



EVENT BRIEFING

Visit to Invercargill, 21 March 2025

Date:	19 March 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0011013

Action sought		
	Action sought	Deadline
Hon James Meager Minister for the South Island	Meet with Great South – Southland Regional Development Agency	21 March 2025
	Meet with Bonisch Consultants Limited	

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	General Manager Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	Privacy of natural persons	
Cory Hagenaaars	South Island Lead Advisor, Kānoa	Privacy of natural persons	√

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Purpose

To provide background and supporting information for your visit to Invercargill, including meetings with representatives of Great South – Southland Regional Development Agency, and Bonisch Consultants Limited, on Friday, 21 March 2025.

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommends you:

- a **Note** you are meeting with Great South – Southland Regional Development Agency

Noted

- b **Note** you are meeting with Bonisch Consultants Limited

Noted

Karl Woodhead
General Manager
Strategy, Planning and Performance
Kānoa – Regional Economic Development &
Investment Unit, MBIE

19 / 03 / 2025

Hon James Meager
Minister for the South Island

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Summary

1. On Friday, 21 March you will visit Invercargill and meet with:
 - Great South – Southland Regional Development Agency (Great South), at their offices on 143 Spey Street, Invercargill, from 9.00am to 9.30am.
 - Bonisch Consultants Limited (Bonisch), at Level 4, HW Richardson Building, 25 Esk Street, Invercargill, from 9.45am to 10.15am.

Meeting with Great South

2. From 9.00am to 9.30am, you will meet with the following representatives from Great South , at 143 Spey Street, Invercargill:
 - Ian Collier, Board Chair.
 - Chami Abeysinghe, Chief Executive.
 - Steve Canny, General Manager, Strategic Projects.
 - Mark Froom, General Manager – Tourism.
 - Rob Scott, Mayor of Southland District.
3. Biographies of attendees are included at paragraph 9.
4. The purpose of the meeting is to discuss the following topics:
 - Opportunities in the aquaculture, agriculture, and tourism sectors.
 - Milford Opportunities Project.
 - Housing, roading and transport including regional connectivity, and energy (especially for Stewart Island).
 - City and Regional Deal (CRD) proposal. Great South have supported Invercargill City Council, the Southland and Gore District Councils and Southland Regional Council to submit a CRD proposal focussed on aquaculture, agriculture, and tourism as key projects, with energy and housing as critical enablers. The CRD proposal is aligned to the Beyond 2025 Southland¹ Plan, the region's long term plan to create a shared vision and pathway for Southland.
5. Further information about these topics and regional priorities is included at **Annex One**.
6. Information about regional linkages with other government priorities and initiatives, and information about the Murihiku Southland region including regional priorities, opportunities, and challenges is attached at **Annex Two**.

Background

7. Great South was established as the Southland Regional Development Agency in March 2019 to drive economic, social, and cultural growth for the joint benefit of all Murihiku Southland communities. It is a council-controlled organisation, jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill


¹ Sourced from [greatsouth.nz/Beyond 2025 Southland](https://greatsouth.nz/Beyond-2025-Southland): Beyond 2025 Southland was launched in June 2023 and is the regions long-term plan to create a shared vision and pathway for Murihiku Southland

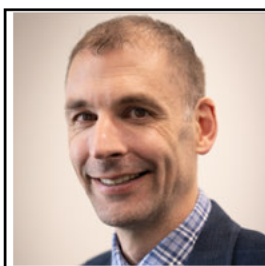
Licensing Trust, Maitara Licensing Trust, Southland Chamber of Commerce, Southern Institute of Technology and its member Community Trust South.

8. Great South's vision is to create "Even better lives through sustainable development", highlighting Murihiku Southland's potential as being the best place to live, work and play, and the sustainable approach to achieving this vision.

About the attendees

9. Biographies of key attendees are provided below:

	<p>Ian Collier, Board Chair, Great South</p> <p>Ian is a former Regional Affairs Manager for Air New Zealand and has held senior management positions across telecommunications, retail, aviation, tourism and logistics sectors.</p> <p>He has over 20 years' experience managing key stakeholder relationships across economic development, tourism, and local government and Chamber of Commerce entities throughout New Zealand, and has worked closely with several iwi.</p>
	<p>Chami Abeysinghe, Chief Executive, Great South</p> <p>Prior to her role at Great South, Chami was the International Director at Southern Institute of Technology.</p> <p>She also previously held several executive roles internationally in the education, exporting, and marketing sectors.</p>
	<p>Steve Canny, General Manager, Strategic Projects, Great South</p> <p>Steve has a background in business improvement and project management. He has managed the successful completion of large projects in Murihiku Southland such as Southland's Regional Energy Strategy, and Murihiku Southland's Whole Community Broadband Network. He was also a lead in the establishment of Southland Institute of Technology's Velodrome.</p> <p>Steve is a member of the Institute of Directors of New Zealand and has broad experience as a Trustee and Board member, including as Chair of the National Broadband Forum, Chair of Cycling Junior Worlds 2012, and President of Cycling New Zealand at the Asia-Pacific Economic Cooperation events.</p>
	<p>Mark Froud, General Manager – Tourism, Great South</p> <p>Mark has been General Manager – Tourism, Great South since 2022. Previously, he was International Market Development Manager at Auckland International Airport for eight years.</p>

	<p>Rob Scott, Mayor of Southland District</p> <p>Rob was elected Mayor in 2022, having previously served as a Councillor in the term prior. Before that, he was on the Lumsden Community Board. Rob also has experience as a business owner.</p>
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Logistics

10. You will be met on arrival by Ian Collier and Mayor Rob Scott. Their contact details are below.

Name	Position/Organisation	Contact
Ian Collier	Board Chair, Great South	Privacy of natural persons
Rob Scott	Mayor of Southland District	Privacy of natural persons

11. The meeting will be held in the board room which will be set up roundtable style.
12. Following this meeting you will proceed to the HW Richardson Building for your next meeting (approximately a 10-minute walk).

Risks and mitigations

13. No risks identified.

Communications / Media

14. No media will attend.

Meeting with Bonisch Consultants Limited

15. From 9.45am to 10.15am, you are meeting with the following representatives from Bonisch Consultants Limited, at Level 4, HW Richardson Building, 25 Esk Street, Invercargill:
- Adam Ronald, General Manager.
 - Christine McMillan, Planning Divisional Manager.
16. Biographies of attendees are included at paragraph 26.
17. Bonisch would like to discuss to the following topics:
- Highly Productive Land² Classification (HPLC) system – Bonisch say that HPLC is restricting growth for viable commercial projects (for example Datagrid) in Murihiku Southland. Their view is that Government needs to review the classification levels and make them applicable at a regional level. Bonisch state HPLC was implemented to

² Sourced from: [Ministry for the Environment](#): Highly Productive Land (HPL) is land that has a favourable climate and suitable soils for food and fibre, and is in use for production (agriculture, horticulture and forestry). HPL covers less than 15 per cent of New Zealand's land area.

restrict 'urbanisation' of rural land in Auckland, however, its implications are being felt in Murihiku Southland where there is available land, but HPLC is making it hard for growth.

- Regulations for historical buildings – Bonisch's view is the regulations concerning historical buildings is outdated, imposing unnecessary financial burdens on landlords to upgrade buildings of significance when the buildings are dilapidated and beyond repair. Bonisch advocate for a more measured approach in evaluating the replacement or demolition of historical buildings, particularly when a greater economic outcome can be realised. For example, commencement of the Invercargill Inner City Redevelopment project had delays due to the additional requirements to repair a historical façade.

National Policy Statement for Highly Productive Land 2022

18. Government has set out policies for the management of highly productive land under the Resource Management Act 1991. This was established through the National Policy Statement for Highly Productive Land 2022 (NPS-HPL), which came into effect in October 2022.
19. The objective of the NPS-HPL is to ensure that highly productive land is protected for use in land-based primary production.
20. The NPS-HPL also gives councils more clarity on how to map and zone highly productive land and manage the subdivision, use and development of this non-renewable resource.
21. The NPS-HPL provides councils direction so they can balance the demand for housing and urban growth with the protection of highly productive land.

Regulations for heritage buildings

22. Heritage protection is required to preserve the culture, heritage and local character of the country for future generations. This includes national historic landmarks.
23. Local and regional councils generally establish their own regulations to preserve local character and protect heritage buildings. Additionally, strategies for heritage protection are incorporated into strategic directions, policy statements, and district plans. Invercargill City Council and Southland District Council include provisions for heritage buildings and sites in their district plans.

Background

24. Established in the 1970's, Bonisch³ is an engineering, planning and surveying business. They are based in Invercargill and have branches in Christchurch, Te Anau and Kaikōura.
25. Bonisch have been involved in high-profile projects across the country including key projects in the Otago and Murihiku Southland regions such as the Tiwai Point aluminium smelter, Fonterra developments at Edendale, rural subdivisions in Gibbston Valley, and large-scale residential developments in Te Anau, Winton and Invercargill.

About the attendees

26. Biographies of key attendees are provided below:

³ Sourced from: [Bonish.nz/about us](https://www.bonish.nz/about-us)

	<p>Adam Ronald, General Manager, Bonisch</p> <p>Adam has been General Manager since 2023 and has over 15 years of experience in the civil industry.</p> <p>He is also a board member for Southland Business Chamber and Director for Recycle South, a recycling business with a focus on being socially and environmentally responsible.</p> <p>Adam holds a Bachelor of Engineering Technology, a Diploma in Civil Engineering and Business Management.</p>
	<p>Christine McMillan, Planning Divisional Manager, Bonisch</p> <p>Christine has been with Bonisch for over 18 years.</p> <p>She specialises in land development planning, and project management, and has experience working with a variety of district and regional plans.</p> <p>Christine holds a Master of Planning.</p>

Logistics

27. You will be met on arrival by Adam Ronald. His contact details are below.

Name	Position/Organisation	Contact
Adam Ronald	General Manager	Privacy of natural persons

Risks and mitigations

28. No risks identified.

Communications / Media

29. No media will attend.

Annexes

Annex One: Information on discussion topics for your meeting with Great South

Annex Two: Regional linkages with other government priorities and initiatives, and information about Murihiku Southland region including regional priorities, opportunities, and challenges

Annex One: Information on discussion topics and regional priorities for your meeting with Great South

Great South – Southland Regional Development Agency (Great South), have identified five key projects for regional growth – aquaculture, agriculture, tourism, housing, and energy.

Aquaculture

Great South's vision is to be a world-leader in aquaculture innovation and best practice, producing premium products in a sustainable way, and to grow by 2035 to become a \$1.00 billion industry for the Murihiku Southland region and New Zealand. The Murihiku Southland Regional Aquaculture Strategy⁴ (the Strategy), which is currently being developed, is the road map to how this will be achieved. The Strategy is expected to be completed by mid-2025.

The Strategy aligns to the New Zealand Aquaculture Development Plan⁵, with a particular focus on realising the potential of private/public partnerships to create fit for purpose energy, water, roading and workforce infrastructure.

Aquaculture as a regional priority⁶

The Beyond 2025 Plan sets out to support Murihiku Southland's vision to be the number one region in the world for aquaculture, utilising its natural advantages of a cooler climate, clear waters and over 3,600 square kilometres of coastline. This is a significant opportunity for diversification for the regional economy and builds on a 50-year foundation.

Economic modelling undertaken by Infometrics indicates that this would add \$190.00 million to Murihiku Southland's annual Gross Domestic Product (GDP), increase the population by 5,310, and create 2,940 jobs by 2054.

Agriculture

Great South's vision for agriculture is ensuring land use fits with the future vision of Murihiku Southland, unlocking the potential of the primary sector while improving environmental outcomes, enabling thriving communities, and supporting farmers to make the right decisions by providing them with the right information and tools.

To meet the above, the region aspires to develop specific sectors with the aim of gaining higher value from current exports, this includes transport efficiencies, new renewable energy opportunities, agritech and technology advancements, innovation, and automation. Supporting new businesses into exports, ensuring businesses meet climate regulatory obligations and fostering new opportunities have also been identified.

The region has identified that they will collaborate with industry groups to review agriculture and horticulture opportunities to enable this

Agriculture as a regional priority

Farmland in Murihiku Southland is increasingly constrained by nutrient caps and water quality and could be impacted by the proposed changes to the management of farm-level emissions.

This priority seeks funding to deliver a programme called 'Citizen Science Programme for 1,000 Farms' which will support and enable farmers to gain necessary skills and knowledge to make better 'on farm' decisions.

⁴ Source: greatsouth.nz/aquaculture

⁵ [MPI - New Zealand Aquaculture Development Plan](#)

⁶ The regional priorities and information is sourced from the Beyond 2025 Southland Regional Long-Term Plan

This programme involves farmers undertaking their own individual farm water quality and soil measurements, which could be inputted into a phone application for easy access and analysis.

Tourism

Great South's vision is to establish Murihiku Southland as a world-class tourism destination and re-shape the future of tourism for the region, inviting visitors to join their special place at the southern edge of the world and experience it in a way that provides lasting benefits for the people and place.

In the Beyond 2025 Plan, the region identified opportunities to drive higher value tourism from visitors with a target of reaching \$700.00 million in visitor expenditure per year⁷. This includes implementing the Milford Opportunities Project, developing Motupōhue Bluff as a key tourism destination, building Te Taurapa o te Waka at Motupōhue Bluff, building Te Unua Southland Museum, growing business events and developing the Southern Pou in relation to the Southland Story alongside Papatipu Rūnaka.

Murihiku Southland is party to the Southern Way initiative, a partnership of eight Regional Tourism Organisation's in the lower South Island to promote tourism. Leveraging this partnership alongside the Southern Airports Alliance (Queenstown, Dunedin and Invercargill) and working with neighbouring regions will be vital to supporting initiatives to grow tourism in the lower South Island.

Tourism as a regional priority

Tourism remains a key diversification opportunity for the region. Murihiku Southland was one of the first regions to develop a destination management plan, in line with the Aotearoa New Zealand Government Tourism Strategy, which supported its recovery post the pandemic. Three key areas of focus for Murihiku Southland are:

- Sustainability and supporting businesses on their individual decarbonisation journeys.
- Development of appropriate shared infrastructure (including accommodation) to ensure it protects its unique natural environment, which includes two national parks and five of the eleven great walks.
- Development of unique experiences and projects which allow Murihiku Southland to share its unique story and heritage. This includes working alongside Papatipu Rūnaka to develop cultural experiences and projects.

Milford Opportunities Project

The Milford Opportunities Project (the Project) is a government funded initiative that aims to create a self-funded, sustainable tourism system that conserves the area's natural beauty and cultural heritage. The project explores ways to do tourism differently at Milford Sound Piopiotahi and along the Milford Road corridor and seeks to address visitor pressures to sustain this World Heritage Area.

The project is overseen by the Ministers of Conservation, Tourism, and Transport alongside Ngāi Tahu.

Progress to date

The project involves three stages:

- Stage One: Establishing context, vision and objectives (completed in September 2018).
- Stage Two: Consultation, engagement and research to develop a Milford Opportunities Masterplan which was launched in July 2021.

⁷ Reference: Southland region City and Regional Deal proposal, page 19

- Stage Three comprises two phases:
 - Phase One: Testing the feasibility of the Milford Opportunities Masterplan's concepts, and recommendations – completed in June 2024.
 - Phase Two: Design, planning and implementation – this is currently under review with an update expected to Cabinet by mid-2025.

Housing

Housing is becoming less available and affordable for Southlanders. Household incomes are lower and have grown slower compared with the rest of New Zealand, not keeping up with increasing house prices. Social housing demand has grown quicker than the rest of the country with a lower number of houses to meet the demand. The existing housing stock in Murihiku Southland is old, poor quality and not fit for purpose. In Murihiku Southland 72 per cent of homes were built prior to 1980 compared to 37 per cent in central Otago and 47 per cent nationally.

Great South's vision for housing is to enable the development of quality, fit-for-purpose housing in the region to better meet the needs of their people. This includes working with the government to provide more social housing and homes for older people, and with industry to meet current and projected demand.

The Beyond 2025 Plan identified housing as a key enabler to meet the region's economic, social, and environmental aspirations.

The region has developed the Murihiku Southland Housing Action Plan which fosters regional coordination and will support the community and private sector to deliver quality homes (both retrofit and new builds).

The Government recently announced the Going for Housing Growth programme (led by the Ministry of Housing and Urban Development) to tackle New Zealand's ongoing housing shortage. It intends to make system changes to help address the underlying causes of the housing supply shortage, initially focusing on:

- Freeing up land for urban development, including removing unnecessary planning barriers.
- Improving infrastructure funding and financing to support urban growth.
- Providing incentives for communities and councils to support growth.

Further, of the 149 projects listed to be referred for consent as part of the Fast-Track Approvals Act 2024, there are 44 infrastructure projects nationally that focus on housing and together consent the construction of 55,000 homes.

Housing as a regional priority

Improving the availability, choice, and quality of affordable accommodation in the region is a key foundation to achieving other regional priorities and to support economic growth.

The Southland Housing Situation Analysis October 2021 indicated a shortfall of 1,660 homes throughout the region and at least half of these were likely to be required for social and emergency housing. Based on this assessment, the level of housing construction would need to double its current annual builds to meet this surplus demand in the medium term.

The region identified the need to focus on regional coordination, quality, supporting councils and encouraging supply.

Energy

Great South's vision for energy is developing clean, resilient, and affordable energy so they can become the renewable energy hub for the entire South Island while building resilience and supporting New Zealand energy demands (*Southland Murihiku Energy Strategy 2022-2050*).

The Beyond 2025 Plan identified energy as a key enabler of building regional economic growth and the Southland Murihiku Energy Strategy 2022-2050 supports developing energy resilience and affordability to support the region's pathway to becoming carbon neutral by 2050. By addressing energy security, energy equity and environmental sustainability, the region has the potential to become the 'Renewable Energy Hub' for Aotearoa New Zealand.

The City and Regional Deal proposal identifies that funding support to develop alternative energy solutions for Rakiura Stewart Island and Piopiotahi Milford Sound is required, and that the Regional Infrastructure Fund could be an opportunity to partner with Government to support capital raising for large-scale, regionally significant public and private investments to the region.

Energy as a regional priority

The Beyond 2025 Plan is focussed on supporting the region's future energy needs in a clean and resilient way, whilst ensuring affordability for the community and remaining globally competitive for exporters and new industry.

There is an identified demand for 1,200 mega-watts of new electricity generation, and for woody biomass availability to decarbonise large boiler systems to grow from 200,000 tonnes to 560,000 tonnes per annum during this same period.

Murihiku Southland's emissions reduction is happening very quickly and already 91 of the region's 190 boilers have been converted from fossil fuels to renewable energy, mostly enabled by the Government Investment in Decarbonising Industry (GIDI) and other Energy Efficiency and Conservation Authority (EECA) funding.

Future areas of focus include:

- Facilitating future regional wānanga and research (around oceans in particular) to enable sharing of new learnings and happenings.
- Supporting the investigation of new renewable energy opportunities (onshore, offshore wind and hydro) and other process heat opportunities

Further policy investigation and actions including developing a "Murihiku Renewable Energy and Industrial Zone."

The cost of energy on Rakiura/Stewart Island is high

Rakiura's electricity generation is reliant on five diesel powered generators that consume 580,000 litres of fuel annually. The electricity is sold to residents at \$0.85c per kWh, making Rakiura's electricity approximately 240 per cent more expensive than mainland New Zealand. The size of the community means it is unable to pay for any large developments, and Southland District Council (SDC) has a small rating base, so it is also unable to fund a major capital project.

In 2023, the Ministry of Business, Innovation and Employment, via the *Other Expense Policy Advice and Related Services to Ministers – Energy and Resources* appropriation (established in Budget 2023), committed grant funding of \$300,000 to SDC to undertake a full business case on the preferred alternative energy option for Rakiura. An initial business case was completed in December 2024 which outlined solar and battery as the preferred option.

Previous Kānoa – Regional Economic Development & Investment Unit (Kānoa) managed project to develop renewable energy on Rakiura

On 11 September 2019, RED Ministers approved a \$3.16 million grant through the Provincial Growth Fund for the 'Stewart Island Wind Power' project. The total project value was \$3.36 million, with \$0.20 million of co-funding from SDC.

This project was to consent and construct a two-turbine wind farm on Rakiura to help offset reliance on diesel. A study in 2018, undertaken by Roaring40s Wind Power Limited, identified eight possible wind farm sites.

During the initial investigation stages of the project, unfavourable feedback from landowners where the wind turbines were potentially going to be located resulted in the project not proceeding, and the project was subsequently abandoned. Unspent funding of approximately \$3.08 million was returned.

A further report, commissioned by SDC in 2024, was undertaken to analyse proposed energy options for Rakiura. The report outlined a combination of solar generation with centralised battery storage as the primary option for large scale energy generation. This report forms the basis for SDC in developing the business case.

Roading and transport including regional connectivity

A key challenge for the Murihiku Southland region is funding a large roading and bridging network with a low ratepayer base. Underinvestment in local roading bridge replacement is adding to transport costs, time of travel, travel distances, and transport emissions.

Murihiku Southland is home to the largest unsealed and second largest overall roading network in the country. It is also home to the southernmost commercial deepwater port and the third longest civilian airport runway, making Invercargill the only regional airport with jet services.

Communities, businesses and the export economy rely heavily on a strong and robust transport network. This is critical for people to connect, move in and around the region, and move goods and produce to domestic and international markets.

Due to the conditions of the roads and bridges⁸, 3.5 million extra kilometres are being driven by heavy transport users alone, as they are unable to drive on dilapidated bridges or unsuitable roads. This has a direct cost for farmers and rural service providers of an additional \$18.50 million per year, and this is expected to dramatically increase if additional investment isn't made. This will significantly impact the global competitiveness of Murihiku Southland's primary sector exporters.

Murihiku Southland has no public transport network except in Invercargill city. This means disconnection and isolation for many people in the region, and no connections between towns which affects people's ability to access employment, education and healthcare in particular.

Flight accessibility

Air New Zealand has announced cuts to flights to Invercargill and removal of direct routes like Wellington to Invercargill.

Regional air connectivity is important for regional economies, in particular supporting tourism, and business to business connection. Air connectivity is also critical in particularly isolated areas to enable access to emergency life-saving care and health services. In 2016, Air New Zealand vacated some of its operations to smaller regional airports, with small, regional airlines stepping in to replace some services.

Kānoa assessed the suitability of regional airport needs in 2019 for the purposes of the Provincial Growth Fund, however, this work is now out of date. Consequently, we do not have a view of the current state of regional airport or regional air connectivity. The Minister for Regional Development recently directed officials to work with regional airports, and airlines servicing regions to identify how Government can support the sector to provide frequent and affordable services.

Transport and Roothing as a regional priority

Economic prosperity will be built around resilient and fit for purpose transport systems which need to be integrated across road, rail, air, and sea.

⁸ 134 Southland District bridges (20 per cent of the total) are weight restricted or need total replacing over the next 10 years, with 60 of these restricted and a further 6 currently closed.

A key challenge for the Murihiku Southland region is funding a large roading and bridging network with a low ratepayer base. Underinvestment in local roading bridge replacement is adding to transport costs, time of travel, travel distances and is increasing transport emissions.

Invercargill Airport is actively trying to grow its frequency of flights and overall freight and passenger capacity. This is important to realise the potential of tourism as a key diversification opportunity. Airfreight for produce (especially aquaculture) would be strengthened by direct flight linkages and more scheduled flights at certain times of the day to meet forward international connections. Increased freight volumes would create demand for additional jet flights (which could also help keep passenger travel affordable) and could create the need for dedicated freighters.

City and Regional Deal proposal for Murihiku Southland

City and Regional Deals (CRD) (previously known as Regional Deals) are a National Party/ACT Party Coalition Government commitment. CRD's will be based on a 30-year vision with a ten-year strategic plan for a region to deliver shared objectives and outcomes between local and central governments. CRD's will be a vehicle for greater regional collaboration and coordination, improved certainty in local government decision-making, funding, and financing, promoting innovative and collaborative ways of working between central and local government, and ensuring resilient cities and regions. CRD's will seek to promote economic growth and productivity, delivering connected and resilient infrastructure, and improving the supply of affordable, quality housing.

On 29 July 2024, Cabinet approved the strategic framework for City and Regional Deals, and agreed Ministerial leadership for CRD's will be provided by the Infrastructure and Investment Ministers Group, of which Hon Shane Jones is a member. Initially five regions were invited to submit proposals for consideration for CRD's.

On 11 November 2024, Cabinet agreed to extend this invitation to all regions to submit proposals. The final selection will be made by Infrastructure and Investment Ministers.

The Cabinet paper notes there may be targeted use of the RIF, however potential projects would still need to proceed through the agreed RIF application process for consideration. Rather than new funding being available, CRD's will focus on:

- gaining commitments from councils about the use of their planning powers to advance economic growth and housing supply improvements
- making better use of existing funding and financing tools
- regulatory relief mechanisms
- efficient and innovative use of existing funding and planning mechanisms
- improved government coordination.

The last date to submit proposals was 28 February 2025. Currently the Assessment Panel is in the early stages of triaging proposals received to enable advice to the Ministerial and Infrastructure and Investment Ministerial Group in March/April 2025. This will allow the first Memorandum of Understanding to be signed by late June 2025, and the first CRD to be finalised in late 2025.

[IN-CONFIDENCE] Confidential advice to Government

[REDACTED]

[REDACTED]

[REDACTED]

Any questions relating to CRD's should be directed to the Minister of Local Government, who can follow-up with the Department of Internal Affairs, CRD secretariat.

Other regional priorities

The priorities are described below, and the information is sourced from the Beyond 2025 Southland Regional Long-Term Plan⁹.

Forestry

This priority sets to develop a 'Regional Forestry Strategy' which would support the development of value-added processing within Murihiku Southland and support Murihiku Southlands goal of achieving carbon neutrality by 2025.

Murihiku Southland can achieve carbon neutrality by 2050 by planting marginal lands, riparian planting, planting existing stock exclusion areas, and planting native trees into public and conservation estate.

Water

There are tens of thousands of kilometres of rivers and streams, including the Waiau, Aparima, Ōreti, and Mataura rivers. As Murihiku Southland plan for new and diversified industries, there are significant challenges at present with water quality and quantity of available water. It is intended that regional development opportunities should not exacerbate impacts on water resources, and opportunities should be sought to positively contribute to the current situation.

Murihiku Southland is seeking to develop a Regional Water Resilience Plan, which will focus on:

- Providing understanding of the impacts of changing environmental standards on security of water supply.
- Aligning with other planning as well as plan for the impacts of climate change and drought events on groundwater and river flows.
- Assessing the impact of forestry and carbon forestry on all water yields in the region.
- The development of a water demand needs assessment, which will include issues and demand from current and new industry.
- Encouraging and promoting water efficiency, storage and water reuse.

Space

Murihiku Southland was identified as the ideal location for a satellite ground station, given its proximity to the South Pole, low horizon, sparse population density and no radio interference. This led to the Awarua Satellite Ground Station being established in 2004 by Great South in conjunction with the European and French Space Agencies.

The Awarua Satellite Ground Station hosts customers' and SpaceOps NZ's antennas to provide southern hemisphere ground segment support for space agencies and commercial satellite operators. Customers' satellites are used for all manner of purposes, including tracking shipping containers, measuring the atmosphere, imaging the Earth, calibrating satellite navigation systems and providing internet services. Some of the antennas provide downrange support for international launch companies, including Rocket Lab, founded by Waihōpai Invercargill's Peter Beck.

SpaceOps NZ currently hosts more than 35 antennas and will add two new 11-metre antennas to the station as part of a recent collaboration with Lockheed Martin Australia. This will see a SouthPAN (Southern Positioning Augmentation Network) satellite uplink station, supported by a

⁹ Source: <https://greatsouth.nz/beyond-2025-southland>

mission operations centre in Waihōpai Invercargill, come to fruition, providing New Zealanders and Australians with centimetre accuracy positioning from their smartphones.

Kānoa has received one application for RIF funding from Space Operations New Zealand Limited to undertake the Augmentation of Facilities at Awarua Satellite Ground Station. This is currently being evaluated. The total cost for this project is \$ Commercial Info million.

Challenge and opportunity

Skilled Workforce

Over 85 per cent of the businesses interviewed in a Great South Business Survey in September 2022 outlined they were currently recruiting for staff with 77 per cent of these saying they are finding this challenging¹⁰. Low-skilled work makes up the largest proportion of employment in the region (39.8 per cent) compared to New Zealand with 34.8 per cent. High-skilled work makes up 35.6 per cent compared with 38.4 per cent nationally.

The composition of business employee size across the region and nation as a whole are very similar, although average business size is slightly smaller in Murihiku Southland (3.9 employees per business in Murihiku Southland, compared to 4.4 for New Zealand).

Many businesses experience challenges around attracting and retaining a skilled workforce in Murihiku Southland. Prior to COVID-19, many people from overseas played a key role in their workforce, either as skilled migrants or as working holiday visa holders. As the borders closed and immigration settings became more restrictive, it highlighted shortages for some industries who were reliant on those workers.

¹⁰ Southland Employer Workforce Research, March 2023.

Annex Two: Regional linkages with other government priorities and initiatives and information about Murihiku Southland region including regional priorities, opportunities, and challenges

The Regional Economic Activity mobile application, developed and maintained by MBIE, includes up-to-date regional information such as incomes, house values, rents, employment, migration, and GDP. You may find this helpful in your regional engagements as an easy-to-reference supplement to briefing material. The app can be downloaded via Google Play or the App Store.

Regional linkages with other Government priorities and initiatives

Lifting New Zealand's economic performance is one of the Government's main priorities. The Government has identified five pillars central to achieving this priority area and to achieve a more productive and dynamic economy. While these are priorities for New Zealand overall, they are equally applicable to the South Island as they are the North Island:

- **Building Infrastructure for growth and resilience:** ensuring that we have efficient and resilient infrastructure that enables growth and connectivity.
- **Improving educational achievement and growing skills:** More homegrown talent, having mastered the basics and equipped with the skills to fuel growth and innovation.
- **Strengthening trade and investment:** More opportunities for trade and investment offshore with fewer barriers at home for Kiwis that compete.
- **Promoting innovation, science and technology:** New Zealand is a hub for commercial innovation, with closer R&D partnerships between business and the scientific community.
- **Better regulation:** Regulatory setting that fosters competition and investment in a more dynamic market economy.

New Zealand has persistent poor productivity relative to other advanced economies. Economic prosperity measures for provincial regions are typically below metropolitan regions.

Both public infrastructure and private infrastructure (e.g. manufacturing capacity) are vital for the prosperity of New Zealanders. Infrastructure enables businesses to lift productivity. It also helps protect, support, and enable resilient communities. Strengthening and diversifying regional infrastructure can support regions to respond to shocks such as extreme weather events, public health threats, and supply chain disruptions.

A 2021 Infrastructure Commission report estimated New Zealand's public infrastructure deficit to be approximately \$104.00 billion (increasing to \$210.00 billion over the ensuing 30 years), driven by a combination of chronic under-investment as well as increasing demand from a growing population. This deficit means New Zealand's businesses and communities do not have access to sufficient infrastructure services needed to prosper.

New Economic Growth portfolio

On 19 January 2025, the Prime Minister announced changes focused on unleashing economic growth to make people better off, create more opportunities for business, and improve our health and education systems.

As part of these changes, Hon Nicola Willis was appointed as the Minister for Economic Growth – formerly known as the Economic Development portfolio.

The focus for this portfolio will be on leading the Government's growth agenda, helping businesses to grow by developing talent and attracting investment, developing new initiatives to deliver economic growth, and strengthening efforts that are already underway.

Going For Growth

On 13 February 2025, the Government released 'Going For Growth', an approach to enable economic growth throughout New Zealand. Going For Growth sets out the Government's interest in a combination of reforms to support:

- Increased capital investment by firms, supported by higher domestic savings and inbound overseas investment.
- Secure, affordable and abundant electricity supply.
- Tax and regulatory settings that support greater competition in key sectors (including banking, grocery and energy).

Going For Growth focusses on the following five pillars to drive growth:

1. **Developing talent.** More homegrown talent, having mastered the basics and been equipped with the skills to fuel growth and innovation.
2. **Competitive business settings.** Regulatory settings that foster competition and encourages businesses to employ more staff, invest, innovate and enter new markets.
3. **Promoting global trade and investment.** Attracting high-quality foreign direct investment into New Zealand to grow the economy.
4. **Innovation, technology and science.** New Zealand is a hub for commercial innovation, with closer R&D partnerships between business and the scientific community.
5. **Infrastructure for growth.** Ensuring New Zealand has efficient and resilient infrastructure that enables growth and connectivity.

The RIF directly enables the infrastructure for growth pillar by investing in future transformational infrastructure projects for the regions.

Both public infrastructure and private infrastructure (e.g., manufacturing capacity) are vital for the prosperity of New Zealanders¹¹. Infrastructure enables businesses to lift productivity. It also helps protect, support, and enable resilient communities. Strengthening and diversifying regional infrastructure can support regions to respond to shocks such as extreme weather events, public health threats, and supply chain disruptions.

About Murihiku Southland region

The Murihiku Southland region encompasses the following territorial authorities:

- Invercargill City and Gore and Southland districts.

Murihiku Southland regional economy

Murihiku Southland consists of the southwestern portion of the South Island and includes Rakiura/Stewart Island. It is bordered by the Otago region to the north, Fiordland in the west and the Catlins in the east. The region covers over 3.1 million hectares and spans 3,613 kilometres of coastline. The region is rich in natural resources, with large reserves of forestry, coal, petroleum and natural gas.

In 2023, there was an estimated 103,900 people living in Murihiku Southland. As of June 2024, 69.8 per cent of working-age (15-64 years) population were employed.

¹¹ A 2021 Infrastructure Commission report estimated New Zealand's public infrastructure deficit to be approximately \$104.00 billion (increasing to \$210.00 billion over the ensuing 30 years), driven by a combination of chronic under-investment as well as increasing demand from a growing population. This deficit means New Zealand's businesses and communities do not have access to sufficient infrastructure services needed to prosper.

Murihiku Southland's GDP was \$8.27 billion in the year to March 2023, up 6.3 per cent in the year to March 2022 (national growth over the same period was 8.5 per cent). Murihiku Southland's GDP represents 2.1 per cent of New Zealand's total GDP.

Key sectors with the highest share of GDP for the year to March 2022 were:

- Agriculture: \$1.50 billion (9.2 per cent of the national GDP).
- Manufacturing: \$1.18 billion (3.7 percent of the national GDP).
- Forestry, fishing, mining, electricity, gas, water and waste: \$764.00 million (6.9 per cent of the national GDP).
- GST on production, import duties and other taxes: \$637.00 million (2.2 per cent of the national GDP).

Regional Infrastructure Fund (RIF)

The RIF is a \$1.20 billion capital fund that aims to build infrastructure for growth and resilience in our regions.

The RIF is intended to invest in projects that are 'hard' infrastructure, support regional priorities, and have a co-investment element (from a private investor, iwi or other non-government entity).

The RIF invests in resilience infrastructure and enabling infrastructure:

- Resilience Infrastructure is infrastructure that improves a region's ability to absorb, adapt and/or respond to stresses and shocks.
- Enabling Infrastructure is infrastructure that supports growth by ensuring regions are well-connected and productive. These projects will invest in assets that are used by, and/or generate benefits for, multiple businesses or many parts of a community.

The following flood resilience projects with total RIF funding of \$3.60 million were approved in Murihiku Southland:

Environment Southland has been approved \$3.60 million in grant funding for three projects (total cost of the three projects \$6.00 million).

- Ōreti River Catchment Flood Protection Scheme Upgrade Project (FPS) (\$3.00 million): Ōreti FPS upgrade Stage One, Winton and Lumsden. The existing flood protection network needs to be reviewed and upgraded to accommodate the predicted effects of climate change to maintain the level of protection for the current communities. Identifying future solutions and incorporating alternate nature-based flood protection solutions to FPS will be part of this project.
- Aparima Catchment Flood Protection Scheme Upgrade (\$0.30 million): Improving the Aparima Catchment floodplain capacity and hydraulic efficiency of the river by upgrading floodbanks to accommodate offset the effects of climate change including bioengineering controls.
- Te Anau Basin Catchment Flood Management Project (\$0.30 million): Improving the Te Anau Catchment floodplain capacity by upgrading floodbanks to offset and accommodate the effects of climate change including bioengineering controls.

On 15 October 2024 the Regional Development Ministerial Group approved \$2.20 million from RIF to South Island Industrial Fund Limited for a Project to expand and upgrade the Ocean Beach aquaculture industrial site, located in Bluff, into an 'Aquaculture Centre of Excellence'.

Fast-track Approvals Act 2024

The Fast-track Approvals Act 2024 (the Act) aims to establish a permanent fast-track approvals regime for a range of infrastructure, housing, and development projects. The Act is a key part of

the Government's plan to rebuild the economy and cut through the red and green tape that has made it difficult to build the projects New Zealand needs.

The Act was enacted on 23 December 2024 and includes a list of 149 projects¹² which can apply directly for consideration.

Of the 149 projects, four are in the Murihiku Southland region:

Applicant	Project Name	Region	Sector	Project description
Invercargill City Council	Alternate Water Supply Project	Murihiku Southland	Infrastructure	The Awarua Alternate Water Supply project will provide a standalone, reliable, secondary water source for the 55,000 residents and businesses of Invercargill from groundwater bores, capable of providing approximately 20 million litres of additional treated water per day.
Sanford Limited	Makarewa Hatchery	Murihiku Southland	Aquaculture and farming	The Makarewa Hatchery project is to construct and operate a land-based recirculating water salmon hatchery on a 24-hectare former abattoir site.
Ngāi Tahu Seafood Resources Limited	Hananui Aquaculture Project	Murihiku Southland	Aquaculture and farming	The Hananui Aquaculture Project is to develop an approximately 2,500 hectares site of marine space for marine farming (finfish).
ImpactMarine Bluff Limited	Impact Marine: Sustainable and Climate-Resilient Aquaculture on Land in Southland	Murihiku Southland	Aquaculture and farming	The Impact Marine Land-based Salmon Farm Project is to construct and operate a salmon farm and processing facility on land.

Regional Public Service Commissioners (RPSC)

Under the Regional System Leadership Framework, a senior public servant is appointed in each region to represent all-of-government as a RPSC. RPSCs, who are not responsible for delivery of regional development interventions, have a mandate to convene the Public Service across the social, environmental, skills and workforce, and economic sectors to resolve and escalate regional issues across agencies.

Regional Kānoa staff work with RPSCs to ensure regional development opportunities and challenges are understood and incorporated into engagements and planning undertaken by RPSCs.

Steph Voight, Ministry of Social Development Regional Commissioner for Nelson, Tasman, Marlborough and the West Coast, is the RPSC for Otago and Murihiku Southland. She has held leadership roles in the Southern and Wellington regions for both Ministry of Social Development and Ministry of Justice.

¹² In October 2024, the Government released high-level information on 149 projects it has decided to list in the Fast-track Approvals Act: [Government press release: "Fast-track projects released"](#).