Northland Corporate Group

NZIER
NEW ZEALAND INSTITUTE OF ECONOMIC RESEARCH

Ka Tutuki i a Te Tai Tokerau:

He Mana Whakahī ā-Rohe mō te Oranga Rawa ā-Motu

Te Tai Tokerau Northland delivers:

A regional powerhouse for national prosperity

NZIER report to Northland Corporate Group

July 2025

Northland Corporate Group

Tēnā koutou katoa

From energy to agriculture, construction to tourism, Northland is already delivering and can deliver more.

Those of us who live and work in Northland know the strength of our industries, the resilience of our people, and the scale of our opportunity. This report is an invitation to the rest of Aotearoa: look north. Northland is ready to grow, and in doing so, to lift the prosperity of the entire nation.

A Region Already Contributing

Northland's economy drives national outcomes. Given our abundant resources, and geographical position Northland's ongoing extension is crucial to the future prosperity and growth of Auckland.

Northland's success is Auckland's gain. We support Auckland's infrastructure pipeline, supply the country's only domestically produced cement, and fuel every plane leaving Auckland International Airport.

Our agricultural and horticultural sectors are strong, and our tourism, logistics, and manufacturing industries are growing too – to name just a few of our current contributions

Interwoven in all of this is the Māori economy, which contributes significantly to national GDP and continues to grow year-on-year.

This upward trend is reflected in Northland, where Māori-owned assets, businesses, and collectives are central to land management, forestry, and increasingly, service-based industries.

The opportunity ahead

Northland's GDP per capita is currently 30 percent below the national average. Yet our natural resources and geographical advantages suggest that gap can – and should – be closed.

If we reached parity today, our economy would be worth $16.0 billion. But we're aiming higher.

We believe Northland can be a $60 billion economy by 2050.

That means effectively growing our economy six-fold from the $11 billion we contributed in 2024 by increasing our growth rate by 1.1% above current rates

With the right focus, this kind of growth is possible.

NZIER's modelling shows that targeted investment in transport via a high-quality, four-lane expressway, alone could boost national GDP by $1.2 billion per year by 2050

On top of this the Marsden Point Energy Precinct, a strategic energy and industrial hub designed to support New Zealand's transition to a low-carbon is expected to add approximately $260 million in GDP – let alone what it will give others the confidence to build and the network effect in Northland.

Northland's growth continues to be driven by private investment. Our 2024 business survey, conducted as part of the Northland Expressway economic potential report, identified over $38 billion in latent private capital across the region.

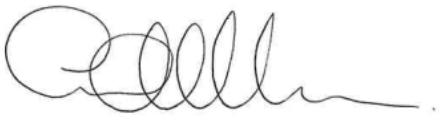
Private investment is central to achieving a $60 billion regional economy. Unlocking this potential hinges on business confidence — enabled by improved connectivity and certainty around centrally funded infrastructure.

Why Te Tai Tokerau Northland

You only need to look at how we've navigated sustained closures over the Brynderwyns to keep our businesses open, or the way we've collaborated to achieve regional milestones, to understand the strength of our industries and the resilient people behind them. We just need to remove the barriers and growth will follow.

We invite you to read this report in full and look north to find out what our region is offering and has the potential to provide in years to come.

Ngā mihi nui



Rosie Mercer

Co-chair of Northland Corporate Group
Chief Executive Officer of
Marsden Maritime Holdings

Andrew McLeod

Co-chair of Northland Corporate Group
Chief Executive Officer of Northpower

About NZIER

New Zealand Institute of Economic Research (NZIER) is an independent, not-for-profit economic consultancy that has been informing and encouraging debate on issues affecting Aotearoa New Zealand, for more than 65 years.

Our core values of independence and promoting better outcomes for all New Zealanders are the driving force behind why we exist and how we work today. We aim to help our clients and members make better business and policy decisions and provide valuable insights and leadership on important public issues affecting our future.

We are unique in that we reinvest our returns into public good research for the betterment of Aotearoa New Zealand.

Our expert team is based in Auckland and Wellington and operates across all sectors of the New Zealand economy. They combine their sector knowledge with the application of robust economic logic, models and data and understanding of the linkages between government and business to help our clients and tackle complex issues.

About NCG

The Northland Corporate Group (NCG) comprises Northland business heavyweights Channel Infrastructure NZ, Culham Engineering, Marsden Maritime Holdings Limited, McKay Limited, Northpower and Top Energy. Together, they have a combined annual turnover exceeding $1 billion, employ more than 3,500 people and deliver essential services to 100 percent of the region's population.

Authorship

This paper was prepared at NZIER by Michael Bealing and Adrian Katz.

It was quality approved by Jason Shoebridge.

The assistance of Sarah Spring is gratefully acknowledged.

Registered office: Level 13, Public Trust Tower, 22–28 Willeston St Wellington
Auckland office: Level 4, 70 Shortland St, Auckland
Postal address: PO Box 3479, Wellington 6140
Tel 0800 220 090 or +64 4 472 1880 | econ@nzier.org.nz | www.nzier.org.nz

Key points

Te Tai Tokerau Northland's current contribution to Auckland and New Zealand's economic and social outcomes is already critical, but not well known

- Northland is home to critical production and supply of important economic inputs.
- Northland is critical to the national fuel supply. Channel Infrastructure, located at Marsden Point, operates New Zealand's largest fuel import terminal, supplying 40 percent of land transport fuel and 80 percent of the country's jet fuel. This includes the entire supply for Auckland International Airport, which handled 76 percent of international arrivals in 2024 and underpinned New Zealand's $16.9 billion tourism sector.
- Northland supports national electricity security through local generation and manages a large share of regional distribution, contributing to strategic projects throughout the North Island and maintaining most of Auckland's electricity connections. Current and committed energy projects in the North will see the volume of electricity generated in the region exceed local requirements in 2026, positioning the North as a strategically important net exporter of energy to Auckland and beyond.
- The region plays a strategic role in national construction and infrastructure. Golden Bay Cement in Whangārei is New Zealand's only domestic cement producer, manufacturing over 900,000 tonnes annually and meeting 60 percent of national demand. The region's quarries supply materials essential for Auckland's infrastructure pipeline. Northland provides specialist construction and contracting capability in heavy steel fabrication, mechanical engineering and electrotechnology around the country and offshore.
- Northport is a deep-water, multi-purpose port ideally positioned closest to key export markets in Asia and North America. With over 180 hectares of adjacent land available for expansion, it offers unmatched capacity for growth, especially as other North Island ports face constraints. Northport is advancing plans to establish a dedicated container hub with an annual capacity of 350,000–400,000 TEU. This development will integrate container handling, storage, and logistics, positioning it as a scalable solution to meet the North Island's growing freight demands.
- Northland is a cornerstone of New Zealand's food system. It produces more than 90 percent of the country's kūmara and supports high-value crops such as avocados. Its climate and land base offer unique opportunities for crop diversification and expansion. With investment in water infrastructure and supply chains, Northland could drive significant productivity and export growth in horticulture.
- **In our view, Northland is a region that already makes a critical economic contribution and possesses defined resources and geographical benefits that can be scaled economically to serve Auckland and New Zealand more broadly.**

This report showcases the current and future potential role of Te Tai Tokerau Northland in the economic prosperity of Auckland and the New Zealand economy

- In 2024, Te Tai Tokerau Northland contributed $11.2 billion to the New Zealand economy.
- The Northland economy is growing and given its abundant resources and geographical position to the North of Auckland, Northland's ongoing extension is crucial to the future prosperity and growth of Auckland via the delivery of construction, energy, and agricultural output.
- Growth Target: Northland Corporate Group proposes an ambitious but achievable goal to grow Northland's nominal regional GDP to $60 billion by 2050, closing the gap in GDP per capita relative to the national average. Achieving this outcome will require Northland to lift its annual GDP growth rate by approximately 1.1 percentage points above the current trend. If realised, Northland's share of national GDP would increase from 2.7 percent to 4.0 percent by 2050, strengthening the region's position within the national economy.
- Infrastructure Investment: Achieving this goal will require targeted investment in transport links, port capacity, logistics hubs, and intermodal freight facilities to improve supply chain efficiency and market access.
- Workforce Development: Northland will need to expand and upskill its workforce, with a focus on vocational training, regional apprenticeships, and partnerships with tertiary providers to meet growing demand across key sectors.
- Sector Growth and Technology: Targeted investment would be appropriate in high-value manufacturing, sustainable energy, cultural tourism, and agriculture, supported by infrastructure development, the adoption of advanced technologies and sustainable land use practices.
- Certainty for Investors: Much of the enabling investment is likely to flow from private sources as it has to date, but success will depend on clear regional strategies, stable long term planning frameworks, and policy alignment to provide certainty for investors and businesses, alongside strong coordination between government, iwi, and industry to enable timely delivery of regionally significant projects.

Contents

Figures

Tables

1 Introduction

1.1 Purpose

The Northland Corporate Group engaged NZIER to assess and articulate Te Tai Tokerau Northland's current and future economic contribution to Auckland and the wider New Zealand economy. The study seeks to demonstrate Northland's existing strategic value to the New Zealand economy, especially its role in underpinning the Auckland economy. It also showcases some avenues for targeted investment, sector development, and improved infrastructure connectivity in Northland to generate and drive regional transformation while reinforcing national economic growth, resilience, and productivity.

1.2 Research scope

The scope of the research includes:

- Articulating and quantifying the strategic value that Northland currently offers Auckland and the rest of New Zealand
- Reviewing the literature and data on economic growth opportunities in Northland
- Exploring the constraints or barriers that need to be overcome for Northland to realise the potential economic growth opportunities
- Determining what needs to be changed or invested in to enable growth and wellbeing improvements for Northland and Auckland, and the rest of New Zealand.

1.3 Research approach

The table below summarises a comprehensive regional economic research approach that integrates mixed-methods analysis, sector-specific insights, and stakeholder engagement. It outlines key activities and findings across five thematic areas, from data analysis and policy review to community-informed outcomes, highlighting the strategic role of Northland in enabling regional resilience and supporting broader economic transformation.

Table 1 Our research approach summarised

Element	Description
Mixed-methods research	Combined quantitative data analysis with qualitative insight Conducted sectoral reviews and stakeholder engagement Identified economic strengths, constraints, and opportunities
Sectorial focus	Analysed key sectors: agriculture, energy, construction, and logistics Examined the potential for strategic development and regional impact
Multi-lens framework	Assessed infrastructure and workforce investment needs Reviewed policy and regulatory settings to unlock growth Emphasised institutional and governance enablers for transformation
Stakeholder engagement	Interviews and roundtables with community leaders, industry representatives and local government officials Collected insights on barriers (e.g. finance, labour, planning) and emerging opportunities

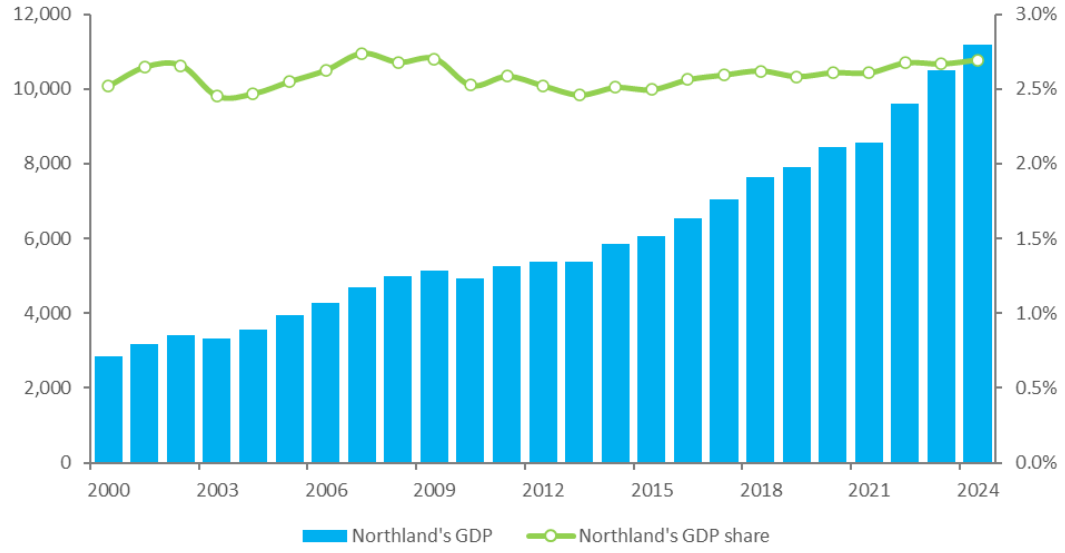
Source: NZIER

2 Te Tai Tokerau Northland's economy at a glance

Figure 1 shows Te Tai Tokerau Northland's regional gross domestic product (GDP) and the region's contribution to New Zealand's GDP from 2000 to 2024. During the last 25 years, Northland's regional GDP has increased from $2.9 billion to $11.2 billion. The overall share of the regional contribution to New Zealand's GDP has remained between 2.5 percent and 2.7 percent.

This indicates that Northland's economy has grown over the last quarter century and is keeping pace with the rest of the country's economic growth.

Figure 1 Te Tai Tokerau Northland's contribution to New Zealand's GDP



Source: Stats NZ (2025b)

Figure 2 shows that Northland's GDP per capita remains approximately 30 percent below the national average. If Northland's GDP per capita equalled the national average, its regional GDP would be $16.0 billion, and its contribution to New Zealand's GDP would be 3.8 percent.

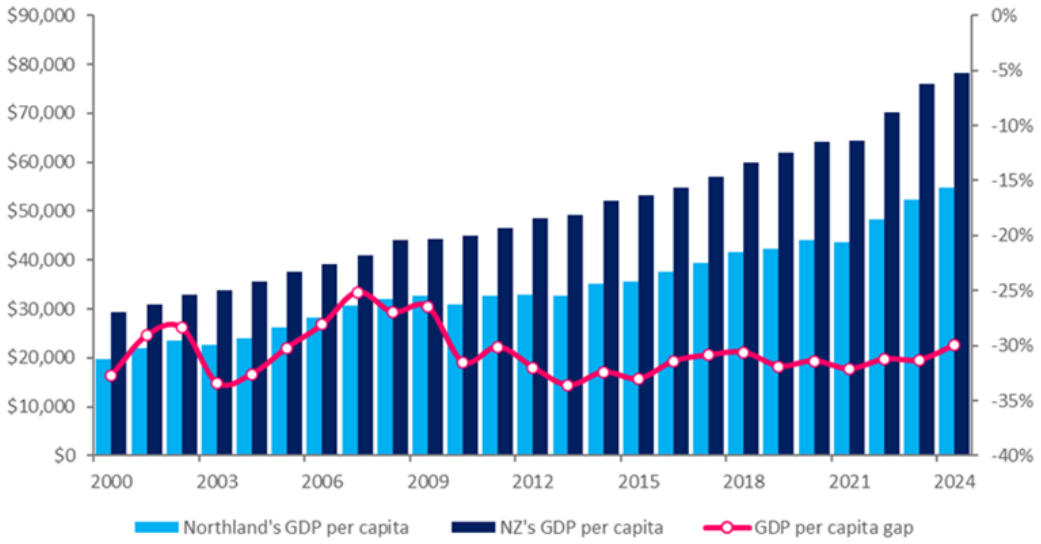
The material variance between Northland GDP per capita and the national average cannot be sensibly explained via resource or geographical considerations; in fact, the opposite is true, the region has natural advantages given its geographical location to the north of Auckland and is rich in natural resources. Northland's low GDP per capita can therefore be considered to be indicative of sustained underinvestment in physical infrastructure, institutional capacity, and human capital development. These structural deficits are associated with reduced labour force participation, limited skills acquisition, lower educational attainment and persistent productivity shortfalls. These collectively constrain long-term economic resilience and growth potential.

These constraints also contribute to lower household incomes and diminished living standards, with adverse implications for overall wellbeing. A lack of year-round, reliable roading infrastructure has much more long-reaching economic impacts for Northland.

Freight delays and poor access are forcing companies to reassess how and where they operate, which risks compromising long-term economic growth.

For example, a 2023 survey of Northland businesses found that closures and diversions on State Highway 1, due to weaknesses in the resilience of land transport infrastructure between Auckland and Whangārei, increased businesses' costs by between $60 million and $230 million in total.

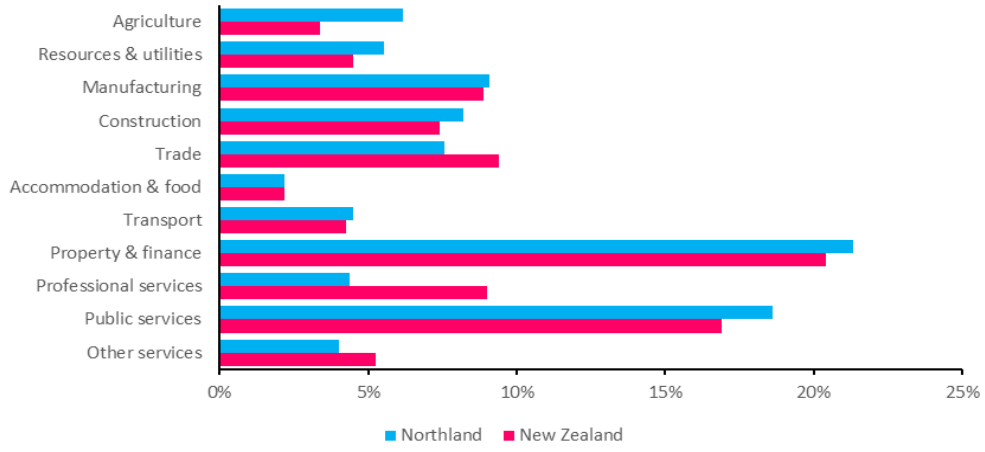
Figure 2 Comparing Te Tai Tokerau Northland's GDP per capita



Source: NZIER based on regional GDP data from Stats NZ

Figure 3 illustrates how Northland's industry composition compares with the national average. The region has a relatively high concentration of activity in agriculture, natural resources, construction, property and finance, and public services. In contrast, it shows lower representation in professional services, trade, and other service industries.

Figure 3 Comparing Te Tai Tokerau Northland's industry mix, 2023



Source: Stats NZ (2025b)

2.1 The Māori economy and Te Tai Tokerau Northland

The Māori economy is a dynamic and increasingly influential component of New Zealand's national economy, with characteristics that strongly align with the structure and future potential of the Northland economy. Northland, or Te Tai Tokerau, has a regional economy that is deeply interconnected with Māori land, people, and cultural heritage. The region's economic structure—centred on primary industries, tourism, and services—closely reflects the growth patterns and diversification trends identified within the wider Māori economy.

The contribution of the Māori economy to New Zealand's national GDP has grown substantially, rising from $17 billion to $30 billion between 2018 and 2023 (BERL 2025). This growth is evident in Northland, where Māori-owned assets, businesses, and collective enterprises play a central role in land management, forestry, and increasingly, service-oriented industries. While primary industries such as agriculture, forestry, and fishing have long been economic mainstays for both Northland and Māori enterprise, recent diversification into sectors like real estate, construction, and professional services offers a critical opportunity for Northland to broaden its economic base. This diversification is particularly important for the region, given its historical reliance on a limited number of sectors and its exposure to climatic and market risks.

A key strength of Northland's economy lies in its cultural richness and its potential for developing authentic Māori-led tourism experiences. The growing entrepreneurial base within the Māori economy, supported by a 50 percent increase in self-employment and a 31 percent increase in Māori employers since 2018, is highly relevant for the cultural tourism sector in Northland. The region is home to some of Aotearoa's most significant cultural sites, such as Waitangi, the Hokianga, and the historic settlements of Ngāpuhi and other iwi, offering a foundation for high-value, story-driven visitor experiences that celebrate Māori culture and heritage.

The increasing number of Māori in high-skilled occupations, now exceeding those in low-skilled jobs, also signals a readiness within Northland's Māori workforce to lead in areas such as tourism management, cultural interpretation, digital storytelling, and sustainable enterprise development. This shift can enable the region to develop a premium, values-based tourism offering that is both economically beneficial and culturally authentic.

However, persistent disparities in homeownership and household income between Māori and non-Māori remain particularly pronounced in Northland, where socio-economic challenges are among the most significant in the country. Addressing these inequities will be essential to unlocking the full potential of the Māori economy within the region. Investment in skills development, business support, and culturally grounded governance structures will be critical to ensuring that the benefits of economic growth are equitably shared.

The growth and diversification of the Māori economy align strongly with Northland's economic structure and cultural strengths. Across New Zealand, Māori investment in joint ventures has yielded a positive return on investment. There is a substantial opportunity to build on these foundations by expanding Māori-led enterprises, particularly in cultural and eco-tourism, sustainable land use, agriculture and service industries. Doing so can help Northland realise a more resilient, inclusive, and culturally enriched regional economy that honours its unique place in Aotearoa.

2.2 Identifying Te Tai Tokerau Northland's economic potential

Northland is uniquely positioned to contribute to New Zealand's long-term economic transformation through its natural resource base, strategic location, and emerging sector strengths. Table 2 explores the region's untapped economic potential, highlighting opportunities for growth in agriculture, renewable energy, and circular economy systems. It also examines how improved regional connectivity and alignment with Auckland's growth can unlock mutually reinforcing benefits, advancing both regional resilience and national prosperity.

Table 2 Te Tai Tokerau Northland's economic growth opportunities

Theme	Summary
Strategic regional assets	Northland has strong potential to drive inclusive economic growth through its natural resources, favourable climate, and emerging industries. It is well-placed to support New Zealand's low-emissions transition and build national resilience.
Agricultural opportunities	The region's base in pastoral farming, horticulture, aquaculture and forestry supports value-added production, export growth, and food security. Innovation, infrastructure, and sustainable land use practices (e.g., precision and regenerative farming) can enhance productivity and improve environmental outcomes.
Renewable energy	Northland has strong potential in solar, wind, geothermal, and biomass energy, including battery storage.
Renewable fuels and biofuels manufacture	Northland has an abundance of forestry and other waste products and energy sources, which combined with the strategic attributes of the Marsden Point area, offer opportunities for the manufacture of biofuels and other renewable fuels and byproducts, supporting fuel security through domestic manufacturing capability utilising domestic feedstocks and the decarbonisation of transport and industry.
International and domestic tourism	Northland possesses significant natural, cultural, and coastal assets that position it well to attract both domestic and international tourists, particularly in eco-tourism and cultural tourism niches. Its proximity to Auckland, combined with potential infrastructure improvements and government interest in regional economic diversification, suggests strong latent potential for tourism-led growth.
Synergy with Auckland	Proximity to Auckland positions Northland as a strategic supplier of food, land, and logistics capacity. Infrastructure upgrades (e.g. SH1, regional rail) can deepen economic integration. Northland's existing position on the NZ fuel supply chain (via Marsden Point) makes it an ideal location for increased storage to support fuel supply resilience for New Zealand.
Relieving Auckland's pressures	Northland can accommodate space-intensive or environmentally sensitive activities like food processing, and fuel and energy production or storage, easing pressure on Auckland's land and resources while attracting investment and talent northward.

Source: NZIER

Sectoral focus: Unlocking strategic development potential

This report explores five key sectors – energy, agriculture, construction, logistics, and tourism – that are central to Northland's future economic development. These sectors were chosen for their current significance, alignment with national priorities, and capacity to drive long-term regional growth. The Māori economy is interwoven within each of these sectors.

Each presents distinct opportunities.

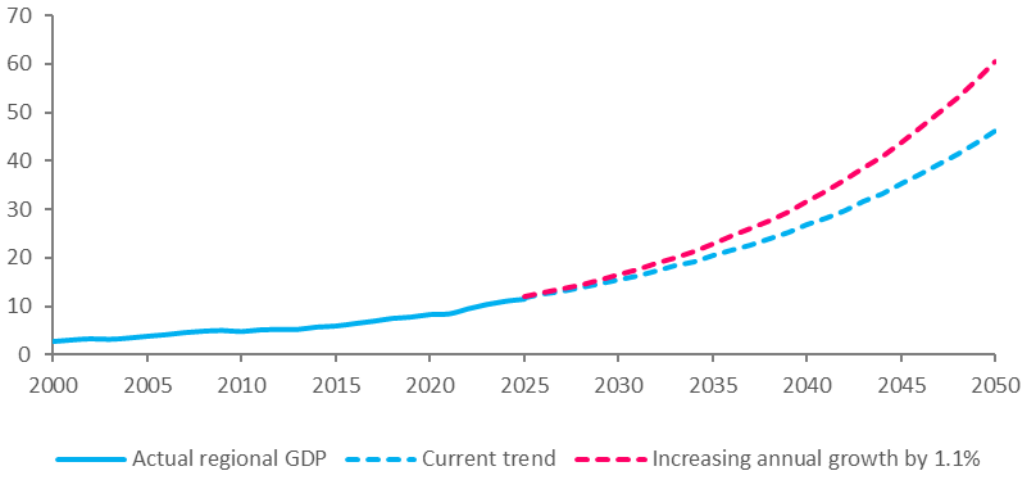
- Energy can leverage local resources to support renewable generation and low-emission fuels and energy security for Auckland reducing reliance on transmission from the south.
- Agriculture offers the potential for value-added production and climate-resilient practices.
- Northland's natural assets and proximity to Auckland position tourism as a strong opportunity for regional growth and diversification.
- Construction is essential for delivering infrastructure and housing.
- Logistics connects Northland to Auckland and broader markets.

The analysis identifies where investment, innovation, and regulatory reform can enhance productivity, employment, and resilience. It provides a foundation for strategic sector development aligned with Northland's strengths and national economic goals.

2.3 Pathway to a $60 billion regional economy

Northland has an opportunity to significantly increase its contribution to New Zealand's economy by expanding its capabilities in high-value manufacturing, sustainable energy, cultural tourism, and agriculture. The Northland Corporate Group proposes an ambitious but achievable goal: to grow Northland's nominal regional GDP to $60 billion by 2050, closing the gap in GDP per capita relative to the national average. Achieving this outcome will require Northland to lift its annual GDP growth rate by approximately 1.1 percentage points above the current trend. If realised, Northland's share of national GDP would increase from 2.7 percent to 4.0 percent by 2050, strengthening the region's position within the national economy. Figure 4 illustrates Northland's historical and projected nominal GDP, comparing the current growth trajectory with an accelerated growth scenario.

Figure 4 Charting a path to a $60 billion regional economy



Source: NZIER

Meeting this target will require coordinated action across multiple sectors and sustained investment over the long term. Infrastructure development will be critical to supporting higher growth. Improvements to transport links, including road, rail, and coastal shipping, will be essential to reduce supply chain costs, improve access to national and international markets, and enable the movement of goods at a greater scale. Investments in port capacity, logistics hubs, and intermodal freight facilities would help Northland to develop its potential as a nationally significant energy and logistics centre.

Investment in enabling industries will be required to support growth in key sectors. In manufacturing, continued adoption of advanced technologies such as robotic fabrication, modular construction, and process automation will help Northland firms to improve productivity and competitiveness. In energy, new electricity generation (including renewable electricity) and storage capacity, along with a secure and resilient fuel supply chain (including increased fuel storage), will be necessary to meet the needs of an expanding industrial base and to support Northland's role in New Zealand's energy transition. In cultural tourism, infrastructure upgrades and investment in visitor experiences will be needed to capture higher-value tourism markets while protecting the region's environmental and cultural assets.

Agriculture will continue to be a critical part of Northland's growth trajectory. Realising the region's potential will require investment in more productive and sustainable land use. Opportunities exist to expand value-added processing in horticulture, forestry, and animal products, as well as to diversify into higher-value crops and carbon farming on marginal land. Improving water security, soil health, and biosecurity resilience will also be essential to supporting long-term agricultural productivity. Investment in agri-technology, logistics, and rural connectivity will help enable Northland's primary sector to scale and to better integrate into national and export supply chains.

Lifting Northland's growth rate to the required level will depend on targeted regional policies, efficient planning frameworks, and strong coordination between central and local government, iwi, and industry. Improvements to regulatory settings, investment in key infrastructure, and a clear pipeline of regionally significant projects will be necessary to provide the certainty needed to attract private investment. Collaboration across sectors will be essential to ensure that growth is inclusive, sustainable, and aligned with the region's long-term development goals.

Northland's growth continues to be driven by private investment. Our 2024 business survey, conducted as part of the Northland Expressway economic potential report, identified over $38 billion in latent private capital across the region[1]. Private investment remains central to achieving a $60 billion regional economy. Unlocking this potential hinges on business confidence, enabled by certainty around centrally funded infrastructure, particularly improved transport connectivity

Overall, realising this ambition by 2050 will require deliberate, sustained effort to lift regional productivity, grow sectoral capacity, and address structural barriers to investment.

[1] Page 30, NZIER. 2024. Te Tai Tokerau Northland Expressway: Unlocking economic growth and regional prosperity. NZIER report to the Northland Corporate Group.

Northland's existing economic base, combined with its natural assets and geographic advantages, provides a sound platform to pursue this next phase of growth.

3 Energy supply growth will power growth beyond the region

3.1 Regional energy companies are mature, diversified, and active in unlocking renewable potential in Te Tai Tokerau Northland

- Northland's energy distribution networks are community-owned, via incumbent distribution companies Top Energy and Northpower. Both organisations have effectively diversified their business positions since deregulation in the 90s, with Top Energy holding generation assets capable of supporting much of the far north, and Northpower providing energy construction support to the majority of distribution organisations across the North Island.
- Both organisations have been proactive and instrumental in supporting renewable generation development in the region, including taking a direct stake and working with independent generators to support their generation projects. Northland is poised to generate as much energy as it consumes by 2026, positioning the region as a net energy exporter in support of Auckland's growth and resilience.
- Channel Infrastructure is New Zealand's largest fuel import terminal, storing and distributing 40 percent of New Zealand's fuel, including 80 percent of New Zealand's jet fuel. Its geographical position and pipeline into Auckland provide irreplaceable access to and support for Auckland's land and air transport fleets, and its Marsden Point Energy Precinct proposals provide a pathway to a renewable fuel future (including manufacture of fuels) with significant economic development potential, including contribution to regional employment and economic development.
- In 2024, International tourism expenditure to New Zealand was $16.9 billion, and all the jet fuel to Auckland International Airport (accounting for 76 percent of all inbound tourists to NZ) is dependent on the fuel import terminal in Northland and its connection to Auckland via pipeline. Thus, Northland plays a crucial role in the growth and resilience of tourism's contribution to the national economy.

This energy transition presents Northland with a once-in-a-generation opportunity to drive long-term economic development. With the right investment, the region can benefit from new jobs across construction, infrastructure, technology, and energy services, as well as from increased resilience, improved transport networks, and enhanced local energy security.

Importantly, Northland's role supports not only its growth but also Auckland's ongoing expansion by providing clean, reliable electricity and helping balance regional infrastructure demands, and more broadly, supports New Zealand's fuel security and resilience.

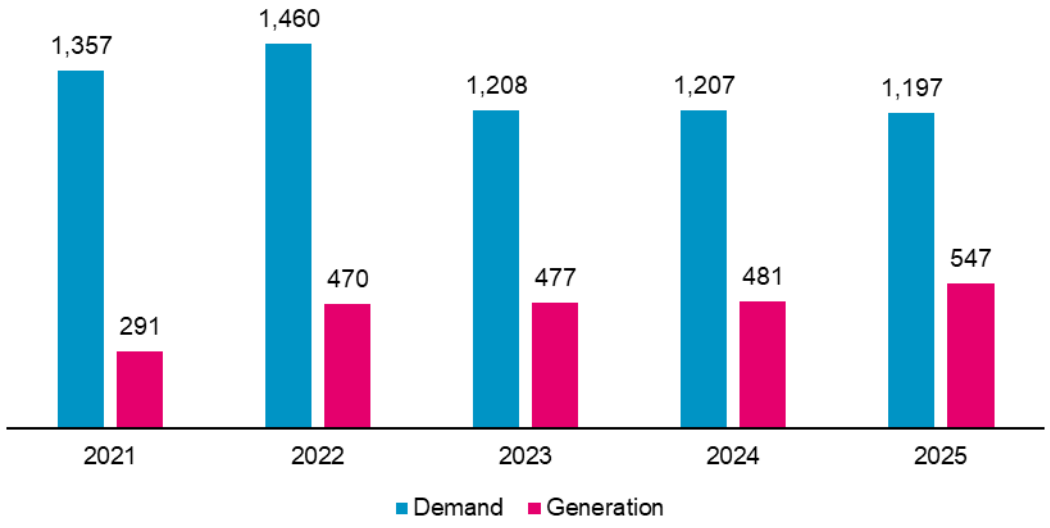
3.1.1 Renewable generation from geothermal and solar

Northland currently generates approximately 540 GWh of renewable electricity annually. The Ngāwhā geothermal plant is the region's largest generator, producing 450 GWh a year. Other significant generators include the recently completed Kohirā Solar Farm in Kaitaia (about 55 GWh a year) and Te Puna Mauri ō Omaru Solar Farm in Ruawai (about 40 GWh annually).

Despite generating significant amounts of renewable power within the region, Northland is currently a net importer of electricity overall. It currently uses around 1,200 GWh of electricity a year, indicating that just over half of the region's electricity is imported from the national grid.

Figure 5 Northland's electricity demand and supply

GWh



Source: Electricity Authority Demand trends and Generation trends

3.1.2 A large pipeline of future generation projects

There is a large pipeline of renewable electricity generation projects in Northland scheduled for completion in the next two years, as shown in Table 3. If completed, these projects will have a combined capacity of approximately 400 MW and produce around 1.5 TWh of electricity per year, sufficient to make the region a net electricity exporter.

Table 3 Te Tai Tokerau Northland's renewable electricity pipeline

Project	Developer	Type	Generation capacity (MW)	GWh	Status
Te Puna Mauri ō Omaru Solar Farm	Northpower	Solar	17	40	Operating
Kohirā Solar Farm	Lodestone	Solar	23	55	Operating
Naumai Solar Farm	Infratec	Solar	4	8	Operating
Twin Rivers Solar Farm	Ranui	Solar	24	46	Construction
Papareireiā Solar Farm	Solar Bay	Solar	18	35	Construction
Pukenui Solar Farm	Far North Solar	Solar	17	33	Construction
Dargaville	Lodestone Energy	Solar	52	100	Proposed
Ruakākā Solar Farm	Meridian Energy	Solar	120	230	Consented

Project	Developer	Type	Generation capacity (MW)	GWh	Status
Ngāwhā Stages 1-3	Top Energy	Geo	57	450	Operating
Ngāwhā Stage 4	Top Energy	Geo	32	266	Proposed
Kaiwaikawe	Mercury	Wind	75	223	Proposed
Total			439	1486	

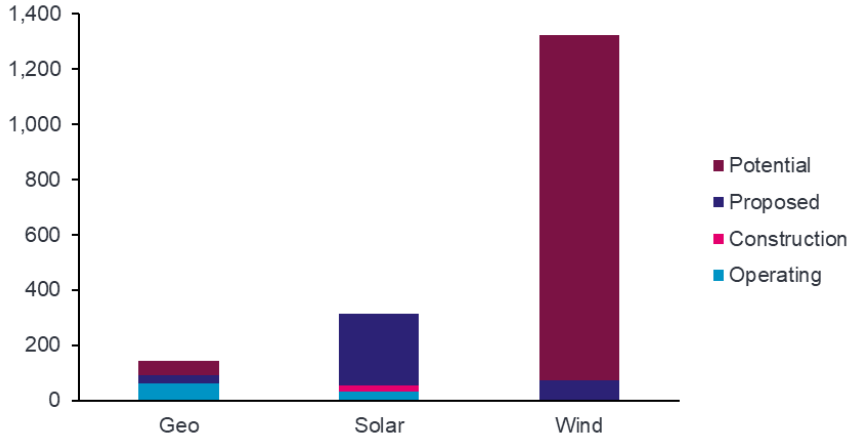
1 Note: Capacity (MW) and annual generation (GWh) figures are approximations based on available data

Source: NZIER

According to the Ministry of Business Innovation and Employment's (MBIE) most optimistic generation scenario, Northland could eventually produce 2.1 GW of renewable electricity, as shown in Figure 6. Northland's transmission and distribution companies provide an even higher estimate of 2.7 GW.[2]

Figure 6 Potential future electricity generation in Te Tai Tokerau Northland

GW, innovation scenario



Note: Due to differing data sources, figures may not agree with Table 3

Source: MBIE Electricity Demand and Generation Scenarios 2024

Innate construction capabilities

Northpower, a Northland-based infrastructure company, provides around $400 million of construction services to New Zealand's energy sector.

It holds long-term contracts with Vector, Powerco, and Transpower, and supports the majority of the remaining distribution organisations in the North Island of New Zealand.

Top Energy, another Northland-based organisation, has developed 57 MW of geothermal generation (a further 32 MW consented) in the region, and deployed 17 MW of peaking generation. The organisation has been working closely with solar generators in the far North, with 67 MW of generation expected to be commissioned by early 2026. In addition, 14 MW of rooftop solar is currently installed across the district.

2 Transpower, Top Ey and Northpower, 2024, Resilience, reliability and an Energy Bridge:

The organisations hold both the capabilities and capacity to ensure augmentation of energy networks in the North can be completed in a timely and cost-effective way. The organisations have been active in enabling renewable energy development in the North and advocating to realise the renewable generation potential of the region.

3.1.3 Underutilised high-capacity transmission lines

There are materially underutilised high-capacity 220 kV double-circuit powerlines linking Marsden Point and Auckland. These power lines were built in the late 1970s to serve two large oil-fired power stations; Marsden A, 240 MW, which ran in the 1970s, and Marsden B 250 MW, which was never completed.

The transmission lines transition to 110 kV with much lower capacity between Marsden and Kaikohe, creating a bottleneck that prevents new wind and solar projects in the Far North. The government is exploring creating an 'Energy Bridge' between Northland and Auckland by updating these transmission lines, recognising the region's rich renewable resources and potential to become a major electricity exporting region.

The *Energy Bridge* proposal for Northland outlines a coordinated electricity infrastructure strategy intended to generate regional and national economic benefits. Developed by Transpower, Northpower, and Top Energy, the proposal aims to harness the region's renewable energy potential, supporting economic development, enhancing network reliability, and contributing to national emissions reduction.

Northland could unlock the first 600 MW of new renewable electricity generation within five years, significantly exceeding local demand and positioning the region as a net exporter to Auckland and other high-demand areas. This capacity could attract private investment, support skilled employment, and stimulate local supply chains. Enhanced network reliability would reduce operational risks and productivity losses for businesses, as well as lower the cost and frequency of outages for households. It improves electricity security and will have less transmission loss than anything that comes from South of Huntly.

The Energy Bridge includes targeted upgrades to transmission infrastructure, new regional connections, and protection systems to manage load and generation fluctuations. These investments aim to increase capacity, improve resilience, and enable the scalable connection of the new generation. Coordinated implementation could reduce per-connection costs and improve capital efficiency.

Current regulatory settings allocate a significant portion of the infrastructure cost to local consumers, despite the national benefits. This presents an economic barrier in a region with limited capacity to absorb additional energy costs. The report proposes exploring alternative funding models and revised pricing structures to better align costs with benefits and reduce the risk of underinvestment and underutilisation of natural resources. The Energy Bridge represents an economically rational approach to supporting renewable generation, regional development, and national energy resilience. It offers the potential to create enduring economic value if supported by appropriate policy and funding frameworks.

In addition, Channel Infrastructure is currently investigating a diesel-fuelled electricity peaking generation plant. Should the project proceed, it would provide electricity peaking capacity to help smooth New Zealand's winter electricity peak prices while more renewable generation is developed. The project would make use of the available capacity in the 220 kV

transmission lines to Marsden Point, existing diesel infrastructure, and the significant reserves of fuel stored at Marsden Point.

3.2 Marsden Point Energy Precinct will deliver energy security at scale not seen elsewhere

A staged development is being proposed for an energy precinct at Marsden Point, Northland. The precinct, designed to sit alongside and complement the existing fuel import terminal, is intended to consolidate existing fuel infrastructure with new energy-related facilities over a 10- to 15-year period. The proposed development includes existing operations, projects under construction, and a suite of conceptual projects with a total indicative construction cost of approximately $3.3 billion in 2024 dollars.

The Marsden Point Energy Precinct concept includes new fuel storage, sustainable aviation fuel (SAF) manufacturing facilities, flow battery storage, a diesel electricity peaker plant, and an LNG import terminal. Two projects are currently under construction: additional jet fuel storage and a bitumen import terminal facility. An additional two projects – a biorefinery and diesel-fuelled electricity peaker – are at an advanced stage and currently undergoing front-end engineering and design (FEED) pending a final investment decision. A number of other projects are at the conceptual stage, including eSAF manufacturing facilities, additional diesel storage, and additional import infrastructure for LPG, ammonia, and other fuels.

Marsden Point will continue to play a critical role in supporting the security of fuel supply in New Zealand, through its fuel storage and distribution infrastructure at Marsden Point, with the potential for new storage to add further resiliency to the risks of international supply chain disruption due to geopolitical or other regional events. It can also provide further support to fuel security for New Zealand by establishing domestic manufacturing for biofuels, e-fuels and other products from domestically sourced feedstock. In addition to reducing reliance on the importation of finished fuel products, domestically manufactured biofuels and e-fuels are also lower carbon fuels, contributing to the decarbonisation of the New Zealand economy.

PwC has estimated the economic impact of the wider energy precinct, in terms of its contribution to GDP and employment, applying an input-output multiplier methodology to estimate the direct, indirect, and induced economic impacts of the precinct, covering both the construction and operational phases. Multipliers were sourced from Insight Economics and based on national input-output tables published by Stats NZ.

During the construction phase, the total one-off contribution to GDP is estimated at $3.3 billion. The construction phase is projected to generate approximately 20,200 full-time equivalent (FTE) jobs over the 10- to 15-year construction period, including both direct employment and supply chain and consumption-driven employment. Direct employment accounts for roughly 7,900 FTE roles during construction.

Once fully operational, the Marsden Point Energy Precinct is expected to contribute approximately $260 million in GDP annually and support around 1,100 FTEs per year. Operational employment includes direct site-based roles as well as broader economic activity generated through the supply chain and household spending. The existing import terminal is expected to contribute approximately 23 percent of the precinct's ongoing economic impact.

The majority of the construction impact is associated with incremental projects, as the analysis assumes no significant further investment is required for the existing import terminal. The construction impacts are labour-intensive, while the operational phase will generate smaller but ongoing highly skilled employment and economic activity.

Over a 20-year period, the Energy Precinct is forecast to contribute approximately $10 billion to New Zealand's GDP (in 2024 dollars) and generate around 45,000 FTE years of employment. The modelling assumes all facilities will remain operational until at least 2044 and that larger projects such as the SAF and flow battery facilities will involve two-year construction periods. PwC notes that the estimates are based on preliminary cost and revenue projections and should be considered indicative. Actual outcomes will depend on final investment decisions, project timelines, and delivery efficiencies.

The analysis indicates that the energy precinct has the potential to deliver significant regional and national economic benefits. The construction phase would provide a substantial temporary boost to Northland's economy, while the operational phase would support long-term employment and energy sector capacity.

3.3 The potential for New Zealand

3.3.1 Contribution to Net Zero

Northland has the natural resources and geographic positioning to significantly expand New Zealand's renewable electricity generation. With high solar exposure, suitable sites for onshore wind, and potential for geothermal exploration, the region is ideally placed to support large-scale and community-based renewable energy projects. This expansion would not only increase Northland's energy self-sufficiency but also contribute to national climate goals by displacing fossil fuel use in electricity generation and enabling cleaner industrial processes.

3.3.2 Providing reliable energy to promote economic growth

There is a well-established link between increased energy supply and economic growth. A reliable and scalable energy system is essential to support higher levels of production, innovation, and industrial activity (Gozgor, Lau, and Lu, 2018). As regions expand their energy capacity, they unlock the ability to scale economic output, attract new investment, and support more complex and high-value industries.

In Northland, the expansion of renewable electricity generation presents a significant opportunity to underpin long-term regional growth. A stronger energy supply will enable the region to accommodate increased demand from emerging sectors, lower energy costs for businesses, and enhance resilience against market volatility (Apergis and Payne 2010). This energy advantage will position Northland as a more attractive location for commercial and industrial development, supporting greater productivity, economic diversification, and sustainable value creation.

Further empirical studies have established a causal link between energy consumption and GDP growth, suggesting that energy supply is not merely a consequence of economic activity but a driving force behind it (Stern 2011). These findings imply that policies aimed at enhancing energy availability can directly influence economic performance (Ozturk 2010).

Giraud (2014) analysed data from 50 countries between 1970 and 2011, finding that the long-run output elasticity of primary energy use lies between 0.6 and 0.7. This suggests that a 1 percent increase in energy supply could lead to a 0.6–0.7 percent increase in GDP, indicating a strong dependency of economic growth on energy consumption. These results apply to a situation where the energy supply is constrained. In the context of Northland potentially doubling its electricity generation and other energy sources, this could increase the regional contribution to national GDP by $6 billion annually. As an energy export, the region's contribution would be spread over regional boundaries. However, it would be equivalent to lifting the regional GDP to $17 billion annually.

3.4 Opportunities, constraints and enablers

Table 4 outlines the strengths, opportunities, and constraints of the energy sector in Northland. The region plays a nationally significant role in energy generation, with established infrastructure at Marsden Point and strong potential across renewable sources, including solar, wind, biomass, and geothermal. Northland's natural resources, available land, and existing transmission assets position it well to contribute to New Zealand's energy transition and support growing regional and national demand.

The table also highlights opportunities to scale renewable energy generation, develop distributed energy systems, and attract energy-intensive industries through reliable supply and lower emissions. However, constraints such as transmission capacity limitations, regulatory complexity, and the need for network investment continue to limit the pace of development. Addressing these challenges will be critical to realising the region's full potential as a low-carbon energy hub and enabling wider economic transformation.

Table 4 Te Tai Tokerau Northland's energy strengths, opportunities and constraints

	Current state	Future potential
Enabled	Renewable energy generation is expanding The region is a net importer of electricity Nationally important role in electricity network maintenance Nationally strategic role in transport fuel imports	Leading national role in renewable energy generation National excellence in renewable energy development Nationally strategic role in transport fuel imports and domestically produced biofuels
Constrained	Underutilised capacity for electricity transmission Existing transport infrastructure challenges are subduing investment confidence	The region becomes a net exporter of renewable electricity Regulation and consenting processes are limiting the pace and scale of network investment and development

Source: NZIER

4 Agriculture is delivering for growth and innovation

4.1 What Te Tai Tokerau Northland delivers currently

- A strategic advantage is being able to extend the growing season, sell produce earlier or later, thereby gaining better price points.
- A food basket for Auckland and New Zealand with capacity for growth and innovation.
- A key growth region for the domestic supply of avocados and kūmara.
- An outsized role in forestry production.
- An increase in investment in water management and irrigation has been announced, which will increase the productivity and resilience of agriculture in Northland.

Northland's agriculture is uniquely shaped by its subtropical climate, diverse geography, and historical land-use patterns. While challenges persist, particularly around water security, soil limitations, and market access, the region is well-placed to capitalise on opportunities in high-value horticulture, sustainable land management, and agri-tech innovation. With strategic investment, careful stewardship of natural resources, and inclusive approaches to development, Northland's agricultural sector can continue to evolve as a dynamic and resilient contributor to both the regional and national economies.

For Auckland:

- Stable, diverse food supply: year-round provision of fruits, vegetables, meat, and dairy. Enhanced food security: resilience against climate-related shocks.
- Urban-rural economic linkages: boost agri-logistics, processing, manufacturing, and innovation sectors.
- Pressure relief on urban land: More agricultural production has shifted to regional areas, preserving green belts.

For New Zealand's export economy:

- Broader high-value export mix: avocados, kiwifruit, subtropical fruits, kūmara, beef, dairy, and honey.
- Extended export seasons: longer production windows via controlled environment systems and subtropical farming.
- Risk diversification: an alternative production base to complement cooler southern regions.
- Strengthening Māori agribusiness: indigenous-led ventures across food, fibre, and honey markets boost New Zealand's global branding.

4.1.1 A unique climate and geography

Northland, the northernmost region of New Zealand, presents a distinctive climatic and geographical profile that has profoundly shaped its agricultural economy. Straddling subtropical latitudes, Northland benefits from a warm, humid climate that sets it apart from the more temperate regions of the country. Average annual temperatures range between 15°C and 22°C, with mild winters and hot, humid summers (NIWA 2013). Rainfall is generally abundant, although it can vary significantly across the region, averaging between

1,000 and 2,000 millimetres per annum. Nevertheless, it is particularly vulnerable to droughts during the summer months, and water security remains an enduring constraint on agricultural productivity (NIWA 2021; Northland Regional Council 2023)

Northland is likely to experience significant warming in the future due to climate change. The regional climate will become more subtropical. Rainfall may decrease in some seasons, increasing the risk of drought. Rare, extreme rainfall events are predicted to increase in intensity due to more moisture being held in a warmer atmosphere, but the future impact of ex-tropical cyclones is uncertain. Implications of climate change for Northland include:

- Warmer temperatures may allow different crops to be grown.
- More droughts may limit pasture production.
- More heat-tolerant pests may impact Northland's primary industries.
- Reductions in river flow and rainfall, as well as sea-level rise, may reduce groundwater storage (NIWA 2017).

The region's topography is diverse, comprising undulating hills, fertile plains, and a coastline punctuated by bays and inlets. Soils are similarly varied, with areas of rich alluvial deposits, volcanic soils, and less fertile clay-based substrates (Landcare Research 2020).

Transport infrastructure constraints have limited market access for some perishable commodities. Improving connectivity, coupled with the region's proximity to Auckland and international export routes, increasingly positions Northland as a viable and competitive agricultural producer (Ministry for Primary Industries, 2023). NZIER modelling of investment in improvement to transport infrastructure between Auckland and Northland could increase Northland's GDP from the agricultural industry by 18 percent which would be equivalent to $116 million in 2024.

4.1.2 A large dairy sector

Agriculture in Northland is diverse but historically dominated by pastoral farming. Dairy farming is a cornerstone of the regional economy, particularly on the fertile plains and improved hill country.

Northland's dairy sector produces 69.8 million kg of milk solids a year, accounting for 3.7 percent of New Zealand's total production.[3] However, productivity per hectare is generally lower than in more intensively farmed regions such as Waikato and Canterbury, reflecting climatic and soil constraints. Most Northland milk is processed into milk powders and butters at Fonterra's Kauri and Maungatūroto sites, the majority of which is destined for export.

4.1.3 Beef production

Beef production also constitutes a substantial component of Northland's agricultural output. Extensive beef farming systems, often operated in tandem with sheep grazing, are widespread across the hillier, less fertile areas. In recent years, there has been a notable trend towards more specialised beef finishing operations, leveraging Northland's ability to produce pasture year-round in many areas (Beef + Lamb New Zealand 2023). Currently, Northland is home to 8.7 percent of New Zealand's beef cattle.[4] Assuming slaughter rates

[3] https://www.dairynz.co.nz/media/bywm13d4/dairy-statistics-2023-24.pdf

[4] Infoshare: Agriculture: Variable by Regional Council.

and carcass weights in Northland are the same as the national average, Northland produces around 70,000-80,000 tonnes of beef a year (hot-carcass weight). Most Northland cattle are killed and processed at its two export-licensed beef processing plants, AFFCO Moerewa and Silver Fern Farms Dargaville,[5] and are destined for export markets. On average, around 90 percent of New Zealand's beef production is exported.[6]

4.1.4 Almost all of New Zealand's kūmara

Horticulture is another sector of growing importance. Dargaville is the principal centre of kūmara (sweet potato) production in New Zealand. Northland is well-suited for subtropical and temperate crops, with kiwifruit, avocados, citrus fruits, and macadamia nuts being prominently featured. The Far North, and Kerikeri in particular, is recognised as a central hub for high-value horticultural production. Northland avocados have achieved significant market penetration, both domestically and in export markets such as Australia and Asia, with the sector experiencing rapid expansion in planted hectares over the past decade (Avocados New Zealand 2023).

At the June 2022 Agricultural Production Census, Northland had 3,290 hectares planted in fruit (8.9 percent of the national total) and 1,490 hectares planted in vegetables (4.0 percent of the national total).[7] Northland hosts 42 percent of New Zealand's avocado plantings, 35 percent of melon, and 21 percent of mandarin.[8] It is also New Zealand's kūmara heartland, producing 96 percent of the country's crop, most of which is sold fresh in New Zealand supermarkets. All avocados sold in New Zealand are grown in New Zealand. In 2024, around 73 percent of avocados were destined for the domestic market.[9]

4.2 An outsized forestry sector

Forestry, while not strictly agricultural, also plays a significant role in Northland's land-based economy. The region is home to large tracts of commercial radiata pine plantations, particularly in the west and far north. However, there is increasing recognition of the need to balance forestry development with other land uses, particularly in light of concerns regarding land erosion, sedimentation, and the loss of prime agricultural land (Ministry for Primary Industries, 2023). Northland contains 128,300 hectares of exotic tree plantations, 7.3 percent of New Zealand's total area.

Forestry and carbon farming present significant complementary opportunities for agriculture in Northland, thereby enhancing land-use resilience and long-term productivity. Integrating forestry and carbon sequestration initiatives alongside traditional pastoral and horticultural activities can diversify income streams for landowners, reduce financial exposure to climate and market shocks, and improve overall land profitability. Strategic afforestation of marginal or erosion-prone land can mitigate soil degradation, protect waterways, and enhance biodiversity, contributing to the sustainability of primary production. Additionally, participation in the Emissions Trading Scheme (ETS) through carbon farming offers Northland farmers an avenue to monetise sequestration potential, supporting the region's transition to lower-emission land use.

5 https://beeflambnz.com/sites/default/files/Meat%20processors%20in%20NZ%20-%20May%202019.pdf

6 https://mia.co.nz/wp-content/uploads/2024/11/Beef-Factsheet-2024.pdf].

7 https://unitedfresh.co.nz/assets/site/Fresh-Facts-2024-%E2%80%93-Online-Version.pdf

8 https://www.stats.govt.nz/information-releases/agricultural-production-statistics-year-to-june-2022-final/

9 https://industry.nzavocado.co.nz/download/2024-annual-report/

4.3 An aquaculture sector that is looking to grow

Northland presents measurable opportunities for aquaculture expansion, underpinned by favourable coastal geography, established farming operations, and regional economic development strategies. The region currently supports commercial aquaculture, primarily focused on Pacific oysters and green-lipped mussels. According to the Northland Regional Council, approximately 700 hectares are consented for oyster farming, particularly within the region's sheltered harbours, while mussel farming occupies a more limited footprint of around 43 hectares, mainly in northern areas such as Houhora Heads.[10]

The development of land-based aquaculture is emerging as a key area of growth. The National Institute of Water and Atmospheric Research (NIWA), in partnership with the Northland Regional Council, has established a Recirculating Aquaculture System (RAS) at Ruakākā, with the capacity to produce over 600 tonnes of kingfish per annum.[11] This technology reduces biosecurity risks and environmental impacts associated with sea-based aquaculture, while providing year-round production potential. It also allows for proximity to processing facilities and export infrastructure, which can improve supply chain efficiency.

In addition to conventional shellfish and finfish operations, Northland is exploring species diversification. A relevant example is the toheroa aquaculture project led by Te Tini a Tangaroa in collaboration with iwi partners. This initiative seeks to establish a sustainable farming model for toheroa, an endemic shellfish with cultural and economic value.[12]

However, several limitations must be considered. Northland's aquaculture sector is currently constrained by fragmented coastal space availability, biosecurity risks such as oyster mortality, and the need for specialised skills, particularly in emerging land-based systems. The reliance on limited high-value species such as kingfish and oysters introduces sectoral concentration risk, particularly if market access or disease challenges arise. Additionally, securing social licence to operate remains a material consideration, especially where aquaculture intersects with customary marine title and community interests.

Aquaculture in Northland offers quantifiable growth potential with supporting infrastructure, favourable environmental conditions, and regional policy alignment. However, realising this potential will depend on addressing environmental, regulatory, workforce, and market-related risks. A measured, multi-species, and technologically diversified approach is likely to offer the most sustainable long-term economic return.

4.4 The potential for New Zealand

Northland's primary sector faces both challenges and considerable opportunities for growth and innovation. Water management and irrigation development represent critical enablers of agricultural intensification and diversification.

Projects such as the Mid North Water Scheme aim to address the chronic water shortages that constrain productivity. Improved water security could enable a significant expansion of horticultural production, allowing growers to transition into higher-value, water-intensive crops and to mitigate the risks associated with existing enterprises due to climatic variability.

10 https://www.nrc.govt.nz/Environment/Coast/Aquaculture/

11 https://www.cbcivil.co.nz/projects/niwa-kingfish-ras/

12 http://tetiniatangaroa.org.nz/projects/thinking-outside-the-can-engineering-toheroa-aquaculture

High-value horticulture and agriculture are widely seen as a major growth opportunity. The expansion of avocado and kiwifruit orchards is likely to continue, but there is also scope to introduce new subtropical and niche crops, such as bananas, tamarillos, limes, and exotic berries. These crops are well suited to Northland's climate and can offer attractive returns per hectare, particularly in export markets seeking premium, sustainably produced fresh produce (Ministry for Primary Industries 2023b).

Key initiatives

Tropical and Subtropical Crop Cultivation: Northland leads New Zealand in commercial-scale pineapple and coffee farming, while also expanding the current production of bananas, tamarillos, and blueberries to a commercial scale. Growers utilise controlled environment techniques like shade houses and precision irrigation to optimise performance.

The Tuputupu programme is working strongly in this space around land utilisation, new crop and sub-tropical fruit.

Ngāwha Innovation and Enterprise Park: Opened in 2023 near Kaikohe, this 240-hectare hub supports horticultural processing, research, and value-added food innovation, aiming to build resilience and retain more economic value locally.

Kaipara Kai Programme: This initiative identifies optimal crops for Northland's soils and climate, trialling high-value options like hi-oleic peanuts, rice, and hemp, exemplifying data-driven diversification and sustainable land stewardship.

Precision Agriculture (AgFirst Northland): Offering soil mapping, variable-rate irrigation, and crop modelling, AgFirst helps Northland growers adopt resource-efficient, regenerative horticulture practices supported by GIS and drone technology.

Kūmara Industry Resilience Programme: Launched in 2024, this programme focuses on soil conservation, environmental planning, and regenerative practices to future-proof Northland's iconic kūmara sector.

Technology has the potential to increase yields, lower input costs, and improve drought resilience

Research suggests that advanced horticulture can lead to the following improvements in productivity and profitability. Yield improvements in advanced horticultural practices can lead to yield increases ranging from 8 percent to 40 percent over conventional methods. Profitability gains from the integration of advanced technologies and practices not only boost yields but also improve resource efficiency, leading to higher profit margins (Papadopoulos et al. 2024). This research also highlighted that agricultural technology and digitalisation can reduce input costs, particularly for fertilisers, and improve water management.

These improvements strengthen the resilience of farming systems to drought, which is especially important for Northland given its heightened exposure to climate change related droughts and heavy rainfall.

Investment in water supply and the irrigation of land for more agriculture could drive growth

The New Zealand Government has committed up to $17.5 million to fund the construction of a 22-kilometre pipeline aimed at securing a more resilient water supply for drought-

affected Dargaville. This investment forms part of a larger $41.5 million loan package announced by Regional Development Minister Shane Jones, with the balance of $24 million allocated to the Otawere Pipeline project in the Far North. Administered by Water Trust, the funding will enable the new pipeline to link Dargaville with the Te Waihekeora Reservoir in Glinks Gully, improving the town's water security and supporting broader regional infrastructure goals.

The project is expected to have significant economic and agricultural benefits. The pipeline will extend water access to approximately 3,000 hectares of land earmarked for horticulture, representing a 50 percent increase in horticultural land in the region, thereby enhancing the viability of high-value land use in the Kaipara District. Additionally, it will support operations at the Silver Fern Farms processing plant, reinforcing the region's food production capabilities.

The investment is positioned to stimulate regional development by enabling both agricultural expansion and industrial resilience through improved water availability. The increase in land area for horticulture would boost the region's GDP by 1 percent, adding $6.5 million to the GDP annually. This estimate excludes the benefits of food processing in the area and the benefits of climate change resilience from irrigation improvements.

Diversification into alternative land uses also has potential.

Northland's climate is conducive to viticulture, and there are emerging boutique wine operations, particularly in the Kerikeri area. Mānuka honey production, leveraging Northland's extensive native bush and favourable climatic conditions, continues to offer high-value niche market opportunities (Apiculture New Zealand. 2023). Northland is the one agricultural climate in New Zealand where coffee, bananas, pineapple, ginger and turmeric can be explored as potential commercial crops.

Carbon farming, through native forest regeneration and afforestation, is another emerging land use underpinned by the government's Emissions Trading Scheme (Ministry for the Environment 2022). Totara plantation forestry is being piloted in Northland for a range of economic, social and environmental objectives.

Māori agribusiness innovation will be a defining feature of Northland's agricultural future. Indigenous approaches to land stewardship, coupled with the pursuit of high-value, culturally resonant products such as medicinal plants and native foods (kai), offer unique market positioning domestically and internationally. Strong governance structures and access to investment capital will be key determinants of success in this space.

Shared Food Grade manufacturing facilities have been explored as a way to overcome the common challenges faced by Northland's growers and producers of high-quality natural products (Ngāwha Innovation Enterprise Park et al., 2022). The challenges for food manufacturers were identified to be the following:

- Fragmented professional networks and sectors
- Gaps in core distribution and logistics infrastructure, and more resilient and efficient transport linkages are needed
- Lack of scale and access to facilities to enable scaling up
- People and skill storage at all levels of production
- Limited facilities and expertise for adding value.

Ngāwha Innovation Enterprise Park et al. (2022) estimated that a shared food-grade manufacturing facility could generate 10,000 new jobs. We estimate the annual earnings associated with those jobs to be $690 million before tax, based on median weekly earnings of $1,320 in manufacturing in New Zealand.

4.5 Bringing it all together for primary in Te Tai Tokerau Northland

Table 5 provides a structured overview of the agriculture sector in Northland, outlining its current strengths, emerging opportunities, and persistent constraints. Agriculture remains a foundational component of the regional economy, contributing to employment, land stewardship, and export earnings.

The table identifies key opportunities to lift productivity and value, including the expansion of high-value horticulture, land-use diversification, the development of regenerative and climate-resilient practices, and the application of agri-tech and precision farming methods.

At the same time, the sector faces material constraints. These include limited irrigation and water storage infrastructure, biosecurity and climate-related risks, workforce shortages, and relatively poor access to downstream processing facilities and distribution hubs. Fragmented landholdings and underutilised Māori land further inhibit scale and investment.

This summary identifies where targeted investment, infrastructure development, and policy support can unlock greater resilience, value, and sustainability in the regional agricultural economy.

Table 5 Te Tai Tokerau Northland's agriculture strengths, opportunities and constraints

	Current state	Future potential
Enabled	An extended growing season thereby gaining better price points. Outsized horticultural production Unique potential for the crops that require a subtropical climate: avocados, bananas, coffee, pineapple, and other tropical citrus	Native plantation forestry Advanced horticulture and agriculture Value-add opportunities in food and beverage manufacturing
Constrained	Existing transport infrastructure resilience subduing investment confidence Niche crops lack commercial scale Agriculture is drought-prone	Scope for agricultural expansion with irrigation Increased irrigation will enhance the resilience of agriculture and horticulture Value-add opportunity in native and indigenous timber processing

Source: NZIER

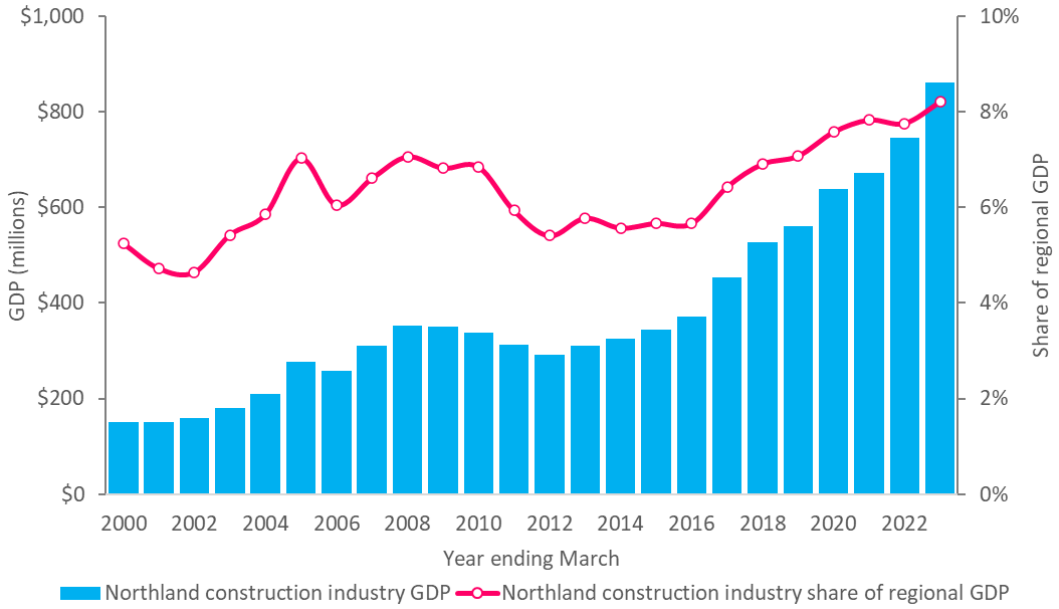
5 Construction and manufacturing in Te Tai Tokerau Northland

5.1 Te Tai Tokerau Northland plays a pivotal role in commercial construction in New Zealand

- Golden Bay Cement, located in Whangārei, is New Zealand's only domestic cement manufacturer, producing over 900,000 tonnes annually and meeting around 60 percent of New Zealand's total cement needs.
- The development of the new bitumen import terminal at Marsden Point is expected to strengthen domestic supply chain resilience for road construction and infrastructure projects, particularly in the upper North Island.
- Te Tai Tokerau Northland has existing quarries that supply the Auckland economy with materials that are fundamentally important for growth and infrastructure demands.
- Northland has space for growth, and its proximity to Auckland means new developments in Northland offer an opportunity to support the growing pains of New Zealand's largest metropolis.

Northland's construction industry has experienced sustained growth over the past 25 years (Figure 7), with particularly strong momentum in the years following the Global Financial Crisis, which had a widespread impact on the sector nationwide. By 2023, construction in Northland contributed an estimated $861 million to the regional and national economy. As a share of regional GDP, the industry grew from 5.3 percent in 2000 to 8.2 percent in 2023. The construction industry is more concentrated in Northland than in the rest of the country, as it accounts for 7.4 percent of the national GDP. These trends indicate that Northland is outperforming many other regions in using its construction industry to meet housing demand, deliver infrastructure, and support broader economic development.

Figure 7 Te Tai Tokerau Northland's construction industry contribution to GDP



Source: NZIER based on (Stats NZ 2025b) Regional gross domestic product: Year ended March 2024

Strategic investments in transport, energy, and digital infrastructure are unlocking new opportunities for planned sustainable growth across the region. This growth is not only about expanding urban footprints, but also about ensuring that development supports long-term economic, environmental, and social goals.

5.2 Infrastructure-driven urban expansion

Northland is undergoing a transformation driven by major infrastructure projects, including the proposed four-lane SH1 expressway extension, Northport upgrades, and the Marsden Point rail spur. These investments will enhance regional connectivity and unlock urban development opportunities. They also enable the coordinated delivery of core utilities, such as wastewater systems and high-speed broadband, which are essential for building liveable, future-proofed communities.

Auckland's share of New Zealand's total population is also anticipated to rise, reinforcing its position as the country's most populous region. Auckland's population is projected to experience significant growth between 2025 and 2035. According to Stats NZ's medium projection, the population is expected to increase from approximately 1.74 million in 2023 to around 2 million by the early 2030s. Anticipated growth underscores the need for integrated spatial planning, regional partnerships, and coordinated infrastructure investment across Auckland and neighbouring districts, such as Northland.

The rise of remote and hybrid work, particularly among Auckland-based professionals, is accelerating interest in relocating to Northland. Lifestyle appeal, relative housing affordability, and improving infrastructure are key drivers. This trend is expected to fuel sustained demand for housing in designated growth centres. Kaipara District Council is proposing a 700-hectare lifestyle block and suburban development within two hours' drive to Auckland, and are planning for an additional 27,000 residential dwellings.[13] Whangārei has capacity for an additional 40,000 homes, and the region is currently experiencing demand for the consenting of 1,200 new homes per year.[14]

As work becomes more location-flexible, demand is shifting toward diverse housing typologies that accommodate remote work, such as homes with larger footprints, adaptable spaces, and reliable digital connectivity. Planning responses must include timely land release in serviced areas, zoning investment in transport and digital infrastructure, and policies that support resilient, connected communities.

This shift also presents a strategic opportunity to stimulate Northland's construction sector, support regional economic diversification, and foster stronger, more inclusive communities. Realising these benefits will depend on a coordinated, future-focused approach to spatial planning, infrastructure delivery, and housing strategy.

5.3 Construction sector capacity and economic contribution

Northland's construction sector is expanding rapidly in response to strong regional demand for housing, infrastructure, and commercial development. It comprises a diverse mix of small contractors, medium-sized firms, and national operators engaged across activities ranging from roading to prefabrication. The sector supports thousands of jobs and has

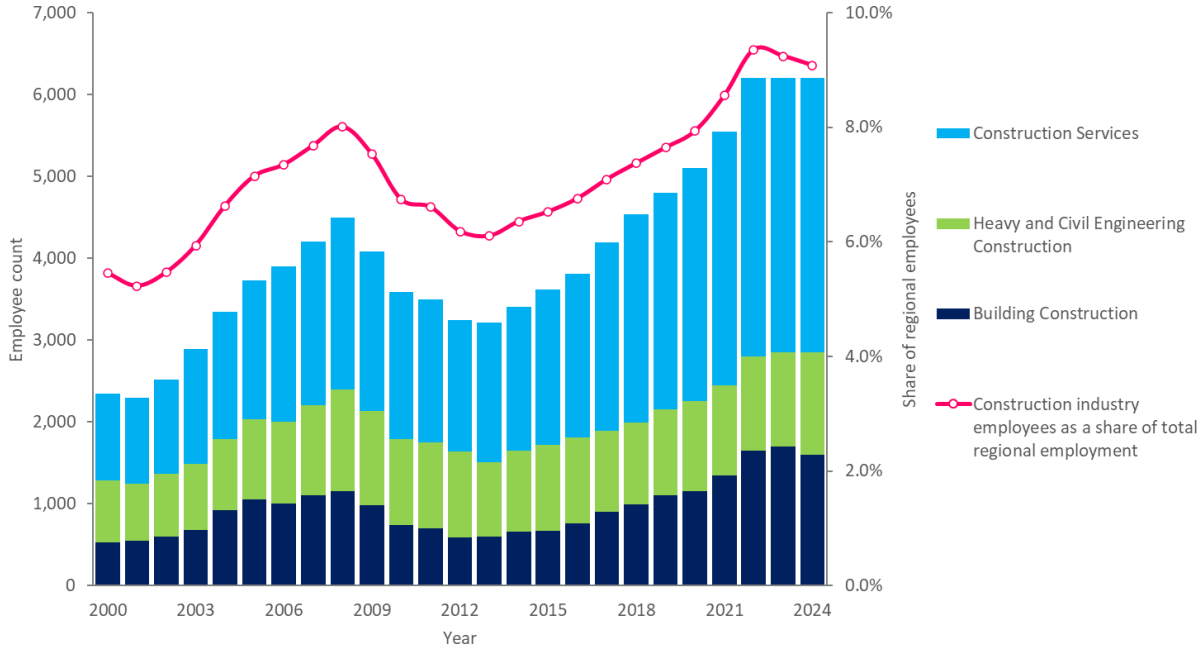
13 https://hsld.nz/goodnews/proposed-kaipara-district-plan-2025/

14 https://qem.infometrics.co.nz/Northland-region/housing/residential-consents?compare=new-zealand

broad multiplier effects across manufacturing, transport, and services. With major public and private projects in the pipeline, construction is expected to remain one of the region's largest sources of employment.

Figure 8 shows growth trends in Northland's construction labour market, highlighting changes across building construction, heavy and civil engineering construction, and construction services. The construction services subsector is particularly significant, reflecting the growing demand for specialised skills as projects become more complex and technical.

Figure 8 Te Tai Tokerau Northland's construction employment



Source: NZIER based on Stats NZ (2025a) Business Demography Statistics

Beyond conventional roles, the sector is evolving to meet sustainability and technology expectations. There is potential to scale up off-site manufacturing, adopt green building practices, and improve construction waste recovery. Realising these opportunities will require investment in skills, technology, and local procurement to strengthen the sector's contribution to inclusive regional growth.

Manufacturing is a key pillar of Northland's economy, closely linked to the construction sector. Northland's manufacturing base, concentrated in Whangārei, provides large-scale fabrication capacity and supports complex industrial, commercial, and transport projects across New Zealand. The region's manufacturers are nationally significant suppliers of structural steel, pressure vessels, and marine engineering solutions. Its manufacturing firms are integrated into national supply chains and regularly deliver large, technically complex projects.

Heavy fabrication companies in Northland have a proven track record of delivering high-volume, high-specification outputs. Culham Engineering, one of New Zealand's largest integrated engineering firms, operates from a major Whangārei facility with direct marine access. The company's advanced robotic welding, CNC plasma cutting, and beam welding

systems enable it to fabricate large-span bridges, high-rise buildings, pressure vessels, and marine vessels. Whangārei's port access also provides logistical advantages for transporting large, fabricated components efficiently to project sites nationwide.

Northland's manufacturers offer specialised industrial services including some of the country's largest operations for protective coatings, heavy haulage, cranage, and shutdown maintenance. Modular fabrication and marine transport allow Northland firms to shorten construction schedules and minimise site disruption, which is increasingly valued in large national projects.

A skilled and stable workforce underpins the sector's strength. Northland companies have consistently invested in apprenticeships and training, with Culham Engineering delivering its own in-house block course since 2011. Local firms also maintain quality, health and safety, and environmental management systems certified to international standards, supporting their ability to meet national project and compliance requirements.

Northland's construction and manufacturing sectors provide nationally significant capacity, underpinned by scale, marine transport advantages, advanced technology, and skilled labour. These sectors continue to play an essential role in the delivery of complex infrastructure and industrial projects across New Zealand, complementing urban supply chains and contributing to regional and national resilience.

5.4 Quarrying and aggregate supply

Northland is a critical supplier of aggregate to the North Island construction industry, with key quarries located in Ruakākā, Whangārei, and Kaipara. These operations support not only regional development but also major infrastructure projects across Auckland and Waikato. Maintaining access to high-quality aggregate is essential for cost-effective construction, particularly for roading, subdivision, and concrete applications.

As demand increases, regional planning must ensure the long-term sustainability of these resources. This includes securing transport corridors for aggregate movement, managing land use conflicts, and strengthening environmental oversight. Without adequate aggregate supply, delays and cost inflation in infrastructure delivery are likely to increase.[15]

5.5 Cement manufacturing in Te Tai Tokerau Northland

Golden Bay Cement, located in Whangārei, is New Zealand's only domestic cement manufacturer, producing over 900,000 tonnes annually and meeting around 60 percent of New Zealand's total cement needs. Its strategic importance lies in ensuring supply chain resilience, stabilising domestic prices, and reducing reliance on imported cement. The facility plays a critical role in supporting construction activity nationwide, from major infrastructure projects such as highways and bridges to residential and commercial building developments.

Golden Bay Cement is also leading the way in industrial decarbonisation. The facility is actively transitioning to alternative energy sources, including biomass, waste-derived fuels, and renewable electricity, in alignment with New Zealand's emissions reduction goals. Its proximity to Northport and future rail infrastructure further enhances its logistical and environmental performance. Ensuring the long-term viability and modernisation of this

15 https://media.umbraco.io/te-waihanga-30-year-strategy/siop2j1p/northern-auckland-aggregate-modelling.pdf

asset is vital not only for Northland's economy, but also for delivering on national infrastructure.

Northland's manufacturing base is defined by its concentration in high-value, low-volume production with strong links to the region's natural resources, industrial capabilities, and location.

Two subsectors in particular stand out for their economic potential and regional distinctiveness: marine manufacturing and speciality manufacturing. These areas contribute to employment, exports, and innovation, while aligning closely with Northland's comparative advantages in coastline access, primary production, and technical craftsmanship. Central to the strength and evolution of both subsectors is the presence of large-scale firms, whose engineering and electrotechnology services are integral to regional manufacturing performance. Alongside this, major infrastructure proposals, including a floating dry dock at Marsden Point and the development of innovation hubs, signal a new phase of opportunity for Northland's industrial economy.

5.6 Marine manufacturing and service

Marine manufacturing and service in Northland is concentrated in Whangārei and Opua, supported by sheltered harbours, skilled trades, and access to international sailing routes. The sector includes boatbuilding, vessel refit, marine systems integration, and specialised component supply. Firms such as Oceania Marine Group are internationally recognised for their capacity to deliver high-specification superyacht refits, while a broader ecosystem of tradespeople and suppliers service commercial, recreational, and government vessels.

Northland is a key service and refit centre for significant marine operators from other regions (e.g. Fullers 360). Whangārei has a 2000-ton slipway which enables New Zealand's fishing fleets to be serviced, and the region has a respected and highly capable eco-system of marina manufacturing and servicing businesses.

McKay plays a leading role in the region's marine servicing capacity. It provides electrical systems, automation, and design solutions across a range of vessel types, contributing both technical depth and export credibility to the sector. The integration of advanced technologies, such as low-emission propulsion and composite materials, is also becoming increasingly important as global marine standards shift towards sustainability.

Culham Engineering delivers complex marine fabrication and refit work across steel hull and superstructure fabrication, certified pressure piping, storage tank and deck component manufacture, and large-scale structural upgrades. They support commercial, defence, and infrastructure clients at shipyards and ports throughout New Zealand, both in-yard and on water. Their Whangārei facility includes a dedicated wharf and load-out capacity capable of handling modules up to 1,000 tonnes, with direct access to the harbour, a significant advantage when it comes to large marine infrastructure projects.

The proposed development of a 250-metre floating dry dock at Marsden Point represents a strategic intervention to address a national marine servicing constraint. Currently, New Zealand lacks sufficient infrastructure to service larger commercial or naval vessels. Many are required to travel overseas for routine maintenance and refit, resulting in increased costs and lost domestic economic activity. The dry dock project, supported by the central government and under assessment by the Ministry of Transport, would provide New Zealand with a sovereign facility capable of accommodating significant marine assets. For

Northland, it would unlock new servicing and manufacturing opportunities, catalyse ancillary industries, and reinforce the region's maritime identity.

While this outlook is positive, the sector continues to face challenges. These include shortages in skilled trades, limited haul-out and berthing infrastructure, and the capital intensity of marine operations. Addressing these constraints will require sustained investment in training pathways, public-private partnerships for infrastructure, and access to finance for small and medium-sized firms. Environmental regulation also introduces compliance costs that must be managed without discouraging innovation or growth.

5.7 Speciality manufacturing

Northland's speciality manufacturing sector is characterised by small to medium-sized enterprises producing high-quality goods across a range of industries, including textiles, aviation, food processing, wood products, and engineering. The sector leverages regional inputs, such as forestry, agriculture, and marine materials, and is increasingly defined by its responsiveness to niche consumer preferences in sustainability, provenance, and design.

McKay's wider operations also make a significant contribution to speciality manufacturing. The company manufactures switchboards and power systems through MGE New Zealand, delivers major infrastructure projects such as the Ruakākā Battery Energy Storage System, and supports automation and systems integration for industrial clients. Its multi-sector footprint positions McKay as an anchor firm capable of supporting smaller manufacturers through supply chain development, technical services, and workforce training.

Culham Engineering is one of New Zealand's most established and technically capable manufacturers in heavy steel fabrication and mechanical engineering, delivering complex infrastructure, energy, marine, and industrial projects across New Zealand.

Opportunities in this sector include expansion into engineered wood products, sustainable construction materials, artisan food and beverage exports, and the integration of Māori design and cultural identity into manufacturing. The Ngāwhā Innovation & Enterprise Park provides a platform for business incubation and agri-processing, while the indirect effects of the Marsden Point dry dock project are expected to generate increased demand for components, precision systems, and fabrication services.

However, speciality manufacturing also faces structural limitations. Many firms are small in scale and undercapitalised, reducing their ability to invest in research and development or to expand their market reach. Logistics remain a challenge due to freight costs and limited consolidation infrastructure. Skill shortages in quality control, digital production, and process engineering further limit productivity and innovation. The absence of formal industrial clusters or shared service arrangements inhibits knowledge exchange and collaborative growth.

Northland's marine and speciality manufacturing sectors represent some of the region's most promising opportunities for high-value, sustainable economic growth. Their foundations lie in local resource endowments, technical capability, and regional distinctiveness. The presence of firms like McKay strengthens the sector's coherence and export readiness, while proposed investments such as the Marsden Point dry dock and regional innovation parks offer the infrastructure needed to scale. With targeted support in skills development, capital access, and supply chain coordination, these sectors can

contribute significantly to Northland's future economic resilience and national industrial capability.

5.8 Potential fuel and associated byproducts manufacturing

As outlined in section 5.2, Channel Infrastructure is working with an international consortium (including Seadra Energy, Qantas, Renova, Kent and ANZ) on the development of a proposed biorefinery at Marsden Point, which would repurpose decommissioned refinery processing equipment as part of a manufacturing facility that would make biofuels and various byproducts from domestically-sourced feedstocks. In addition to the economic benefits (in terms of employment and GDP contribution, both during the construction and post-commissioning operational phase), the project would further improve New Zealand's fuel security by establishing a domestic fuel manufacturing capacity that utilised domestic rather than imported feedstocks.

5.9 Te Tai Tokerau Northland construction and manufacturing industry opportunities, constraints and enablers

Table 6 summarises the current strengths, emerging opportunities, and persistent constraints facing the construction and manufacturing sectors in the Northland region.

Table 6 Te Tai Tokerau Northland's construction and manufacturing strengths, opportunities, and constraints

	Current state	Future potential
Enabled	Strategic producer of steel products, cement, and aggregates for Auckland and national construction markets Plentiful land is available for urban and industrial expansion. Established capability in marine construction and advanced manufacturing, including energy systems.	Residential and infrastructure growth driven by Auckland spillover and national project pipelines Increased demand for construction inputs and services linked to major transport and energy projects. Proposed Marsden Point biorefinery, with economic and fuel security benefits from establishing domestic fuel manufacturing capacity utilising domestic rather than imported feedstocks. Proposed Marsden Point dry dock to boost domestic marine servicing and support a marine industry cluster. Growth in renewable energy and transmission projects requires specialist regional expertise.
Constrained	Skills shortages in engineering and automation are limiting the growth of advanced manufacturing. Low uptake of prefabrication and limited scale constrain productivity and innovation.	Ongoing exposure to global supply chain risks in materials and components. Industry scaling required capital investment and coordinated government support, particularly in marine and specialist manufacturing

Source: NZIER

6 Tourism in Te Tai Tokerau Northland – opportunities and challenges

Tourism in Te Tai Tokerau Northland represents a significant but underdeveloped component of the regional economy. The region is home to significant tourist attractions. Characterised by its natural landscapes, Māori cultural heritage, and proximity to Auckland, the region holds latent potential for increased visitor expenditure and employment. However, structural constraints in unreliable transport infrastructure, workforce capacity, and limited accommodation choices inhibit the full realisation of this potential. This assessment presents a balanced analysis of both the opportunities and the economic limitations that define Northland's tourism sector.

6.1 Opportunities for the tourism industry and market development

This section outlines key opportunities to grow Northland's tourism industry and expand its market reach through product diversification, infrastructure investment, and stronger regional positioning.

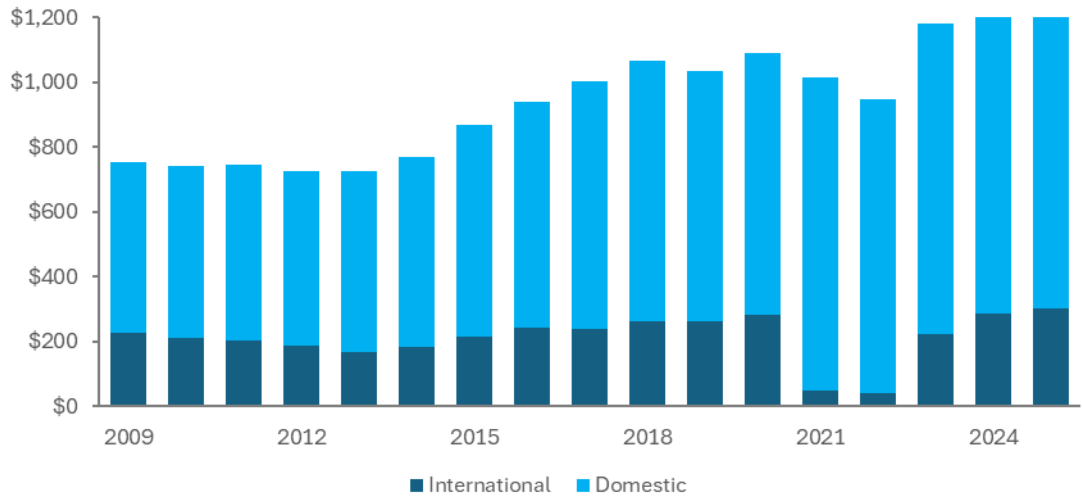
6.1.1 Proximity to Auckland and domestic growth potential

Northland's geographical location offers a competitive advantage through its accessibility to New Zealand's largest urban market. The increasing preference for domestic travel, particularly post-COVID, has renewed interest in regions within short travel distance of major cities. Northland can capture a greater share of domestic leisure and short-break travel if infrastructure reliability improves and product offerings diversify.

The Northland tourism market is dominated by visitors from within New Zealand. For the 12 months ending in 2025, domestic visitors spent $898 million in the region, compared to international visitors who spent $302 million.

Figure 9 Te Tai Tokerau Northland's visitor expenditure

Spending in millions. Year ending in March



Source: Infometrics (2025)

6.1.2 Cultural and natural attractions

The region boasts significant cultural tourism assets, particularly tied to Māori history and heritage. Sites such as the Waitangi Treaty Grounds and Waipoua Forest provide authentic visitor experiences that align with national goals for cultural tourism. Additionally, Northland's coastline, beaches, and marine reserves offer substantial eco-tourism and adventure tourism potential, which remains comparatively untapped. In 2019, the United Nations World Tourism Organisation (UNWTO) estimated that cultural tourism accounts for around 40 percent of all international tourist arrivals (UNWTO 2019).

The global ecotourism market was valued at USD $210.4 billion in 2023 and is projected to reach USD $829.8 billion by 2035, reflecting a compound annual growth rate (CAGR) of 11.7 percent from 2024 to 2035 (Allied Market Research 2024). This growth is driven by increasing consumer interest in unique, nature-based destinations and the amplifying influence of social media in shaping travel behaviour. These trends reflect a broader shift towards low-impact, conservation-oriented tourism experiences that align with sustainability values.

However, structural limitations such as inadequate support infrastructure few accommodation choices, limited accessibility in remote areas, and concerns over the actual sustainability of operations present constraints to growth. These issues highlight the importance of careful destination management and investment in sustainable infrastructure to support the long-term viability of ecotourism offerings.

Both ecotourism and cultural tourism are expanding subsectors globally and nationally. They align with shifting consumer preferences, support sustainable regional development, and offer opportunities for Māori enterprise and cultural revitalisation. In New Zealand, these subsectors are increasingly seen not just as economic engines but as frameworks for values-based tourism that contributes to long-term resilience.

6.1.3 Seasonal extension and product diversification

There is an opportunity to extend the tourism season by further promoting off-peak travel and diversifying product offerings beyond the traditional summer holiday market. Investment in niche tourism segments, including wellness tourism, cycling trails, and heritage-based itineraries, may mitigate seasonality and contribute to more stable employment and income across the year.

6.1.4 Indigenous enterprise and local economic development

Māori enterprises in the tourism sector provide scope for inclusive economic growth. The development of iwi-led tourism initiatives can contribute to regional regeneration while aligning with principles of kaitiakitanga and cultural stewardship. Such initiatives also serve to enhance the visitor experience by embedding authenticity and local narratives.

6.2 Constraints to tourism industry expansion

The region suffers from underinvestment in the transport and tourism industries, which undermines the relative appeal of the region's tourism potential despite its significant natural beauty and a unique subtropical climate.

6.2.1 Transport and infrastructure deficiencies

The region's transport network presents a material constraint to tourism expansion. Road quality varies considerably, and key arterial routes remain vulnerable to weather-related disruptions. Limited regional airport services further constrain access for both domestic and international visitors, including business travellers. These logistical challenges directly impact visitor volumes and discourage repeat visitation in a competitive market with many attractive alternative destinations around New Zealand. Increasing the frequency of flights and shorter road travel times would make the region more appealing than it is currently.

6.2.2 Accommodation and services gaps

Northland suffers from a relative undersupply of visitor accommodation, particularly in the mid- to high-end market segment. Constraints in accommodation infrastructure reduce the region's ability to host large-scale events or absorb fluctuations in demand. Furthermore, limited visitor services, including public amenities and information centres, detract from the overall tourism offering, especially in remote areas.

6.2.3 Workforce and labour market weaknesses

Labour shortages in the hospitality and tourism sectors are exacerbated by housing affordability issues and limited access to training and educational pathways. These conditions reduce service quality and limit the sector's capacity to scale in response to demand.

6.3 Bringing it all together on tourism opportunities and challenges

Northland's tourism sector operates within a landscape of both promise and constraint. Economic opportunities exist in proximity to urban markets, cultural and natural capital, and untapped niche tourism segments. However, persistent challenges in tourist accommodation, reliable transport infrastructure, and workforce availability present

substantial barriers to growth. Policy interventions that address these structural issues, while fostering sustainable and inclusive development, will be essential to enhancing the contribution of tourism to Northland's regional economy.

Table 7 provides a structured summary of the tourism-related strengths, opportunities, and constraints within the Northland region. Drawing on sectoral analysis and stakeholder insights, the table identifies key factors influencing the region's tourism potential. It highlights Northland's distinctive cultural and natural assets, outlines areas for strategic development, and notes the principal limitations affecting growth, including infrastructure gaps and workforce challenges. This overview supports evidence-based planning for a resilient and sustainable regional tourism sector.

Table 7 Te Tai Tokerau Northland's tourism strengths, opportunities, and constraints

	Current state	Future potential
Enabled	Proximity to New Zealand's largest airport and main international gateway Abundant natural and cultural attractions Unique food and beverage offerings due to the unique climate	Improving road and accommodation infrastructure will make the region more appealing to domestic and international visitors Ecotourism is a growing sector in the overall tourism market globally
Constrained	Road transport links are not resilient Limited air transport connectivity and flight frequency Over-reliance on seasonal labour Underinvestment in accommodation construction and development.	Ecotourism requires careful management of visitor numbers and impacts, including a high degree of coordination on infrastructure provision

Source: NZIER

7 Trade and supply chain logistics

7.1 A critical node in the national fuel supply

Channel Infrastructure operates the country's largest fuel import terminal at its Marsden Point site, distributing approximately 3.5 billion litres of fuel annually through a 170-kilometre pipeline to Auckland. This infrastructure supplies nearly all of Auckland's petrol and diesel, and the full volume of jet fuel used at Auckland International Airport. In total, Marsden Point accounts for around 40 percent of New Zealand's transport fuel demand and 80 percent of national jet fuel consumption.

Given that Auckland International Airport is the country's largest gateway, handling roughly three-quarters of international passenger movements, the majority of New Zealand's long-haul travel is directly reliant on the continued operation and security of this fuel supply chain.

7.2 Northport: Enabling economic growth beyond Northland

Northport, located at Marsden Point and owned by Northport Group Ltd, is well positioned to play an increasingly significant role in supporting economic growth not only within Northland but also in Auckland and across the upper North Island.

The port currently operates on a 58-hectare site, with more than 150 hectares of adjacent prime land held by Marsden Maritime Holdings, zoned for port and industrial development. As New Zealand's northernmost deep-water port, Northport can accommodate large vessels and is well suited to future increases in container throughput.

Geographically, Northport is the closest New Zealand port to key export markets in Asia and North America. While its current operations focus predominantly on bulk cargo, particularly logs from the forestry sector, containerised freight is emerging as a significant growth area. Since commencing container handling in 2015, Northport's international shipping throughput has grown steadily, reaching 18,376 TEU in the financial year ending June 2025. Containers now account for approximately 20 percent of all truck movements associated with the port.

Northport's development strategy includes the establishment of a dedicated container handling, storage, and logistics hub with a planned annual capacity of 350,000 to 400,000 TEU.

7.2.1 A nationally significant asset

An economic assessment by M.E. Consulting indicates that the planned expansion would transform Northport from a regionally significant facility into nationally significant infrastructure, supporting the economic growth of Northland, North Auckland, and the broader New Zealand economy. The report submits that Northport's total contribution to New Zealand's GDP could reach $5.6 billion by 2050, supporting the equivalent of approximately 60,900 jobs (M.E. Consulting 2022).

Regional business leaders have long advocated for a three-port strategy to improve the resilience and efficiency of the upper North Island supply chain. This approach would make better use of Auckland, Tauranga, and Northport in a geographically smart and integrated way to serve importers and exporters. Current challenges facing the upper North Island's

freight network, particularly congestion and capacity constraints, are well documented. Freight demand across the region is expected to grow significantly in the coming decades, driven in part by population growth in North Auckland, including areas such as Rodney and Upper Harbour.

Berth and yard space across the upper North Island is increasingly constrained, limiting the ability of existing ports to meet growing demand. Northport's planned expansion is well-timed to relieve pressure on the regional supply chain and provide capacity for growth.

The planned development of Northport's container, storage, and logistics facilities, supported by upgrades to Northland and North Auckland's transport infrastructure, would enable Northport and the wider Northland region to play a more substantial role in supporting the growth of Auckland and the national economy. It would also amplify growth opportunities across the wider Ruakākā area.

7.2.2 Supporting economic diversity and regional growth

A more diverse and resilient economy in the north is critical to regional and national prosperity. Northport's expansion will help deliver this by supporting higher-value freight tasks, enabling more sophisticated supply chain activity, and creating new employment opportunities.

Northport currently supports an estimated $438 million of regional GDP and 6,300 jobs. According to M.E. Consulting, the planned expansion could increase annual economic activity by $107 million and create approximately 1,400 additional jobs in the region. The Polis report also projects further economic benefits, including $160 million in additional GDP and approximately 1,500 new jobs by 2060, contingent on improved regional transport connectivity.

Northport's expansion will strengthen the region's trade access, improve supply chain efficiency, and enhance market connectivity with Auckland, the upper North Island, and international destinations. Historically, Northport has primarily handled low-value bulk goods, such as logs, woodchip, and cement, but the port also processes high-value products, including engineered timber, horticultural exports, and marine goods. With its planned multi-modal freight capabilities, Northport is expected to handle an increasingly diverse range of cargo.

The establishment of a purpose-built container freight facility, alongside expanded direct international shipping services, would lower freight and shipping costs for exporters. This would significantly improve the commercial viability of primary production and value-added manufacturing north of Whangārei.

Reduced shipping and transport costs would directly benefit producers and manufacturers in the region, supporting business growth and improved export competitiveness. Northport's development represents a material opportunity to lower barriers to market access, strengthen Northland's economic base, and improve long-term regional resilience.

7.3 Opportunities, constraints and enablers

As a nationally significant energy and industrial development, the precinct has the capacity to drive regional job creation, energy resilience, and clean economic growth. The table highlights the infrastructure, policy, investment, and planning interventions needed to unlock these benefits for Northland, Auckland, and the broader New Zealand economy.

Table 8 Constraints and enablers in supply chain logistics

	Current state	Future potential
Enabled	Strategic location with proximity to international shipping routes Existing bulk storage (bulk solids and bulk liquids) and handling infrastructure at Marsden Point Marine access through deep-water port facilities	Investment in port capacity and intermodal freight hubs to enable larger, more efficient cargo movements Potential to develop Northland as a secondary or complementary freight gateway to Auckland Increased resilience and diversification of national supply chains through Northland's logistics network
Constrained	Limited inland freight connectivity and rail capacity Road transport links are vulnerable to disruption and delays	Significant infrastructure upgrades required to handle projected freight volumes efficiently Freight growth will require coordinated investment in road, rail, and port connections

Source: NZIER

8 Conclusion

Te Tai Tokerau Northland makes a measurable contribution to the New Zealand economy through its roles in energy supply, food production, construction inputs, and infrastructure support. In 2024, the region contributed $11.2 billion to national GDP, yet its GDP per capita remains approximately 30 percent below the national average. This disparity reflects both structural limitations and underinvestment in enabling infrastructure.

Lifting GDP per capita in the region to the national level will require Northland to increase its GDP growth rate by 1.1 percent annually in addition to the existing growth rate, over the next 25 years.

The drivers of growth are well understood: they centre on creating favourable conditions for investment in businesses, people, infrastructure, and institutional frameworks. In the context of Northland and its connection to Auckland, several factors are particularly important:

- The need for more resilient transport infrastructure to support growth, improve regional connectivity, and reduce vulnerability to climate and weather-related disruptions.
- Greater certainty and visibility for the infrastructure investment pipeline in the region, which would provide confidence for businesses, investors, and local communities.
- Recognition that Northland has under-utilised assets and capacity that can contribute to nationally significant economic, environmental, and social objectives, particularly in the energy sector, where there are opportunities to advance renewable energy, storage, and transmission solutions.
- An opportunity to build on the region's history of welcoming large-scale industrial investment, with many supporting services and capabilities still in place, and a local workforce with relevant skills and experience.
- The potential to diversify Northland's economy by attracting investment in advanced manufacturing, logistics, energy, and tourism, supported by improved infrastructure and better integration with Auckland's growth.
- The opportunity to create many new jobs across a range of industries and to attract and retain highly skilled labour, which would contribute to lifting regional productivity and income levels, which is fundamental to increasing GDP per capita in the region.
- The importance of partnering with iwi and local communities to ensure that growth is inclusive, sustainable, and delivers shared benefits across the region.

These factors combine to position Northland as a valuable contributor to New Zealand's long-term growth, resilience, and sustainability.

The table below outlines areas of economic opportunity across Te Tai Tokerau Northland, Auckland, and New Zealand. It identifies region-specific contributions and the potential for alignment between local capabilities and broader national objectives. The opportunities are based on existing assets, infrastructure, and sectoral linkages, and reflect areas where targeted investment could support regional development and national economic performance.

Table 9 Growth opportunities for the region

Opportunity Area	Te Tai Tokerau Northland	Auckland	New Zealand
Energy and Electricity	Expand renewable generation to become a net electricity exporter	Secure clean, reliable electricity supply from Northland	Strengthen national energy resilience and progress toward emissions targets
Transport Infrastructure	Improve SH1, rail links, and regional logistics	Enhanced freight efficiency and transport connectivity	Improve inter-regional connectivity and economic productivity
Fuel and Logistics	Strengthen Marsden Point as a national fuel and energy logistics hub	Ensure aviation fuel security and freight continuity	Support national transport resilience and energy transition
Construction and manufacturing	Cement production, and quarrying to support building demand	Secure critical inputs for housing and infrastructure	Reduce reliance on imports; improve delivery capacity for infrastructure
Agriculture and Horticulture	Grow high-value crops; improve irrigation and logistics	Access to regional supply chains; potential for urban food systems	Enhance food security and export diversification
Housing and Land Availability	Provide development-ready land and support off-site housing production	Relieve pressure on Auckland's land and housing markets	Facilitate urban growth

Source: NZIER

The region's strategic function in supporting Auckland's growth, through electricity distribution, fuel supply, construction materials, and transport infrastructure underscores the importance of a coordinated economic development approach. Addressing infrastructure bottlenecks, improving energy transmission, and enabling productive land use will be central to lifting economic potential.

With sustained investment and supportive policy settings, Te Tai Tokerau Northland can improve living standards for local communities and strengthen national resilience. Recognising the region's existing contribution and future capacity is a necessary step in planning for more balanced and productive economic growth across New Zealand.

9 References

Allied Market Research. 2024. “Ecotourism Market Size, Share, Competitive Landscape and Trend Analysis Report, by Age Group, by Traveller Type, by Sales Channel: Global Opportunity Analysis and Industry Forecast, 2024-2035.” Allied Market Research. https://www.alliedmarketresearch.com/eco-tourism-market-A06364.

Apergis, Nicholas, and James E. Payne. 2010. “Renewable Energy Consumption and Economic Growth: Evidence from a Panel of OECD Countries.” Energy Policy 38 (1): 656–60. https://doi.org/10.1016/j.enpol.2009.09.002.

Apiculture New Zealand. 2023. Manuka Honey Market Insights 2023.

Avocados New Zealand. 2023. Industry Statistics and Export Growth Reports.

Beef + Lamb New Zealand. 2023. Economic Service Reports: Beef and Sheep Farming in Northland.

BERL. 2025. “Te Ōhanga Māori: The Māori Economy.” https://www.berl.co.nz/te-ohanga-maori.

Giraud, Gaël. 2014. How Dependent Is Growth from Primary Energy ? Output Energy Elasticity in 50 Countries (1970-2011) ∗. January 1. https://www.academia.edu/72275297/How_Dependent_is_Growth_from_Primary_Energy_Output_Energy_Elasticity_in_50_Countries_1970_2011_.

Gozgor, Giray, Chi Keung Marco Lau, and Zhou Lu. 2018. “Energy Consumption and Economic Growth: New Evidence from the OECD Countries.” Energy 153 (June): 27–34. https://doi.org/10.1016/j.energy.2018.03.158.

Infometrics. 2025. “Regional Economic Profile | Northland Region | Tourism Expenditure.” https://rep.infometrics.co.nz/northland-region/tourism/expenditure?compare=new-zealand.

Landcare Research. 2020. Soil Quality in New Zealand’s Agricultural Land.

M.E. Consulting. 2022. Northport Expansion (Berth 5) Economic Assessment.

Ministry for Primary Industries. 2023a. Northland Regional Growth Programme: Agricultural Insights.

Ministry for Primary Industries. 2023b. The Future of Aotearoa New Zealand’s Food Sector.

Ministry for the Environment. 2022. Afforestation and Carbon Sequestration Policy Overview.

Ngawha Innovation Enterprise Park, Far North Holdings Limited, Northland Inc., The FoodBowl, and Ministry for Primary Industries. 2022. Northland Shared Food Grade Manufacturing Facilities Project - Stage One: Assessment of Need 2022.

NIWA. 2013. The Climate and Weather of Northland.

NIWA. 2017. Northland Climate Change Projections and Impacts.

NIWA. 2021. Climate Summary: Northland Region.

Northland Regional Council. 2023. Hydrology Climate Report: November 2023.

Ozturk, Ilhan. 2010. “A Literature Survey on Energy–Growth Nexus.” Energy Policy 38 (1): 340–49. https://doi.org/10.1016/j.enpol.2009.09.024.

Papadopoulos, George, Simone Arduini, Havva Uyar, Vasilis Psiroukis, Aikaterini Kasimati, and Spyros Fountas. 2024. “Economic and Environmental Benefits of Digital Agricultural Technologies in Crop Production: A Review.” Smart Agricultural Technology 8 (August): 100441. https://doi.org/10.1016/j.atech.2024.100441.

Stats NZ. 2025a. “Business Demography Statistics.”

Stats NZ. 2025b. “Regional Gross Domestic Product: Year Ended March 2024.”

Stern, David I. 2011. “The Role of Energy in Economic Growth.” Annals of the New York Academy of Sciences 1219 (1): 26–51. https://doi.org/10.1111/j.1749-6632.2010.05921.x.

UNWTO. 2019. “UNWTO Congress to Discuss the Links between Cultural Heritage and Creative Tourism | UN Tourism.” https://www.unwto.org/archive/europe/press-release/2016-11-23/unwto-congress-discuss-links-between-cultural-heritage-and-creative-tourism.