

# Hon Shane Jones

Minister for Oceans and Fisheries  
Minister for Regional Development  
Minister for Resources  
Associate Minister of Finance  
Associate Minister for Energy



14 February 2025

Hon Nicola Willis  
Minister of Finance  
Parliament Buildings

Dear Nicola

I am seeking an invitation for Budget 2025 to progress a series of growth initiatives. These would require budget allocation to support a package of legislative and regulatory work to support the Government's *Going for Growth* agenda, which as you know, is organised around the five pillars of:

- Developing talent;
- Competitive business settings;
- Promoting global trade and investment;
- Innovation technology and science; and
- Infrastructure for growth.

The below initiatives support all the above pillars, but with a particular focus on creating competitive business settings, promoting global trade and investment, and improving New Zealand's infrastructure to support growth.

Taken together, it is my belief that these initiatives will help New Zealand maintain its comparative advantage in several key sectors of the economy. Further detail about these initiatives is outlined below.

## REDACTED section

### ***Early initiatives to ensure an affordable, secure and internationally competitive electricity market***

The power crisis New Zealand experienced last winter highlighted how important affordable and secure electricity at internationally competitive prices is to New Zealand's economic growth and prosperity. In response to this crisis, the Government has undertaken several initiatives to improve New Zealand's regulatory settings to incentivise competition, encourage investment into new electricity generation, and boost overall supply. Minister Watts and I are also undertaking a first-principles review of the current market structure (due to be finalised in mid-2025) and are progressing with an Energy and Electricity Security Bill as part of the Government's 2025 legislative programme.

However, while these initiatives will provide relief to New Zealand consumers and firms in the medium-to-long term, there is a pressing need to provide immediate relief. Just today, Oji's Kinleith Mill announced that it is downsizing its production capacity, in part due to its inability to remain competitive due to New Zealand's increasingly uncompetitive electricity market. This event is not isolated, and I am increasingly concerned about the impact electricity prices are having on the manufacturing sector, and the downstream effects that this is having on New Zealand's communities.

Confidential advice to Government

If these initiatives are not progressed, it is my concern that New Zealand's consumer and business sectors will continue to suffer the consequences of market failure, leading to an increasingly uncompetitive and uncertain outlook for the wider economy.

Thank you for your consideration.

Yours sincerely,



Hon Shane Jones

**Minister for Resources**

**Associate Minister for Energy**

**Minister for Regional Development**

cc Minister Simon Watts

Minister for Energy