

**Before Northland Regional Council and Far North District Council**

**In the Matter** of the Resource Management Act 1991 (**Act**)

**And**

**In the Matter** of an application for regional and district resource consents to extend the hardstand area immediately adjoining the southern extremities of Bay of Islands Boatyard, Opua (legally described as Lot 1 DP 199153) and associated works

**Applicant** Far North Holdings Limited

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**Evidence of Gregory Michael Akehurst on behalf of Far North Holdings Limited**

**(Economic)**

**Dated 20 November 2020**

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## **Introduction**

1. My full name is Gregory Michael Akehurst. I am an Economist and Director of Market Economics Limited. I hold an Economics Degree (BCom.) and a Geography Degree (BA) from the University of Auckland.
2. I have 25 years' experience as an economist, working on a wide range of projects across New Zealand. I specialise in the assessment of growth, demand and markets, the structure and nature of economic sectors, the form and function of urban economies, preparation of forecasts, and evaluation of impacts, outcomes and effects. I have applied these specialties in studies throughout New Zealand, across most sectors of the economy.
3. Some key aspects of my experience are directly relevant to this hearing. First, I have specialised in analysis and quantification of New Zealand's Recreational Marine sector. I have been commissioned by the New Zealand Marine Industry Association and New Zealand Trade and Enterprise to quantify the size of the industry, its make-up and its likely future growth prospects. These studies, first carried out in 2003, included assessment of the regional distribution of the industry and identification of issues (such as the availability of suitable land) likely to impact on growth.
4. Secondly, I have carried out a large number of industrial land studies, primarily for Council clients looking to assess the impacts and implications of District Plan zoning strategies and to assess the effects of proposed plan changes and resource consents that impact on non-residential land supply and capacity to cater for growth. These studies have culminated in preparing Housing and Business land assessments under the NPS-UDC and NPS-UD for high growth councils across New Zealand (Auckland, Hamilton and Future Proof, Tauranga, Greater Christchurch and Queenstown Lakes District).
5. Finally, I have carried out a number of economic impact assessments that make use of input-output modelling to estimate both the direct effects and the flow on effects on a local economy of new developments or, conversely, of impacts on existing economic activity. I have carried out these studies for

significant infrastructure providers (Ports of Auckland, Auckland International Airport), specific developments (Hobsonville Marine Precinct) and well as in support of Major Events (America's Cup Economic Impacts, Rugby World Cup 2011, Major Events Analyser) as well as industry sectors (New Zealand's Recreational Marine Sector Situation and Prospects 2003 – 2013, New Zealand's Aggregate sector), and specific Marinas (Bayswater Marina, Recreational Marine Industry Impacts of Bayswater expansion).

6. I was instructed by Far North Holdings Limited (**FNHL**) in 2019 to provide an update of the original Economic Impact Assessment that focused on an extension of the Opuia Marina Hardstand area. This followed on from work carried out in 2013, 2014, 2017 and 2018 on expansion of the Opuia Marina, and assistance for the business case submitted to the Provincial Growth Fund for Super Yacht Pontoon Funding. As a result I am familiar with the area to which the application for resource consent relates, and the issues involved.
7. I record that I have read and agree to abide by the Environment Court's Code of Conduct for Expert Witnesses as specified in the Environment Court's Practice Note 2014. This evidence is within my area of expertise, except where I state that I rely upon the evidence of other expert witness as presented to this hearing. I have not omitted to consider any material facts known to me that might alter or detract from the opinions expressed.

### **Assessment**

8. The application, the section 42A Report prepared by the reporting planner, and the evidence of other witnesses on behalf of FNHL refer to an earlier application for resource consent which included provision for a landing area to enable loading and unloading of aquaculture and marine contractor barges during all tides. I prepared a report with respect to economic impacts in relation to that proposal.<sup>1</sup>

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<sup>1</sup> 'Opuia Marine Servicing and Oyster Landing Facility – Economic Impacts' prepared by M.E Consulting Limited dated 1 May 2017.

9. As addressed by others the barge landing aspect of the earlier application referred to above did not proceed, I understand due to concerns raised about the suitability of the location chosen.
10. This proposal whilst differing in matters of detail, in general terms seeks to achieve similar outcomes to the earlier proposal. For that reason, much of my earlier report about wider benefits remains relevant. However, I prepared an addendum to that earlier report which was provided to Council and is referred to in the section 42A report.<sup>2</sup>
11. In the interests of efficiency, and in line with directions from the Hearing Commissioner, I do not propose to reproduce large portions of my earlier assessments in this evidence.
12. With respect to my assessments to date, in summary my conclusions are:
  - a. The ability to service marine infrastructure<sup>3</sup> and efficiently land Oysters for market are critical aspects of the local and regional economy. Marine infrastructure servicing at the time was worth \$10.2m to the Regional economy sustaining 70 jobs and Oyster Farming (70ha were modelled producing over 1,000 tonnes annually) generated approximately \$12m in export revenue with a multiplier effect of between 1.38 and 1.76.
  - b. A dedicated space with limited public access means that poles can be loaded, barges can be serviced, and oysters moved from the farms to markets at the lowest cost. In its absence marine serving is likely to be handled from Whangarei and Oyster production is more difficult, costly and less effective. These effects lead to slower growth and a smaller – less diversified economy.
  - c. In April 2020 I prepared a reassessment of the earlier study (2017) to understand what had changed and if the results could be relied

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<sup>2</sup> Addendum dated 9 April 2020.

<sup>3</sup> Wharves, piles, seawalls, jetty's beacons and other constructions in the marine environment.

upon. I found that the approaches and data upon which that report was based remain sound and appropriate. Both sectors that will benefit from the proposed development of a dedicated hardstand and ramp area are economically significant for both Far North District and Northland Region. The additional costs imposed should the facility not be developed are such that relocation of one if not both sectors is a real possibility.

d. Finally, I assessed (in general terms) the construction effect and found that, while short term, it is positive to the local economy and important to be recognised.

13. I have subsequently reviewed relevant parts of the section 42A report. My assessment is referred to in paragraphs 38 – 40 under the heading “Positive effects” and at paragraphs 151 – 152. The reporting planner accepts my professional assessment.

14. At the time of preparing this evidence I am unaware of any analysis or evidence prepared by an appropriately qualified and experienced expert in economic assessment which reaches different conclusions to mine.

15. Turning to submissions, Bay of Islands Planning Limited have identified submissions which address matters relevant to my expertise. There are only two:

a. A submission from Ron Cooke, 4 Kellet Street, refers to Policy 10 of the New Zealand Coastal Policy Statement 2010 (**NZCPS**), and states he “will show how this reclamation and application fails to meet any of the conditions required”. The subsequent text of the submission does not directly refer to economic matters.

b. A submission from Jillian Kearney also refers to Policy 10 of the NZCPS, and states Council have not shown that the necessary conditions (referred to in Policy 10) exist. The subsequent text of the submission does not directly refer to economic matters.

16. Both the submissions above generally refer to alternative locations in the context of raising Policy 10, rather than whether significant regional benefit will arise. Nonetheless given the potential for additional verbal comment to be made by those submitters at the hearing I briefly record that neither submission as it stands has raised any issues or provided any additional information which changes the analysis I have undertaken and the conclusions I have reached.
17. From the perspective of matters which fall within my expertise, I remain of the opinion that the grant of consent to the proposal is appropriate.

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**Gregory Michael Akehurst**

Dated 20 November 2020