



## COVERSHEET

<b>Ministers</b>	Hon Simeon Brown Hon Shane Jones	<b>Portfolios</b>	Energy Resources
<b>Title of Cabinet paper</b>	Gas Security Response Group: Report back to Cabinet	<b>Date to be published</b>	17 July 2024

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2024	Gas Security Response Group: Report back to Cabinet	Office of the Minister for Energy  Office of the Minister for Resources
29 May 2024	Gas Security Response Group: Update ECO-24-MIN-0091 Minute	Cabinet Office

### Information redacted

**YES / NO** (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of Confidential advice to Government, Commercial information and Negotiations.



# Cabinet Economic Policy Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Gas Security Response Group: Update


**Portfolios**                      **Energy / Resources**

On 29 May 2024, the Cabinet Economic Policy Committee (ECO):

- 1        **noted** that the Ministry of Business, Innovation and Employment has set up the Gas Security Response Group to identify and respond to any issues around gas security of supply;
- 2        **noted** that the Gas Security Response Group met for the first time on Friday, 10 May 2024, and was tasked with:
  - 2.1      verifying the immediate supply and demand information to make sure Ministers have a true picture of the problem;
  - 2.2      identifying opportunities or workstreams to improve gas supply or reduce gas demand over the short, medium and long term;
- 3        **noted** that:
  - 3.1      the Gas Industry Company has collated data from the gas suppliers, gas retailers, and major users to develop a picture of the supply and demand across the next 12 months;
  - 3.2      this data is consistent with recent estimates of the likely supply in 2024 being around 120 petajoules, which is 12 percent below the most recent forecast;
- 4        **noted** that gas users who are coming to the end of contracts are having difficulty re-contracting for gas, with prices increasing and contract terms markedly shorter;
- 5        **noted** that critical services, such as hospitals and schools, will not be required to have their supply reduced as their demand is too small, Negotiations
- 6        **noted** that any gas shortage would need to be managed in the short-term through demand reduction by large industrial consumers, however there is the potential for significant economic impacts to be felt by industry from the reduction in gas availability;
- 7        **noted** that it is essential to act now to put longer-term actions in place to avoid having a repeat of this situation or a worse situation in future, and that the proposed actions include:


Confidential advice to Government

Confidential advice to Government



- 8 **noted** that on 22 May 2024, ECO considered a submission on a proposed suite of amendments to the Crown Minerals Act 1991 intended to increase investment in existing gas fields and to explore new fields [ECO-24-MIN-0077];
- 9 **noted** that officials are in the process of expanding the Gas Security Response Group's membership by inviting Fonterra, New Zealand Steel, Ballance and Oji to ensure greater representation of major gas users;

10 Confidential advice to Government



Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon David Seymour  
Hon Nicola Willis (Chair)  
Hon Brooke van Velden  
Hon Shane Jones  
Hon Chris Bishop  
Hon Simeon Brown  
Hon Paul Goldsmith  
Hon Todd McClay  
Hon Tama Potaka  
Hon Matt Doocey  
Hon Simon Watts  
Hon Melissa Lee  
Hon Penny Simmonds  
Hon Chris Penk  
Hon Andrew Bayly  
Hon Andrew Hoggard  
Hon Mark Patterson

**Officials present from:**

Office of the Prime Minister  
Office of Hon Simeon Brown  
Office of Hon Simon Watts  
Officials Committee for ECO