



# What's the deal with the regional deals?

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The Government's City and Regional Deals initiative has taken another step forward with the recent formalising of Memoranda of Understanding (MOUs) with three regions: Auckland, Otago/Central Lakes, and Western Bay of Plenty.

Regional deals are intended as long-term partnerships between central and local government, aiming to address regional development challenges and unlock economic potential and growth. While the MOUs are not yet publicly available, any regional deals now negotiated are expected to provide exciting and positive opportunities for the future of those regions.

What are they?

City and Regional Deals were included in the National Party manifesto in the lead up

to the 2023 election, and incorporated into the National and Act New Zealand Coalition agreement. They are bespoke agreements that set out a shared vision for a particular city or region.

Regional deals involve:

- Long-term commitments: 10-year strategic planning, underpinned by a 30-year vision for the region. This is intended to provide greater certainty over future investment pipelines.
- Defined objectives: Each deal targets specific goals, such as economic growth, job creation, housing growth (including affordable housing), and/or improved infrastructure.
- Collaborative governance: Deals require governance arrangements, with relevant stakeholders including Māori organisations/entities and the private sector.
- Sustainable funding: While not a funding tool in themselves, these deals are expected to unlock new funding and financing mechanisms, and incentivise councils to better use existing tools.

One of the things that central government will put on the table during negotiations was described by Infrastructure Minister Chris Bishop and Local Government Minister Simon Watts as enabling *“early collaboration with councils on system reforms including undertaking joint-spatial planning ahead of RM reform implementation. We will consider improvements to existing regulatory frameworks including: zoning, fees and charges innovation, streamlined planning and land acquisition processes, regional spatial planning”*.

The full Beehive press release can be viewed [here](#).

For communities and stakeholders, this initiative could mean changes in how projects are planned, consented, and delivered. It may also influence regulatory environments and the prioritisation of regional development projects.

A staged approach

The process for establishing a Regional Deal is structured as follows:

- Milestone 1 (Framework Release & Invitations): A national framework was released by Cabinet in 2024 which set out what the government wants to see in Regional Deals. This framework can be viewed [here](#). The Minister then invited regions to apply, outlining expectations for proposals.
- Milestone 2 (Proposal Consideration): Councils submitted “light-touch” proposals, highlighting their region’s growth drivers, planned actions to unlock growth, and what support is needed from central government. Proposals were assessed for alignment with the framework, growth potential, readiness, and regulatory compliance. 18 proposals were submitted.
- Milestone 3 (MOU Signing): If a region’s proposal was successful, a MOU was negotiated and signed by central and local government partners. Cabinet agreed to progress MOUs with three regions. The MOUs set out the intention to work together and the areas of focus, with central government providing guidance to minimise council costs at this stage.
- Milestone 4 (Final Negotiation and Deal): Regions in the “pre-deal queue” undertake necessary groundwork such as zoning decisions, community engagement, and cross-council collaboration. Final negotiations could cover funding, financing, regulatory relief (like fast-track consenting), and coordination of critical services (e.g schools, hospitals). The first regional deals are expected to include a 10 year strategic plan with clear objectives, outcomes and actions.

The first wave of councils which now progress to the detailed negotiations in Milestone 4 are:

- Auckland: Auckland Council
- Otago/Central Lakes: Queenstown Lakes District Council, Central Otago District Council, Otago Regional Council
- Western Bay of Plenty: Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council (and includes tangata whenua, and economic development agency Priority One)

The Western Bay of Plenty proposal centres on three main initiatives:

- Western & Northern Corridors: Major roading upgrades (Tauriko Network

Connections, Takitimu North Link) and greenfield land development to enable new homes, jobs, and industrial land.

- Eastern Corridor: Accelerated development of key sites (Te Tumu, Te Kāinga, Rangiuru Business Park) to boost housing and industrial capacity.
- Export, Resilience & Decarbonisation: Upgrades around Mount Maunganui to improve port access, support export growth, and reduce freight emissions.

Overall, the proposal commits the region to significant local investment, faster land development, and collaboration with government on new funding and planning tools. In return, it seeks central government support for infrastructure delivery certainty, innovative funding mechanisms, and legislative changes to streamline consenting and development.

Not new but new to us

City and Regional Deals are not an entirely new concept, with New Zealand adapting its approach from successful models in the UK and Australia. These deals have been used to drive targeted investment, foster intergovernmental collaboration, and deliver tailored solutions for growth and infrastructure. Since 2016, Australia has developed partnerships among federal, state, and local governments, alongside private and community stakeholders.

The practical realities

While City and Regional Deals provide a framework for joint planning and investment, the detail for each region will be worked through in the next phase.

The Department for Internal Affairs has set out (here) the timeframes and sequencing for the first three regions as follows:

- August – September 2025 – deal negotiations with selected regions
- October 2025 – Local Government elections (noting this does not include Tauranga City Council)
- November 2025 – final deal negotiations
- December 2025 – first regional deal finalised

- By October 2026 – two additional regional deals finalised
- 2026 onwards – process for future rounds of proposals and deals (tbc)

Once a deal is finalised, central and local government partners from the region will establish an oversight body. It is expected that the oversight body will have an independent chair and the membership will be agreed by the parties. It could include involvement of iwi/Māori entities and the private sector.

While there will be a lot of detail to be worked through in the negotiations, the opportunity for subregions like the Western Bay of Plenty, which includes Tauranga, will be exciting if regional deals are done well.