MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Improving gas market transparency

Date:	18 August 2025	**Priority:**	High
Security classification:	Sensitive	**Tracking number:**	BRIEFING-REQ-0015969

Action sought		
	Action sought	**Deadline**
Hon Shane Jones **Minister for Resources**	**Agree** to consult permit and licence holders, in advance of decisions of the Cabinet papers relating to the Electricity Market Review, on moving the deadline for providing their annual report from 31 March each year to 1 February each year. **Agree** to consult the gas sector about the additional information to be requested voluntarily.	25 August 2025
Hon Simon Watts **Minister for Energy**	**Agree** that the consultation on additional information to improve the transparency of the upstream gas sector (See Minister Jones' recommendation above) include consultation with gas providers and users. Confidential advice to Government **Agree** for MBIE to consult the gas sector on the additional information summarised in **Annex Two** as part of the consultation (See Minister Jones' recommendation above).	25 August 2025

Contact for telephone discussion (if required)			
Name	**Position**	**Telephone**	**1st contact**
Dominic Kebbell	Manager, Gas and Fuel Policy, Energy Markets	Privacy of natural persons	✓

Callum Thorpe	Principal Policy Advisor, Gas and Fuel Policy, Energy Markets	Privacy of natural persons	

The following departments/agencies have been consulted
Gas Industry Company

Minister's office to complete:	☐ Approved	☐ Declined
	☐ Noted	☐ Needs change
	☐ Seen	☐ Overtaken by Events
	☐ See Minister's Notes	☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Improving gas market transparency

Date:	18 August 2025	**Priority:**	High
Security classification:	Sensitive	**Tracking number:**	BRIEFING-REQ-0015969

Purpose

To seek your agreement on the next steps to improve gas market transparency.

Executive summary

Timely and reliable information on gas supply is essential for a well-functioning energy market. We have been looking into issues with the information available on the gas market, and ways in which we can improve market transparency. We have engaged with the Gas Industry Company and several large gas users in this process.

This work has shown that information on the gas market could be improved and that doing so would support a better functioning energy market. The Frontier Review of Electricity Market Performance came to similar conclusions and recommended actions to address these issues. We have identified three workstreams and we are seeking your agreement to the proposed next steps.

Workstream One: Bring forward when MBIE publishes annual gas reserves and forecasts (Minister Jones)

The annual gas reserves data is typically published in the middle of the year due to permit holders providing data by 31 March and our processing requirements. Last year we reduced our processing time by one month and will continue to seek internal improvements.

The Ministers for Resources and Energy will be seeking Cabinet delegated authority to set a new due date for upstream permit holders' annual reports. We seek the Minister for Resources' agreement to consult with permit and licence holders on requiring the information by 1 February annually with a view to implementing this date change for the next annual report (in 2026).

Workstream Two: Gather further information from permit and licence holders (Minister Jones)

We seek the Minister for Resources' agreement to consult the gas sector on the proposed additional information to be collected and published. We have identified further information that permit and licence holders could provide that would improve market operation. The additional information relates to gas reserves and forecasts and is set out in **Annex One**. We initially intend to ask for this information on a voluntary basis for 2026. Confidential advice to Government

Workstream Three: Require further information about the wider gas sector (Minister Watts)

A lack of available information on gas demand, pricing and contractual arrangements between wholesalers, retailers, and end users contributes to uncertainty and information asymmetries in the market. The current situation is likely to be contributing to market uncertainty and price increases. Confidential advice to Government

Confidential advice to Government

Recommended action

The Ministry of Business, Innovation and Employment (**MBIE**) recommends that the Ministers for Resources and Energy:

a **Note** that we have three workstreams to improve information in the gas market:

i. Accelerating the release of MBIE's annual gas reserves and forecasts, which will require decisions from the Minister for Resources

ii. Gathering further information from permit and licence holders, which will require decisions from the Minister for Resources and the Minister for Energy

iii. Requiring further information about the wider gas sector, which will require decisions from the Minister for Energy.

Noted

Workstream One

MBIE recommends that the Minister for Resources:

b **Agree** to consult permit and licence holders, in advance of decisions of the Cabinet papers relating to the Electricity Market Review, on moving the deadline for providing their annual report from 31 March each year to 1 February each year.

Agree / Disagree

MBIE recommends that the Ministers for Resources and Energy:

c **Note** that this consultation would run for four weeks across August and September 2025.

Noted

d **Note** that:

a. We use the information in these annual reports to prepare and publish the annual gas reserves and forecast data release – which provides the market with information on gas supply outlook.

b. Requiring permit and licence holders to provide the information earlier will enable us to provide more timely information to the market through earlier publication of our annual gas reserves and forecast data release.

Noted

Workstream Two

MBIE recommends that the Minister for Resources:

e **Note** that we have identified a range of additional information to collect and disclose to improve transparency in the upstream gas sector (summarised in **Annex One**).

Noted

f **Agree** to consult the gas sector about the additional information to be requested.

Agree / Disagree

g **Note** that:

a. The quickest way to get this information is to seek it from the gas sector voluntarily

Confidential advice to Government

Noted

MBIE recommends that the Minister for Energy:

h **Agree** that the consultation on additional information to improve the transparency of the upstream gas sector (**see Recommendation f**) include consultation with gas providers and users.

Agree / Disagree

Workstream Three

MBIE recommends that the Minister for Energy:

i **Note** that we have identified additional information to collect and disclose to improve transparency in the downstream gas sector (summarised in **Annex Two**).

Noted

Confidential advice to Government

Noted

Confidential advice to Government

l **Note** that in order to have this information as quickly as possible we will seek this information voluntarily.

Noted

m **Agree** for MBIE to consult the gas sector on the additional information summarised in **Annex Two** as part of the consultation referred to in **Recommendations f and h**.

Agree / Disagree

Hon Shane Jones
Minister for Resources

..... / ...... / ......

Hon Simon Watts
Minister for Energy

..... / ...... / ......

Privacy of natural persons

Dominic Kebbell
Manager, Gas and Fuel Policy
Energy Markets, MBIE

18 / 08 / 2025

Background

1. Since late 2024, we have been looking into options to strengthen gas market transparency through increasing the range and quality of information available to market participants. This is part of broader work to improve gas market functioning.

2. We have spoken to several large gas users and the Gas Industry Company (**GIC**) to determine what changes would help improve the functioning of the gas market. From this, we have developed three workstreams to bolster gas market transparency.

3. This work is also relevant to the functioning of the electricity market, given the continued reliance on gas for electricity generation. As such, Frontier Economics has included gas market transparency within the scope of their report for the Review of Electricity Market Performance (**the Review**).

4. Frontier Economics has recommended changes to make sure timely, comprehensive and accurate information is available about gas supply and demand. Our three workstreams align with the recommendations of the Review.

5. Cabinet is scheduled to consider recommendations from the Review in mid-September 2025. However, we seek your agreement to progress the next steps of our work to improve gas market information, as Cabinet approval is not required for the majority of the work.

What is the problem?

6. Information available on the gas market is either incomplete, out of date, or both. Most gas is traded via bilateral contracts that are not available to the public. Only some information about the gas sector is available to government to publish or use internally. Frontier Economics concluded that "information published on the New Zealand gas market is fragmented and incomplete".

7. We publish annual reserves and forecasts, along with regular data on prices, consumption, and supply. However, this information is typically outdated. GIC (as the co-regulator) provides more timely production and consumption data, but excludes gas moved through private pipelines, leaving gaps (11 per cent in 2024). Together, the data does not offer a complete or current view of the gas market.

8. Clear and reliable information on gas supply and demand is essential for a well-functioning market. The lack of quality of the currently information has several impacts:

   - Gas market participants lack timely and accurate information about how the market is functioning. This makes it difficult for businesses to plan and make efficient decisions, particularly as market conditions change.

   - Information about gas varies significantly across different parts of the sector. For example, organisations with upstream interests or relationships often have better access to supply developments. These information asymmetries create uncertainty for some participants and give others a competitive advantage.

   - Gas retailers may manage the risk from uncertainty about supply by increasing gas prices and reducing the length of gas contracts available. This could be in addition to what is justified by actual supply constraints.

9. New Zealand Petroleum & Minerals, and MBIE more widely, only have partial insight into the gas market outlook. This limits our ability to effectively monitor and manage New Zealand's gas resources, and to provide timely advice to decision-makers on potential supply and demand issues.

10. While increased transparency will improve the functioning of the market, with associated potential benefits for gas users, it will not free up gas nor provide additional gas to the market. More information in and of itself will not address wider issues with real supply constraints and the associated economic impacts.

11. Improving transparency is just one piece of our broader work programme on gas supply, understanding the energy shortage, and further measures needed to improve energy security.

We have three workstreams to improve the information in the gas market

12. We have identified three key areas for intervention to improve gas market transparency:

    Workstream One: Accelerating the release of MBIE's annual gas reserves and forecasts.

    Workstream Two: Gathering further information from permit and licence holders.

    Workstream Three: Improving information on gas demand and contracts in the downstream sector.

13. The actions and timeframes for the three workstreams and where your decisions are needed are set out below.

Workstream One: Accelerating the release of MBIE's annual gas reserves and forecasts (Minister Jones)

Permit and licence holders providing annual reports earlier would enable more up-to-date information to the market

14. MBIE publishes its annual gas reserves release in the middle of the year (typically in July), based off data from the start of the year. This delay is due to:

    a. the time gas permit operators take to submit the reports that inform this release

    b. the internal MBIE processes required to verify the data.

15. Under the *Crown Minerals (Petroleum) Regulations 2007*, permit and licence holders must submit annual reports by 31 March. These reports include production data, reserve levels, contingent resources, and forecasts as at 1 January of each year.

16. Because this data is a Tier One official statistic, MBIE undertakes a thorough verification process before publication to ensure accuracy for government, business, and community decision-making. Recent improvements to our internal processes allowed us to publish the 2025 release in early June, about a month earlier than in previous years. We will continue to work to improve our processes.

17. Timeliness can also be improved by requiring permit and licence holders to submit their reports earlier. This would accelerate the overall publication timeline and provide the market with more up-to-date information on gas reserves and forecasts.

We seek your agreement to targeted consultation with permit and licence holders on the new date to provide the annual report and to implement the change for 2026

18. A draft Cabinet paper on the Electricity Market Review seeks delegated authority for you to set a new deadline for petroleum operators to submit annual reports under the *Crown Minerals (Petroleum) Regulations 2007*.

19. We seek your agreement to consult with permit and licence holders in advance of this Cabinet decision on:

    a. requiring the annual reports by 1 February annually[1]

    b. implementing this date change so it applies to the next annual report (ie early 2026).

20. We do not consider that the nature of this consultation warrants seeking Cabinet approval. We consider that this is a minor and technical matter which falls within existing policy.

21. The regulatory change will be straightforward to implement. While some permit and licence holders may raise concerns about the short lead time, the consultation process will give them early notice of the planned change. Alternatively, implementation could be deferred to 2027 to allow more time for industry preparation.

22. Doing targeted consultation would allow permit and licence holders to provide feedback on the workability of the new date and the timing of its implementation. Subject to your agreement, we will email permit and licence holders and offer to meet if they wish.

23. Alternatively, we could change the date without consulting permit and licence holders. This would allow us to implement the date change one month earlier. We do not recommend this option as it would not enable us to take industry perspectives into account, nor would it provide early notice of the changes. This could impact permit and licence holders' ability to comply, especially if the change were implemented for 2026. Lastly, bringing forward the regulatory change by one month would not change the date on which MBIE would receive the information.

24. Subject to Minister Jones' agreement, we will run consultation across August and September 2025 for four weeks. This will enable progress ahead of the upcoming Cabinet paper and we will provide you advice by the end of September 2025 on the new annual report date. This timeline will allow the date change to come into effect by the of the year, in time for the 2026 annual reports.

25. We note that this timing is ambitious and may require a waiver of the 28-day rule to bring it into force in time.

Workstream Two: Gathering further information from permit and licence holders (Minister Jones)

26. There are several areas where permit and licence holders could provide additional information that would increase market transparency. For example, requiring explanations for changes in reserves and resources, the assumptions behind gas field forecasts and more detail about permit expenditures. In addition, there is information outside of the annual reporting process, such as accurate daily production and increased reporting of production forecasting, that would benefit the market.

27. We intend to request this information on a voluntary basis to get the applicable information in time for the annual report release in 2026. Confidential advice to Government [redacted] Our intention is to publish some of this information and to use other parts internally.

28. Details on the proposed additions and their intended use are provided in **Annex One**, along with the potential interventions that we do not recommend progressing. We seek the Minister for Resources' agreement to consult the gas sector on the proposed additional information to be collected and published. This will help make sure we are collecting the right type of

[1] The 1 February date is proposed following discussions with the Gas Industry Company.

information, maximise value to the market and minimise the cost of compliance. It will also help us identify any risks associated with publication.

29. We seek the Minister for Energy's agreement that this consultation include consultation with gas providers and users.

30. We do not consider that the nature of this consultation warrants seeking Cabinet approval. We consider that this is a minor and technical matter which falls within existing policy.

31. If you agree to the approach, we will update you on the outcome of this consultation [redacted] Confidential advice to Government [redacted]

Workstream Three: Improving information on gas demand and contracts in the downstream sector (Minister Watts)

32. In addition to gaps in supply data, there is little publicly available information on gas demand, pricing and contractual arrangements between wholesalers, retailers, and end users. This lack of visibility contributes to uncertainty and information asymmetries in the market.

33. We have identified a set of useful data to collect from gas market participants beyond permit and licence holders. This includes up-to-date pricing information and data on gas usage. A full list of the proposed information is provided in **Annex Two**, alongside the potential information that we do not recommend collecting.

34. This part of the market is governed by the *Gas Act 1992* (the ***Gas Act***). Confidential advice to [redacted]

Confidential advice to Government [redacted]

Confidential advice to Government [redacted]

Confidential advice to Government

Risks

45. There are risks with increasing compliance burden in the sector when the market is under stress. All three workstreams would place greater demands on those responsible for providing the information, both in terms of resourcing and cost.

46. We are mitigating these risks by seeking your agreement to consult market participants on Workstreams One and Two. We will take these risks into account when designing the requirements, to ensure they have the least impact possible.

47. We also intend to consult as part of Workstream Three and will inform you of this process as part of the development of the workstream.

Next steps

48. Indicative timeframes from Workstreams One and Two are provided below, with more immediate next steps related to your respective areas below that. These timeframes are ambitious but we consider that it would be important to implement these workstreams as quickly as possible.

Month	**Workstream One – Actions**	**Workstream Two – Actions**
August 2025	Commence targeted consultation with permit/licence holders, seeking feedback on options for earlier due dates (4 weeks).	Consultation with industry (upstream and downstream) - 6 weeks

September 2025	ECO consideration of Cabinet paper that seeks delegated authority	Continued consultation with industry
October 2025	Briefing seeking your agreement to earlier due date for annual reports with draft LEG paper. Instruct PCO on drafting change to regulations. Agency consultation on LEG paper.	Collate feedback and brief Ministers.
November 2025	Ministerial consultation on LEG paper. Inform permit/licence holders of the proposed new date. LEG, CAB	Issue request for additional information
December 2025	New due date comes into force for 2026 annual reports. A waiver of the 28-day rule may be required.	
January 2026		
February 2026		Information due with annual report information (refer to above)

Minister for Resources

Bringing forward the annual reporting date for permit and licence holders

49. Subject to your agreement, we will start consulting with permit and licence holders on the change to the annual report due date across August and September 2025. The consultation would run for four weeks.

50. Following this consultation, we would seek agreement from both you and the Minister for Energy on the new date as delegated by Cabinet.

51. We would implement this through a change to the *Crown Minerals (Petroleum) Regulations 2007.*

Gathering further information from permit and licence holders

52. Subject to your agreement, we will consult with organisations in the upstream and downstream sector on the additional information to be requested. This would run for six weeks during August and September 2025. We would issue the voluntary request in November 2025.

53. We will provide you with further advice on how any published information would be presented.

Minister for Energy

Gathering further information from permit and licence holders

54. Subject to your agreement, we will include gas providers and users in our consultation on Workstream Two.

Confidential advice to Government

Annexes

Annex One: Table of proposed information to request from permit and licence holders

Annex Two: Table of proposed information to Confidential advice to Government

Annex One: Table of proposed information to request from permit and licence holders

Proposal	Additional information required	Pros and Cons	Publish
1. Explanation for any changes to 2P and 2C	An explanation of any changes to reserves and contingent resources from the previous Annual Summary Report, including gas reinjected, used, and/or sold, demoted to contingent resources or upgraded to reserves, and any gas written off the books. Currently there is limited or no explanation provided in the annual reports.	Field operators will have incentive to ensure information is as accurate as possible and market participants will have a better understanding of the gas remaining in the fields. Regulators will have improved information on supply to better inform advice and operational decisions. There should be little to no cost to the operators as they will already have this information.	*Y*
2. Quarterly update to gas forecasts	A quarterly update to the annual forecast figures provided in the Annual Summary Report process.	Market participants will have a better understanding of the future gas supply enabling them to make better informed decisions. Regulators will have better information on future supply to allow for more accurate analysis to inform advice and decisions. There could be a small cost to operators for the quarterly updates, but we have been advised they provide this internally to their large clients, so any real cost is likely to be minimal.	*Y*
3. Explanation for production differing from forecasts	An explanation why production differed from previous forecasts including technical challenges encountered and/or commercial decisions made.		
4. Forecast assumptions	An outline of the main assumptions used in the calculation of the gas forecast figures provided in the Annual Summary Reports.	Regulators will have a clearer understanding what is driving changes to reserves and contingent resources will improve government's understanding of the market and enable it to make better informed decisions. There would be little to no cost to operators as they already have the information. There may be commercial sensitivities in the information that will be managed by not publishing the data.	*N*
5. Project maturity sub-classes 2P & 2C	Information about the maturity level of their gas projects to provide a more detailed understanding of how reserves and contingent resources are being developed and when gas is likely to come to the market. It will also include a description of the	Regulators having a better understanding of the likelihood of gas being developed will improve government's understanding of the market and enable it to make better informed decisions.	*N*

	reasons for the assignment of the specific subclass. We would use widely adopted maturity frameworks.	There will likely be a small cost to establish the reporting framework, but the substantive data is likely already available. Commercial risks will be managed by not publishing the data.	
6. Drilling plans	Details about upcoming drilling plans for the next three years that they have scheduled for permits they hold – in addition to what is already provided in the Annual Summary Report and in work programmes. This would be required for reserves and considered for contingent resources depending on feedback and availability of information.	Regulators having better information on drilling plans would enable them to more effectively monitor what operators are doing with permits issued by Government. Improved drilling information would allow better assessments of future security of supply. There would be little cost as this is existing information. Drilling plans may be commercially sensitive which would be managed by not publishing the information.	*N*
7. Further detail about expenditure	A more detailed breakdown of the expenditure on permit activities currently classified as operating and capital expenditure.	Regulators having better information about permit expenditure would lead to more effective monitoring of permit performance. There would be minimal cost to operators as this is existing information. There would be significant commercial sensitivity that would be managed by not releasing the data.	*N*
8. More regular gas supply data	Provide information on the daily supply from each field on a weekly basis. Currently supply information is provided monthly with a two-to-three-month lag *(Frontier recommendation).*	A single, timely and accurate source of gas supply information would allow market participants, government agencies and regulators to make better informed decisions, leading to more effective economic outcomes and improved market performance. There will be little to no cost to operators as this information is already collected. There would likely be a small cost to the regulator for providing it to the market.	*Y*
9. Gas contracts	Information on all contracted and uncontracted gas production. Including gas supply contracts between suppliers and purchasers of gas. Currently a subset of contracts is notified but this is sporadic and the data is not intended for monitoring or policy work.	Having a full picture of contracted gas would provide valuable data for the regulator to understand security of supply and demand changes. There would be little to no cost to operators as this is existing information. There would be a high degree of commercial sensitivity that would be managed through not publishing the data.	*N*

10. Continuous disclosure regime	Information about material changes that impact forecast gas supply would be provided as they happen during the year (for example, new gas discoveries or significant drilling successes). A revised forecast would not be required.	Regulators having a better understanding about developments with gas exploration and production would improve government's understanding of the market and enable it to make better informed decisions. There would be little to no cost to operators as they would not be required to revise their gas production forecasts.	*N*
Potential interventions not progressing – costs outweigh benefits			
11. Improving forecast information	Including levels of certainty for forecast gas production akin to the high and low estimates of reserves provided in the Annual Summary Report.	Market participants will have a better understanding of the bounds of the future gas supply, enabling them to make better informed decisions. Regulators will have better information on future supply to allow for more accurate analysis to inform advice and decisions. There would be a moderate cost to operators as this would be new information. There is a risk that the low figure will be seen as the new default for those businesses with a low risk tolerance, which may undermine efforts to maintain gas demand to support supply investment. There are also concerns that the range will increase uncertainty without providing a tangible benefit to gas users.	*Y*
12. Market price to make 2C economic	An outline of what market price will be needed for different tranches of fields' 2C resources to become economically viable to produce.	Increased information on the economic viability of 2C contingent resources would improve regulators' view of security of supply. It would allow market participants to better understand future supply and make better informed decisions. We understand that there could be a significant practical difficulty and cost to operators to obtain this information as it is not currently collected. There would also be commercial sensitivity if individual field data was provided, this could be mitigated through data aggregation, but this would then reduce the usefulness of the information for individual market participants that only deal with one operator. We will test this in the consultation process.	*Y*

Annex Two: Table of proposed information to request Confidential advice to Government

Proposal	Additional information required	Key improvement	Publish
1. Contracted gas information	Gas retailers would be required to provide information about gas that has been contracted to users.	Understanding forward contracted volumes has the potential to support the market to better understand future risk and thus make more efficient decisions. It would also improve the regulators' ability to understand future risk. There would be limited cost to sellers as this is known information. There would be significant commercial sensitivity that would need to be managed through aggregation of the data.	*Y*
2. Up to date pricing information	More frequent (eg weekly pricing information) information that the current quarterly updates. This information would be published in aggregate. *(Frontier recommendation)*	Market participants would have more info about gas prices that could reduce information asymmetries between sellers and purchasers (particularly smaller ones), supporting more equitable transactions, and potentially reducing prices. More up to date pricing information would allow regulators to improve their market monitoring. There would be a limited cost to sellers as this is known information. There would be significant commercial sensitivity that would be managed through aggregation of data to ensure individual sellers are able to be identified.	*Y*
3. Forward gas pricing	Improved information about supply, demand and pricing to construct forward pricing for gas. *(Frontier recommendation)*		*Y*
4. Data on where gas is being used	Weekly data on where gas is being used as opposed to the current quarterly information. The data would be broken down by large users (Methanex etc) and standard categories. *(Frontier recommendation)*	Market participants would better understand demand, reducing uncertainty about gas availability. This should in turn reduce perceived risk leading to more efficient operation and improved economic performance. There would be limited cost to the market as this is existing information.	*Y*

5. Renewable gas volumes	Regular information from renewable gas producers on renewable gas production.	Providing market participants with more information on what renewable gas is likely to be available to the market would reduce uncertainty about gas availability potentially leading to less perceived risk and more efficient decision making resulting in improved economic performance.	*Y*
6. Information on transmission and distribution	Centralised information on the pipeline capacity and daily flows reported weekly. *(Frontier recommendation)*	Timely and accurate pipeline information would be of use to a limited number of market participants to understand the state of current supply. There would be limited cost to operators as they currently have this information. There would be a degree of cost to the regulator in developing the format and platform for publication	*Y*
Potential interventions not progressing – costs outweigh benefits			
7. Contract information for stored gas	Parties involved in contractual arrangements for stored gas would be required to disclose this information for publication. *(Frontier recommendation)*	Information on the allocation of stored gas would provide the market and the regulator with the future capability of Ahuroa to support security of supply, especially during dry periods. There would be limited cost as this information is available to the operators.	*Y*