MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

Government Statement on Biogas

OCTOBER 2025

Ministerial foreword

This Government supports a renewable gas market in New Zealand. Biogas is one of these renewable energy sources that are more readily available, and could strengthen our energy security, decarbonise hard-to-electrify sectors and create new opportunities for innovation and investment. This statement signals my support for a thriving biogas market and outlines the government's role in supporting its growth.

I recognise biogas is not a one-size-fits-all solution. However, understanding its value and adopting it where appropriate could mean it plays a pivotal role in creating a cleaner, more resilient energy future.

I look forward to seeing how this market develops and hope that over time, it will be able to realise its potential in New Zealand.

Hon. Simon Watts
Minister for Energy

Objective

This Government Statement on Biogas signals our commitment to supporting the development of a domestic biogas market in New Zealand. It aims to provide clarity and confidence for investment into a biogas market, through setting out government's role and expectations.

What is biogas?

Biogas is a renewable, low-emission fuel that is produced by biologically digesting organic waste. There are several technologies that can process organic feedstock into biogas, such as anaerobic digesters and landfill gas capture.

Biogas has several end uses. It can:

- generate heat, power or both for onsite operations
- generate electricity onsite and to feed into the electricity network
- be upgraded ('scrubbed') to produce biomethane.

Biomethane is a form of renewable natural gas that is chemically identical to conventional natural gas, but with significantly lower carbon impact. Biomethane can be injected into the existing North Island reticulated gas network as an alternative to, or blend of natural gas.

Scale and potential for biogas in New Zealand

New Zealand has an emerging biogas market. Industry estimates of biogas production range between 3.5–4.9 petajoules per year. Most of this is from gas captured at landfills and wastewater treatment plants. The biogas produced at these plants are either used onsite to generate operational power and process heat or flared to reduce emissions.

New Zealand has untapped biogas potential. However, unlocking this volume is challenging due to limited access to scalable feedstock[1].

1 Powerco, Clarus and Ecogas co-commissioned the Blunomy Report in 2023 – Vision for Biogas in Aotearoa New Zealand and the Gas Industry Company commissioned Wood Beca the Gas Transition Plan – Biogas Research Report, 2023.

Opportunities for biogas in New Zealand

New Zealand is at a pivotal moment in our energy journey with our natural gas reserves declining. Biogas presents a strategic opportunity for New Zealand in several ways:

- *Energy resilience* – as a domestic fuel source, biogas has the potential to support localised regional energy resilience and a circular economy model.
- *Economic development and innovation* – biogas presents economic growth opportunities both regionally and nationally.
- *Decarbonisation of hard-to-electrify industries* – biogas provides a low-emission alternative in industries for which replacing natural gas is difficult.

At present, biogas opportunities are small-scale and decentralised, reflecting a distributed energy model. This model supports localised energy generation both near to the point of feedstock and its consumption, contributing to energy security and emissions reduction in a way that is economical for its operation.

Expectations

The Government will take a market-led approach to supporting the establishment of a biogas market. We expect industry to play a central role in driving innovation, investment and the scaling of biogas solutions. In turn, the government will, where practicable and efficient to do so, provide support as set out in the table below.

I encourage businesses, iwi and local government from all sectors to work together to understand whether biogas is a feasible option for you, and if so, how to unlock these opportunities. This could look like considering biogas as part of asset management plans, waste management and long-term infrastructure strategies and emissions and sustainability goals.

 **Support industry investment into a biogas market**	 **Ensure regulatory settings enable the private sector to invest**	 **Reduce barriers to market development**
WHAT THESE ACTIONS LOOK LIKE		
Providing biogas developers with avenues to access capital funding, for example: › Regional Infrastructure Fund › Waste Minimisation Fund › Investment Boost. Providing opportunities for long term supply agreements with government agencies.	Identifying and removing regulatory barriers to the production and use of biogas. Openly engaging with stakeholders to consider whether regulatory barriers are impeding the growth of a biogas market. Collaboration between the Ministry of Business, Innovation and Employment and the Ministry for the Environment to explore opportunities to convert unavoidable biological waste destined for landfill into energy production.	Monitoring Gas Industry Company's biogas work programme that is focused on addressing potential market barriers and stimulating a market. Monitoring the Energy Efficiency and Conservation Authority's biogas work programme. Specifically, its work to map regional organic waste feedstocks to support industry coordination. Working with industry to ensure the enabling environment evolves with market needs.

Separately, Ara Ake offers commercialisation support by connecting innovators with industry, delivering relevant research and insights and providing support to the wider biogas innovation ecosystem.

As the actions in the table above progress, they will be subject to review and changes.

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