and when a major infrastructure and development pipeline is being built by the new Government.

GB has invested more than $200 million since 2004 in decarbonisation projects and have reduced thei coal consumption by 50%. The outcome of this investment is a 14% reduction in overall emissions. GB are among the lowest-emissions clinker producers in the world.

The future investment plan entails investing a further >$300 million – from their our own balance sheet – to meet their 30% reduction target by 2030. This includes 100% coal substitution, installing onsite renewable energy generation, and increasing efficiency through integrating waste streams into raw materials.

The new industrial allocation settings in the Climate Change Response (Late Payment Penalties and Industrial Allocation) Amendment Act put this investment – and ongoing cement manufacturing in New Zealand – at risk. It makes no sense to shut down New Zealand industrial firms that are globally efficient and instead import higher-emission products which drive global emissions upwards.

Golden Bay Cement is looking for the Government to commit a solution to address carbon emissions leakage and ensuring long term domestic manufacture with the introduction of a Carbon Border Adjustment Mechanism ('CBAM'). A CBAM is an adjustment of the price of a product (via the NZ ETS) entering New Zealand to account for its embedded carbon emissions to ensure parity with the domestic cost of carbon

Rail enhancements for Northland, in particular the reestablishment of a dedicated connection back into our Portland Plant are factors in our long-term planning as look to reduce trucking numbers on our roads for raw material and thermal fuels. With a fleet of 750+ ISOPods as well as ~100kt of waste diversion form landfill to be co-processed as an alternate fuel (forecast to potentially grow to >200kt), the use of rail is strategically important to Golden Bay and will plat an essential role in our future growth and decarbonisation plans.

6 ECONOMIC IMPACT ANALYSIS

The economic impact analysis uses various multipliers derived from an inter-industry input-output table to determine the effects of an increase in output in one industry on a number of economic variables. In the case of this proposal, the focus is on the impact on value-added (GDP), employment and exports.

NORTHLAND INPUT-OUTPUT TABLE

An inter-industry regional input-output table and associated multipliers for Northland and its three districts has been developed by Market Economics. The regional input-output table is based on Statistics NZ national accounts input-output tables for the year ended March 2020, and is prepared covers 109 industries - providing national average expenditure patterns of businesses within a range of industries, and the employment and output make up of businesses that supply those inputs within the region. These tables are then used to calculate the effects of increases in output from each of the individual sectors where goods and services are purchased.

DIRECT, INDIRECT AND INDUCED EFFECTS

The underlying logic of multiplier analysis is relatively straightforward. An initial expenditure (**direct effect**) in an industry creates flows of expenditures that are magnified, or "multiplied", as they move through into the wider economy. This occurs in two ways:

1. The **indirect effect** – captures the production linkages. It occurs because the industry directly affected by the initial spending needs to purchase additional materials and services from its supplier firms, who in turn make further purchases from their suppliers. The indirect or Type 1 multiplier attempts to capture all these transactions in a single "multiple". Note that indirect effects only include "upstream" effects (via buying more inputs), but do not include any stimulated development downstream, such as further processing.
2. The **induced effect** – captures the consumption linkages resulting from an increase in wages and salaries. Persons employed in the direct development and in firms supplying products and services earn income (mostly from wages and salaries, but also from profits) which, after tax is deducted, is then spent on consumption. As people earn more money for the additional work they do, they spend more. The induced multiplier is usually added to the indirect multiplier to produce a Type II multiplier which measures the total economic effect of additional spending.

Hence, for any amount spent in an area (direct effect), the actual output generated from that spend is greater once the flow on activity generated (indirect and induced) is taken into account. The sum of the direct, indirect and induced effects on the region is the total effect attributable to the initial increase in expenditure.

METHODOLOGY

In the case of the impact analysis carried out in this proposal, for each of the projects identified in each of the four themes, the initial direct effects (output, value added and/or employment) were obtained from the respective business cases and analysis available. Where these were not available, assumptions of the direct effects were made based on understanding of the regional industry and the aspirations of the project.

Each of the projects was allocated to one of the 109 industries contained within the regional input-output table. The input-output tables were also used to estimate the relationship between value-added (GDP) and the value of output, and the level of employment and the value of output.

Multipliers were then used to estimate the indirect and induced impacts of these direct values on value-added (GDP) and employment. The multipliers allowed the analysis to distinguish between the regional (Northland) impacts and rest of New Zealand impacts. Generally, the more developed, or self-sufficient, an industry in a region is, the higher the regional multiplier effects. Conversely, the more reliant an industry is on supply inputs from outside the region, the lower the regional multipliers.

In the case of exports, the value of exports to the value of output ratio calculated from the input-output table was used as the basis for estimating the additional exports that are associated with the increased in direct output, i.e. it was not subject to a multiplier calculation.

ASSUMPTIONS AND LIMITATIONS OF MULTIPLIERS

Partial equilibrium analysis

Multiplier analysis is only a "partial equilibrium" analysis, assessing the direct and indirect effects of the development being considered, without analysing the effects of the resources used on the wider national and regional economy.

In particular, it assumes that the supply of capital, productive inputs and labour can expand to meet the additional demand called forth by the initial injection and the flow on multiplier effects, without leading to resource constraints in other industries. These constraints would lead to price rises and

resulting changes in overall patterns of production between industries. The larger the event and the more concentrated it is in a single industry or region, the more likely it is that the multipliers would give an inaccurate analysis of impacts.

To assess inter-industry impacts in full would require economic modeling within a "general equilibrium" framework. Applying such models becomes more relevant where the particular development is considered significant within the overall economy.

Homogeneity

This states that each industry in an input-output table produces only one output. Implicit in this assumption is the notions that all businesses that constitute an industry use the same input mix of goods, services, labour and capital in production of this one output.

Aggregation

Industries outlined in input-output tables are aggregates of smaller sub-industries. Each sub-industry has unique inputs and outputs. The higher the level of aggregation the less accurate these inputs and outputs become. Thus, if determining the multiplier effect of a very specific event using highly aggregated data, there will be a lower level of accuracy. Similarly, if an event encompasses a range of industries, yet multipliers from a single industry are applied, then the level of accuracy diminishes.

Fixed coefficients of production

It is assumed that inputs are required in fixed proportions to outputs in each industry, i.e. the ratio of inputs to outputs remains constant at all production levels. Inherently this assumes that these are constant returns to scale in production and the elasticity of substitution between inputs is zero. This means that there are no external economies (or diseconomies) of scale).

APPENDIX B

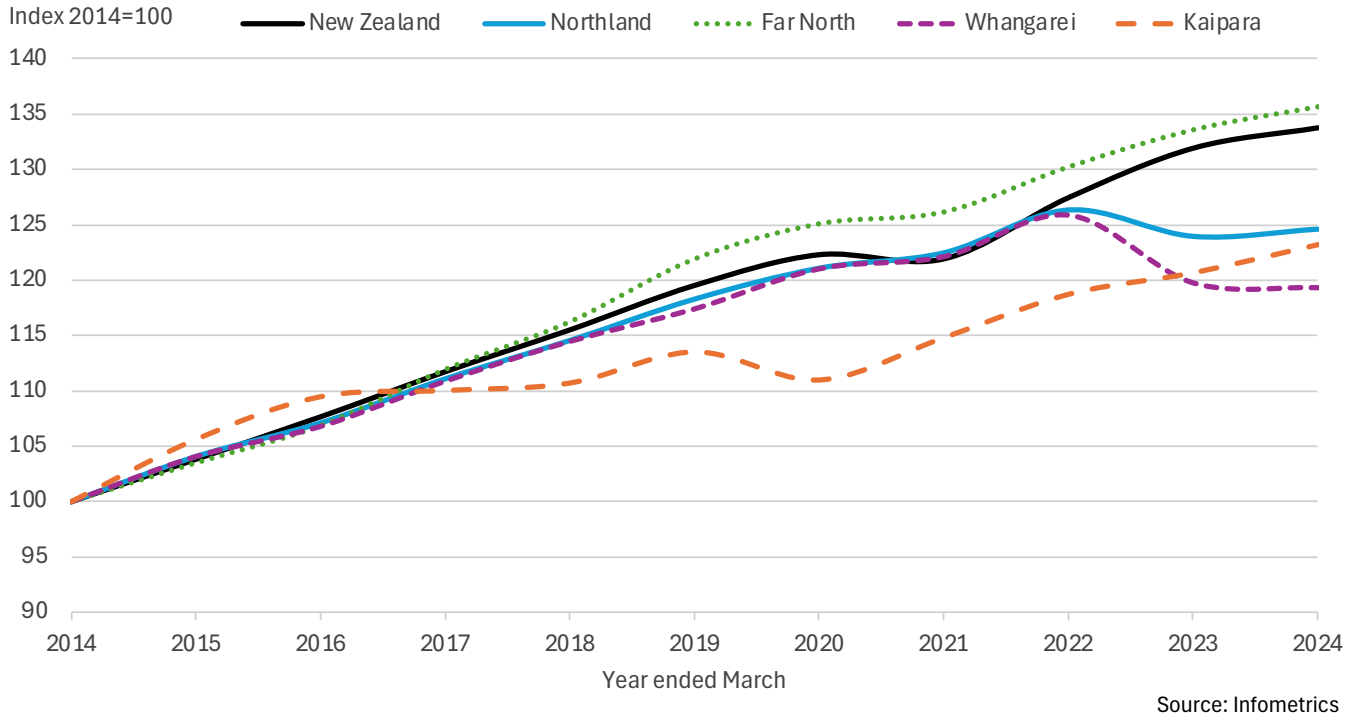
Material for section 3. What drives growth in your region?

Further comment on Northland economic growth

Seven additional figures are provided to support the discussion in section 3 about what economic growth in Northland. Figures A3.1 to A3.4 show the growth in GDP, export values, filled jobs and Jobseeker Support recipients for New Zealand, Northland and the three districts Far North, Kaipara and Whangārei over the ten-year period 2014-2024. Some the conclusions are noted below.

- Economic activity in Northland, as measured by GDP, shows a very similar trend to the New Zealand total for most of the ten-year period (Figure A3.1). The main divergence came in 2023 when the value of economic activity in the region dropped considerably due to the cessation of petroleum refining operations at Marsden Point. This had a considerable impact on the Whangārei district economy which had been growing at a similar rate to the national economy during the past decade until that point. While economic activity in the Far North district increased relatively slower during the first half of the decade, it has grown much faster since 2018. The Kaipara district has also experienced a substantial lift in economic activity over the past four years.
- The value of exports varies much more both over time and between areas (Figure A3.2). This reflects, among other things, fluctuations in commodity prices and the product composition of exports. For example, the strong growth in Far North exports during the mid-to-late 2010s is mainly due to the growth in international visitors to the district. Unfortunately, the COVID-19 pandemic resulted in almost the total loss of international visitors, with foreign tourists only now reaching pre-COVID levels. Despite this, the growth in exports earnings from the region follows very closely the New Zealand trend. The drop in exports in 2023 is again due to the closure of refining operations, i.e. no longer produce jet fuel purchased by international airlines departing Auckland. Exports from Kaipara and the Far North are underpinned by a more dominant primary sector.
- The growth in filled jobs in Northland has been much faster than for New Zealand since the mid-2010s (Figure A3.3). This is also the case for the Far North and Whangārei districts. The increase in filled jobs has risen slower in Kaipara, but as for economic activity, growth has been more rapid in recent years.
- Changes in the number of Jobseeker Support[1] recipients in Northland follows a similar trend to the New Zealand total over the past ten years (Figure A3.4), i.e. relatively steady during the first five years before increasing rapidly during the COVID-19 crisis in 2020 and 2021, before dropping away in 2022 and 2023, and then rising again in 2024. However, there are some district level differences. For example, during the 2014-19 period, the number of Jobseeker Support recipients fell in Whangārei and Kaipara but rose in the Far North. Moreover, the number of Jobseeker Support recipients in the Far North and Kaipara in 2024 is greater than the 2021 peak but is lower than this in Whangārei.

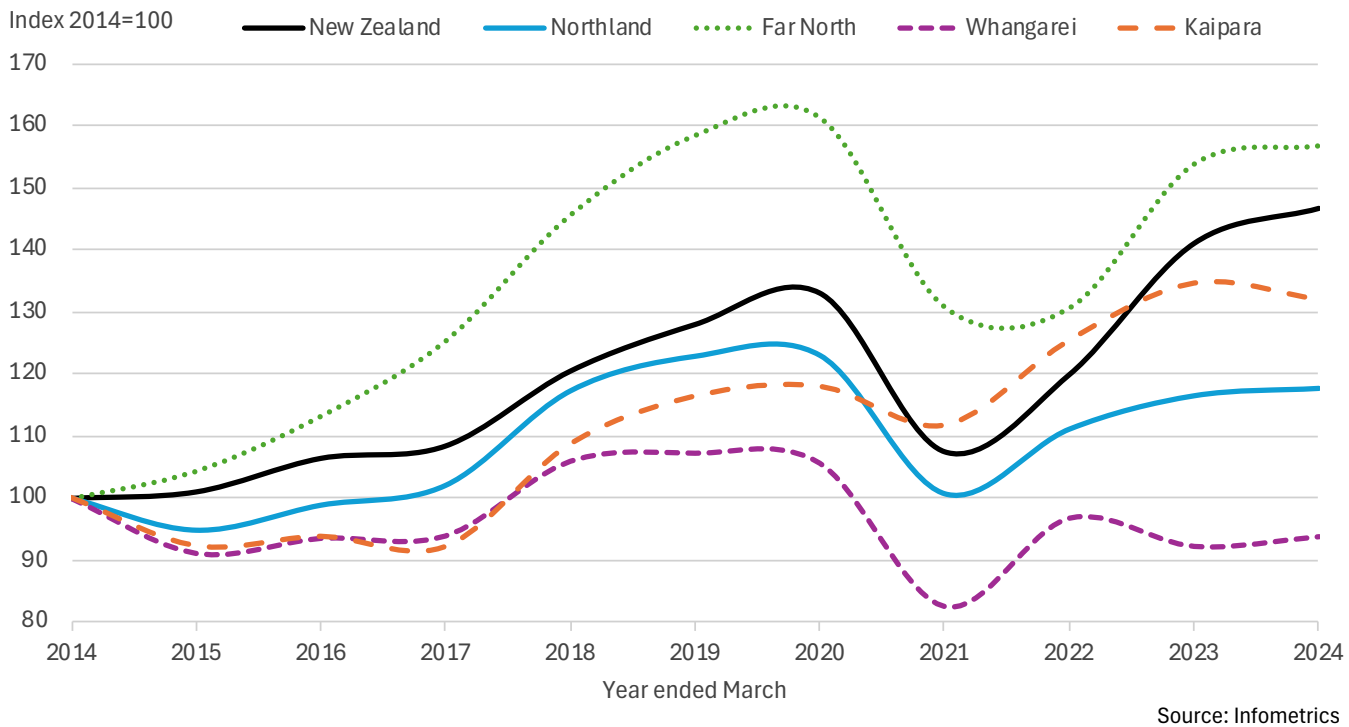
Figure A3.1. Growth in GDP for New Zealand, Northland and districts, 2014-2024



Source: Infometrics

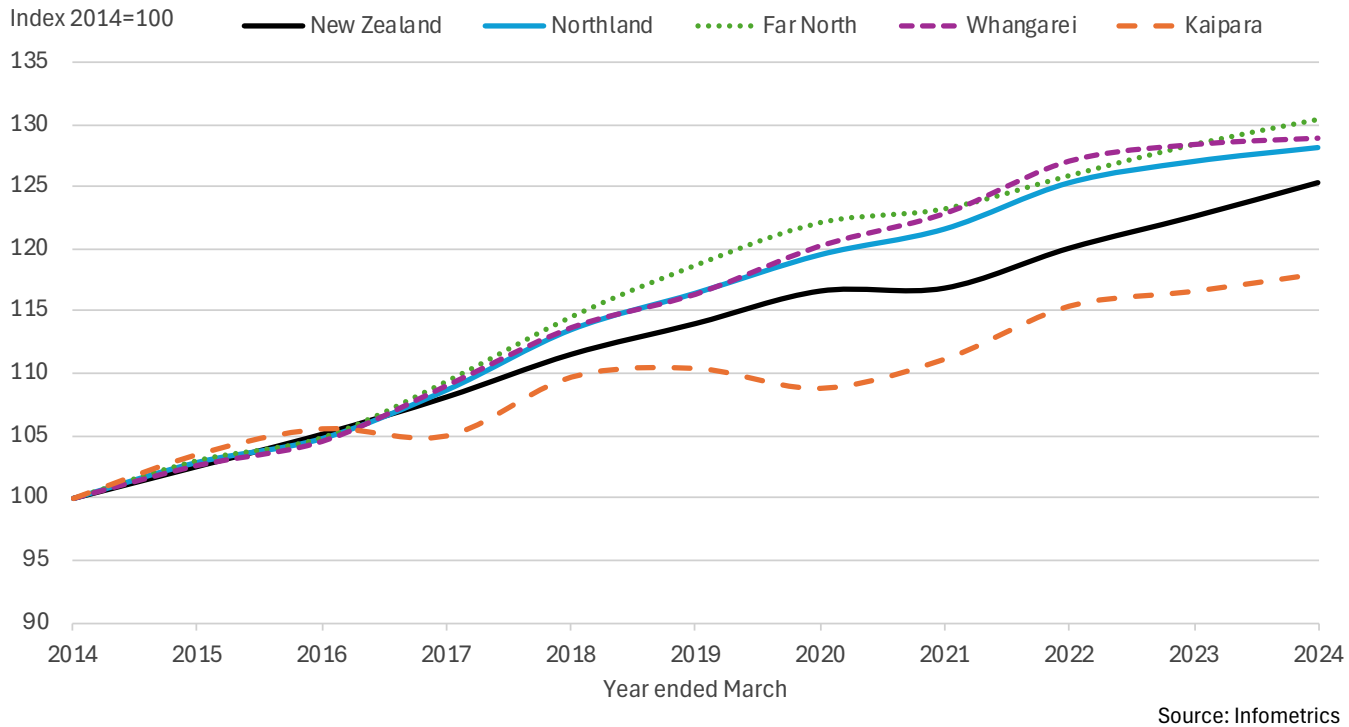
1 Jobseeker Support recipients fell in Whangārei and Kaipara but rose in the Far North. Moreover, the number of Jobseeker Support recipients in the Far North and Kaipara in 2024 is greater than the 2021 peak but is lower than this in Whangārei.

Figure A3.2. Growth in export value for New Zealand, Northland and districts, 2014-2024



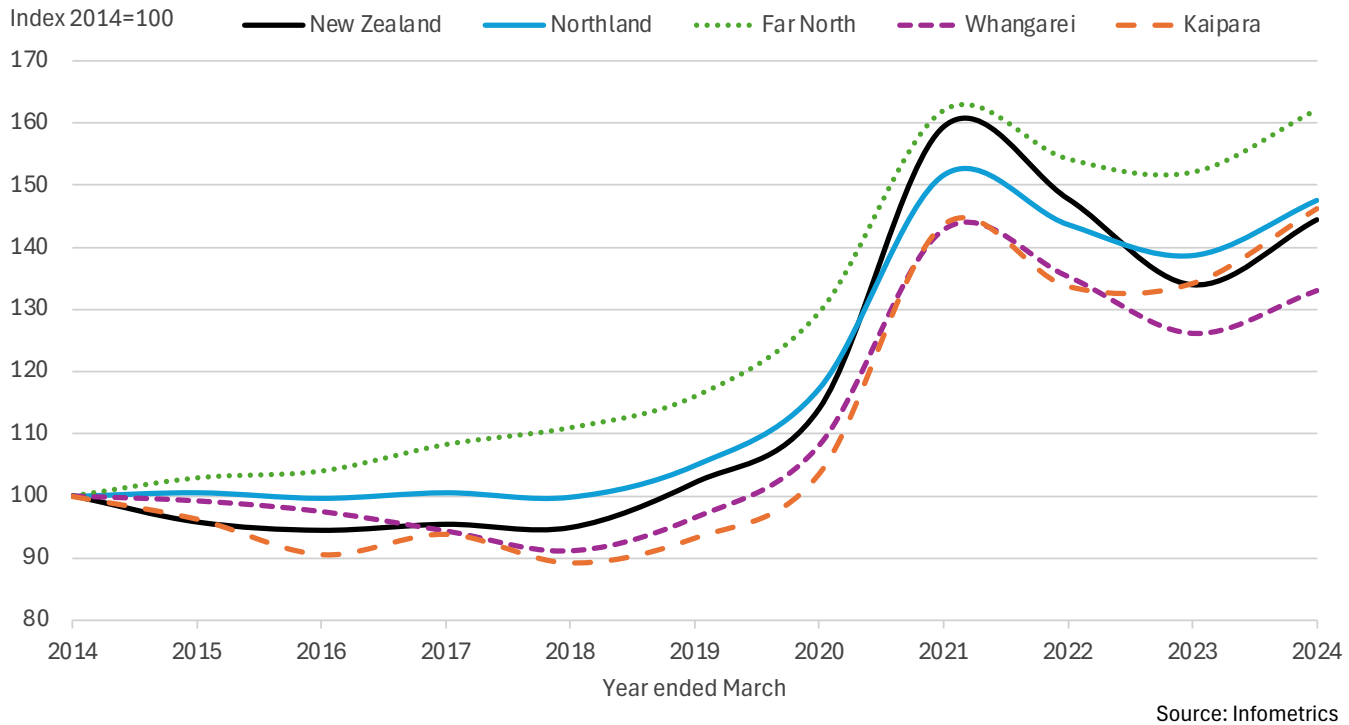
Source: Infometrics

Fig A3.3. Growth in filled jobs for New Zealand, Northland and districts, 2014-2024



Source: Infometrics

Figure A3.4. Growth in Jobseeker Support recipients for New Zealand, Northland and districts, 2014-2024

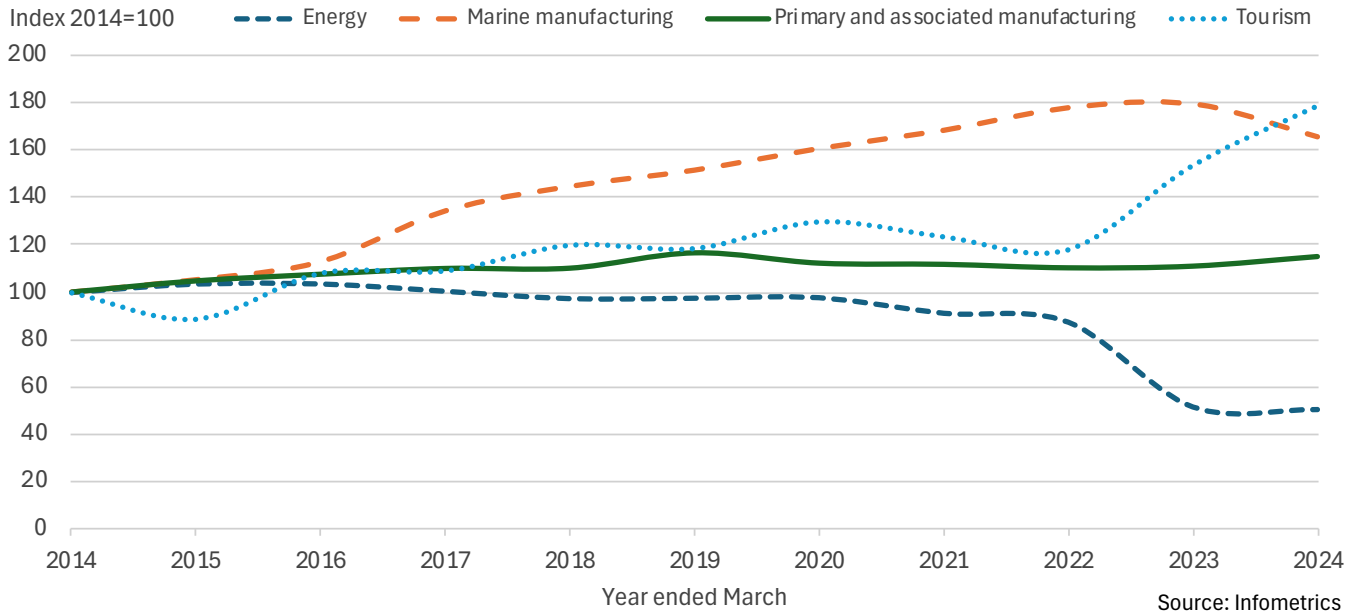


Source: Infometrics

Figures A3.5 to A3.7 show the growth in GDP, filled jobs and export values for the four key economic sectors in Northland over the ten-year period 2013-2023.

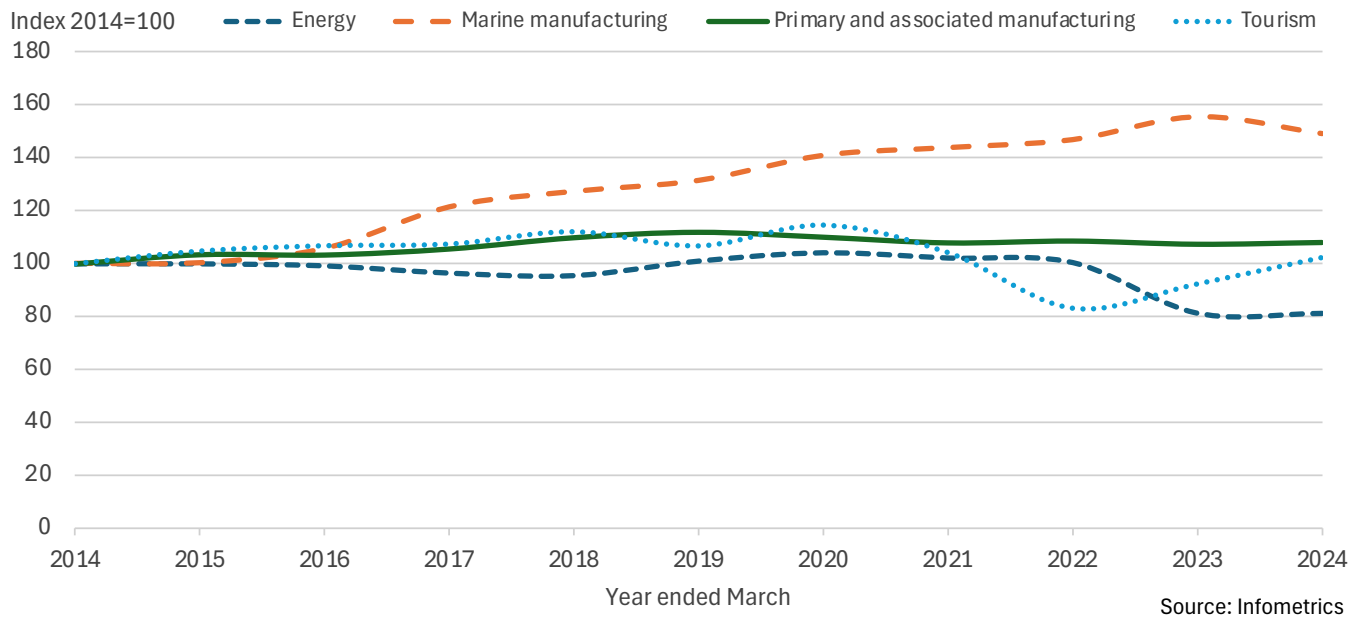
- GDP growth has been much stronger for the Marine manufacturing and Tourism sectors than for the Energy and Primary and associated manufacturing sectors.
- There has been a steady rise in filled jobs in the Marine manufacturing sector since the mid-2010s. Filled jobs in the Tourism sector rose steadily until the late 2010s, dropped due the COVID-19 pandemic, and are now recovering. The number of people working in the Primary and associated manufacturing sector has been steady for the past five years. Employment in the Energy sector dropped in 2023 due to the closure of refining operations at Marsden Point.
- The Primary and associated manufacturing sector and Tourism sectors dominate export growth in the region.

Figure A3.5. Growth in GDP for the four focus sectors in Northland, 2014-2024



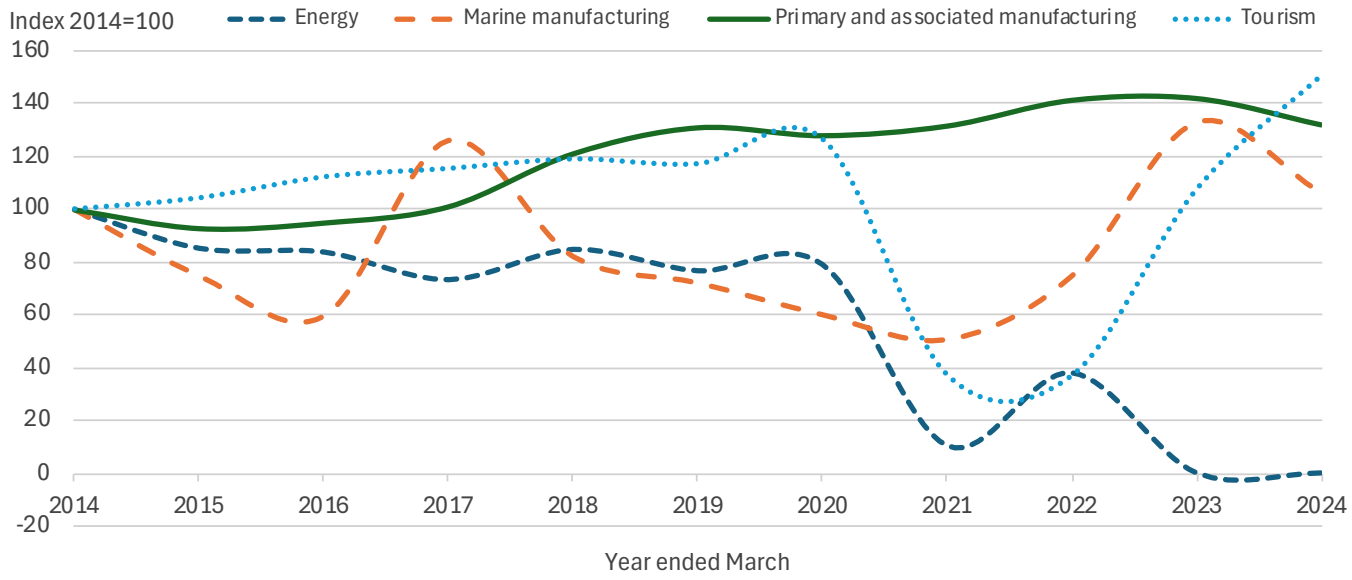
Source: Infometrics

Figure A3.6. Growth in filled jobs for the four focus sectors in Northland, 2014-2024



Source: Infometrics

Figure A3.7. Growth in value of exports for the four focus sectors in Northland, 2014-2024



Source: Infometrics

ESTIMATION OF ECONOMIC SECTOR TOTALS

In general, the nine economic sector totals for the three variables (GDP, filled jobs and value of exports) were estimated by allocating each of the 54 industries in the New Zealand Standard Industrial Output Classification (NZSIOC) Level 3 classification to the most appropriate sector, and then summing the industry specific values to obtain a sector total. Table A3.1 lists the NZSIOC industries in each group.

Three adjustments / exceptions to this general principal were made. First, the tourism sector GDP, filled jobs and export values are estimated directly by Infometrics. These are estimated using the Tourism Satellite Accounts (TSA) published by Statistics NZ, tourism expenditure data, and a territorial authority level input-output multiplier model. The tourism values for each of the three variables were subtracted from private-sector dominated services total to derive a "Non-tourism private-sector dominated services" value.

Second, the total values for the NZSIOC Level 3 industry FF11 Wholesale trade, were proportionally allocated across three economic sectors: Future fuels (energy), Primary and associated manufacturing and Non-tourism private-sector dominated services. This allocation was based on a classification of the 39 ANZSIC Level 4 industries that comprise FF11 into the most appropriate of the three sectors. For exports values this allocation was done based on the share of GDP as export data is not available at Level 4 industry level. This more detailed allocation was done for this Level 3 industry because there are important wholesale industries involved in the Future fuels (energy) sector and Primary and associated manufacturing sectors, e.g. Petroleum product wholesaling and Fruit and vegetable wholesaling respectively.

Similarly, the total values for NZSIOC Level 3 II13 Postal, courier, transport support & warehousing services were proportionally allocated to three economic sectors: Future fuels (energy), Marine manufacturing and Non-tourism private-sector dominated services. This allocation was based on a classification of the eleven ANZSIC Level 4 industries that comprise FF11 into the most appropriate of the three sectors. Again, this was done because there are important industries involved in the Future fuels (energy) sector and Marine manufacturing sectors, e.g. Port and water transport terminal operations.

Table A3.1. Allocation of NZSIOC Level 3 industries to nine economic sectors

Economic sector	NZSIOC Level 3 industries
Energy	CC51 Petroleum and coal product manufacturing
	DD11 Electricity and gas supply
	FF11 Wholesale trade (1)
	II13 Postal, courier, transport support &warehousing services (2)
Marine manufacturing	CC81 Transport equipment manufacturing (3)
	II13 Postal, courier, transport support &warehousing services (2)
Primary and associated manufacturing	AA11 Horticulture and fruit growing
	AA12 Sheep, beef cattle and grain farming
	AA13 Dairy cattle farming
	AA14 Poultry, deer and other livestock farming
	AA21 Forestry and logging
	AA31 Fishing and aquaculture
	AA32 Agriculture, forestry and fishing support services & hunting
	CC11 Meat and meat product manufacturing
	CC12 Seafood processing
	CC13 Dairy product manufacturing
	CC14 Fruit, oil, cereal and other food product manufacturing
	CC15 Beverage and tobacco product manufacturing
	CC31 Wood product manufacturing
	CC32 Pulp, paper and converted paper product manufacturing
	FF11 Wholesale trade (1)
Tourism	Estimated directly by Infometrics

Other manufacturing	BB11 Mining
	CC21 Textile, leather, clothing and footwear manufacturing
	CC41 Printing
	CC52 Basic chemical and chemical product manufacturing
	CC53 Polymer product and rubber product manufacturing
	CC61 Non-metallic mineral product manufacturing
	CC71 Primary metal and metal product manufacturing
	CC72 Fabricated metal product manufacturing
	CC82 Machinery and other equipment manufacturing
	CC91 Furniture and other manufacturing
Non-tourism private-sector dominated services	FF11 Wholesale trade (1)
	GH11 Motor vehicle and motor vehicle parts and fuel retailing
	GH12 Supermarket, grocery stores and specialised food retailing
	GH13 Other store-based retailing and non-store retailing
	GH21 Accommodation and food services
	II11 Road transport
	II12 Rail, water, air and other transport
	II13 Postal, courier, transport support &warehousing services (2)
	JJ11 Information media services
	JJ12 Telecommunications, internet and library services
	KK11 Finance
	KK12 Insurance and superannuation funds
	KK13 Auxiliary finance and insurance services
	LL11 Rental and hiring services (except real estate)
	LL12 Property operators and real estate services
	MN11 Professional, scientific and technical services
	MN21 Administrative and support services
	RS11 Arts and recreation services
	RS21 Other Services
Construction	EE11 Building construction
	EE12 Heavy and civil engineering construction
	EE13 Construction services
Public-sector dominated services	DD12 Water, sewerage, drainage and waste services
	OO11 Local government administration
	OO21 Central government admin, defence & public safety
	PP11 Education and training
	QQ11 Health care and social assistance
Other	LL21 Owner-occupied property operation
	UU11 Unallocated

Notes

(1) GDP, filled jobs and export values for NZSIOC Level 3 industry FF11 Wholesale trade are separated out into three broad sectors (Energy, Primary and associated manufacturing and Non-tourism private-sector dominated services) based on more detailed examination of ANZSIC Level 4 industries that are comprise FF11.

(2) GDP, filled jobs and export values for NZSIOC Level 3 industry II13 Postal, courier, transport support &warehousing services are separated out into three broad sectors (Energy, Marine manufacturing and Non-tourism private-sector dominated services) based on more detailed examination of ANZSIC Level 4 industries that are comprise II13.

(3) CC81 is allocated to marine manufacturing as very little motor vehicle, aircraft or railway stock manufacturing occurs in Northland, with the vast major of this NZSIOC Level 3 industry grouping being ship or boat building and repair services.