



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Resources
Title of Cabinet paper	Final national geothermal strategy for approval	Date to be published	17 March 2026

List of documents that have been proactively released		
Date	Title	Author
December 2025	Final national geothermal strategy for approval	Office of Minister for Resources
2 December 2025	Final national geothermal strategy EXP-25-MIN-0117 Minute	Cabinet Office
	<i>Note: The version of the geothermal strategy appended to the Cabinet paper) is superseded by the final version, which was launched on 17 March 2026. It can be accessed here:</i> Geothermal Strategy	MBIE

Information redacted

NO

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.

In Confidence

Office of the Minister for Resources

Cabinet Economic Policy Committee

Final national geothermal strategy for approval

Proposal

- 1 I am seeking Cabinet's approval for a final national geothermal strategy (the strategy) – *From the Ground Up – A strategy to unlock New Zealand's geothermal potential* (attached as Appendix One).

Relation to government priorities

- 2 The strategy is aligned with the Government's Going for Growth plan. It aims to unlock an under-utilised natural resource to drive regional development, support business investment, and create high-value jobs. Geothermal development will strengthen energy security and provide sustainable and cost-effective pathways for emissions reduction in industry. It also offers opportunities in resource extraction, tourism, and innovation and education exports.
- 3 Geothermal development will be guided by upcoming resource management system reforms and presents a compelling opportunity for foreign investment in New Zealand's renewable energy infrastructure, supported by recent changes to the Overseas Investment Act 2005.
- 4 This proposal also supports the Government's goals of energy security, emissions reduction, infrastructure delivery, and regulatory efficiency. It builds on specific energy objectives such as doubling renewable energy by 2050.

Executive Summary

- 5 New Zealand has long been recognised for its globally significant geothermal features and ingenuity in harnessing geothermal energy, but we have only scratched the surface of what is possible. This strategy is a call to action: to drive innovation, develop our regional economies and to double geothermal energy use by 2040.
- 6 Following Cabinet's approval earlier this year, I released a draft of this strategy for six weeks of public consultation on 30 July 2025 [EXP-25-MIN-0063]. Cabinet invited me to report back with the final strategy, including an action plan by the end of 2025.
- 7 Feedback from public consultation was broadly supportive of the overall vision and direction of the strategy, with many calling for accelerated timeframes, stronger commitments, and additional funding. Officials have adjusted the strategy to incorporate elements of public feedback and enhance the document.

- 8 I am seeking Cabinet’s approval of the final national geothermal strategy and associated action plan.

A unique opportunity exists to harness New Zealand’s geothermal advantage

- 9 New Zealand’s geography has uniquely positioned us with abundant and globally significant geothermal resources, and we are recognised as a world leader in geothermal innovation and expertise. For Māori, geothermal resources are taonga with deep cultural significance. Many geothermal fields lie within whenua Māori.
- 10 New Zealand’s geothermal resources already deliver substantial benefits to our economy through renewable, low-emission electricity generation, tourism, and providing reliable heat for industry. However, much of our geothermal potential remains untapped, presenting significant opportunities for further growth and economic benefit.
- 11 At present, geothermal energy provides approximately 20 percent of New Zealand’s electricity generation, with a current installed capacity of around 1.2 GW. As electricity demand is projected to increase by approximately 68 percent over the next 25 years,¹ geothermal energy, including the potential for supercritical geothermal, is well positioned to play a key role in sustainably and reliably meeting this demand and powering the next wave of economic growth, such as the potential expansion of large-scale data centres.
- 12 Geothermal’s reliability and scale make it a key enabler for industrial process heat (e.g. timber drying, tissue manufacturing). In 2024, direct use of geothermal energy (across industrial use including cogeneration, agricultural, commercial and residential sectors) amounted to 7.94 PJ.² This is around 12 per cent of the direct use for process heat generation provided by natural gas.³ With the fluctuations in gas prices and supply limitations, the opportunity to substitute some gas-derived direct use heat with geothermal energy is promising.
- 13 New Zealand’s geothermal resources also offer untapped opportunities in other areas, such as lower temperature resources (including the use of ground-source heat pumps), expanded tourism, and education and innovation export opportunities, as well as the extraction of valuable minerals and gases such as silica, lithium and CO₂ from geothermal fluids.

A strategic approach is essential to fully unlock New Zealand’s geothermal potential

- 14 However, the geothermal sector’s ability to further develop New Zealand’s geothermal resources and drive economic growth is currently constrained by several persistent barriers.

¹ Figure from the Government Policy Statement for Electricity (October 2024).

² Direct use figure from MBIE’s ‘Energy balance tables’ data.

³ Some of the natural gas will be providing heat at temperatures above what geothermal could provide such as in petrochemicals and metals manufacturing.

- 15 High upfront exploration and drilling costs, combined with fragmented access to critical geothermal data, limit new investment and slow the pace of development. Complex and inconsistent regulatory settings create uncertainty for investors and developers, while costly consenting processes can deter new projects.
- 16 These challenges mean that New Zealand is not fully capitalising on its globally significant geothermal resources and is missing opportunities to strengthen regional economies and te Ōhanga Māori (the Māori economy), attract export-focused industries, and deliver affordable, reliable energy for business and industry.
- 17 Without targeted action to address these barriers, such as streamlining regulation, improving data access, and supporting investment, New Zealand risks leaving substantial economic potential untapped.
- 18 A clear, nationally coordinated strategy is essential to overcome these challenges and realise the full economic potential of New Zealand's unique geothermal resources.

Public feedback on the draft strategy was broadly supportive

- 19 Following Cabinet's approval [EXP-25-MIN-0063], I released a draft strategy for public consultation on 30 July 2025.
- 20 Feedback received on the draft strategy indicates broad support for the Government to develop a plan to unlock geothermal opportunities across New Zealand. The Ministry of Business, Innovation and Employment (MBIE) published a summary of public submissions on 31 October 2025. Key themes from submissions included:
 - 20.1 the value of geothermal resources as a driver of economic enablement and regional development;
 - 20.2 the need for strategic governance and regulatory reform;
 - 20.3 the need for partnership with Māori, rights and interests, and integration of mātauranga Māori;
 - 20.4 the importance of environmental stewardship and sustainability; and
 - 20.5 the need to improve access to geothermal data and funding.
- 21 MBIE has finalised the geothermal strategy, incorporating public feedback and additional analysis to strengthen the document.
- 22 The vision remains unchanged from the draft released for consultation, with minor enhancements made to the strategic outcomes and action plan to better reflect current and future priorities.

Additions have been made to acknowledge Treaty of Waitangi considerations

- 23 A discrete Waitangi Tribunal hearing into the draft geothermal strategy was held on 7 November 2025. Claimant evidence and submissions focused on the process for engaging with Māori, how the final strategy will interact with future resource management legislation, developing Māori participation in the geothermal workforce, incorporation of Treaty principles into the strategy, and how iwi might be supported to engage in geothermal development projects.
- 24 To address issues raised in the Waitangi Tribunal hearing and from iwi and other Māori submitters, several additions and narrative adjustments have been made throughout the document, including:
- 24.1 adding a background section on the te ao Māori view of geothermal resources and an acknowledgement of the damage done as a direct result of the development of the Wairākei geothermal power station;
 - 24.2 adding a section acknowledging the role of the Treaty and Treaty settlements in terms of iwi and hapū rights and interests in geothermal resources; and
 - 24.3 adjusting the acknowledgement of the National Freshwater and Geothermal Resources Inquiry (Wai 2358) to make it suitable for the final strategy.

The final strategy unlocks New Zealand's geothermal potential

- 25 *From the Ground Up – A strategy to unlock New Zealand's geothermal potential* communicates the Government's vision for geothermal development to 2040 and sets out a concrete action plan for how we will get there.
- 26 The strategy's vision is for New Zealand to be *a global leader in sustainable geothermal development, delivering innovation, resilience, and inclusive growth for future generations*. It sets the ambitious, but achievable goal of doubling geothermal energy use by 2040.
- 27 The strategy is a framework to support central government agencies, regional councils, industry, Māori-led commercial entities, iwi, hapū and landowners, and other parties to work together towards three shared strategic outcomes:
- 27.1 extend New Zealand's position as a world-leader in geothermal innovation and sustainability;
 - 27.2 support energy resilience by maintaining and accelerating increased renewable electricity generation and harnessing geothermal heat to support New Zealand's energy transition; and
 - 27.3 strengthen regional economies and te Ōhanga Māori (the Māori economy) by advancing sustainable geothermal development in collaboration with tāngata whenua, unlocking industrial growth, tourism, and trade to support New Zealand's goal of doubling exports.

- 28 To achieve these outcomes, the strategy includes an action plan with five goals:
- 28.1 improve access to geothermal data and funding to enable development;
 - 28.2 ensure regulatory and system settings are fit-for-purpose;
 - 28.3 advance knowledge and uptake of existing geothermal technologies and geoheat opportunities;
 - 28.4 enable place-based geothermal clusters; and
 - 28.5 drive geothermal science, research and innovation, including next-generation technologies.
- 29 Delivering on the actions under this action plan will require coordination across several ministerial portfolios including Resources, Science, Innovation and Technology, RMA Reform, Energy, Workplace Relations and Safety, Environment, Conservation, Tourism and Hospitality, Māori Development and Regional Development.
- 30 Responsible agencies have been included alongside specific actions in the action plan to aid Cabinet consideration, but these will not to be included in the final version of the strategy.
- 31 The strategy's action plan includes a phased approach with four time horizons. This includes a 'Horizon Zero (2025)' which records already completed actions, including the development of a geoheat information package for businesses and determining the first test well site for the Government's \$60m supercritical geothermal project.
- 32 Key actions in Horizon One (2026-2027) include:
- 32.1 establishing a baseline of publicly available geothermal data, as well as initial work to establish a centralised geothermal data repository to support further exploration and development;
 - 32.2 exploring options to grow our understanding of New Zealand's low heat geothermal resource;
 - 32.3 promoting the role of low temperature/geoheat technologies;
 - 32.4 clarifying the application of the Crown Minerals Act (1991) to minerals in geothermal fluid; and
 - 32.5 exploring the role of policy direction for managing geothermal resources (including the role of national direction in the new Resource Management system).
- 33 Horizon Two (2028-2029) actions build on Horizon One, such as expanded mapping of geothermal resources, development of pilot projects, and ensuring

geothermal regulatory frameworks are fit for purpose for current and next-generation geothermal technologies (e.g. supercritical geothermal, advanced/closed-loop geothermal and enhanced geothermal systems).

- 34 Horizon Three (2030 onwards) includes long-term actions focused on exploring the possibility of Crown-led geothermal exploration, innovation, and scaling up supercritical geothermal technologies.
- 35 I seek Cabinet's approval of *From the Ground Up – A strategy to unlock New Zealand's geothermal potential*, which is attached as Appendix One.

Cost-of-living Implications

- 36 There are no cost-of-living implications associated with this paper.

Financial Implications

- 37 There are no direct funding decisions sought through this paper. However, the implementation of the geothermal strategy may give rise to future fiscal implications which will be sought through future Cabinet approvals.
- 38 Specific financial implications analysis will be provided where Cabinet decisions are required for any actions under the strategy.

Legislative Implications

- 39 There are no legislative implications of this paper.

Regulatory Impact Statement

- 40 No decisions in this paper require a Regulatory Impact Statement.

Climate Implications of Policy Assessment

- 41 No decisions in this paper require a Climate Implications of Policy Assessment.

Population Implications

- 42 There are no population implications from this paper.

Human Rights

- 43 The proposals in this paper are not inconsistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of External Resources

- 44 I have not used any external resources in the development of the strategy.

Consultation

- 45 The following agencies or authorities were consulted in the development of the geothermal strategy: the Treasury; Energy Efficiency and Conservation Authority; Ministry for the Environment; Department of Conservation; Invest New Zealand; Crown Law; Te Puni Kōkiri; Ministry for Primary Industries; the Tertiary Education Commission; WorkSafe; and the Ministry of Foreign Affairs and Trade.
- 46 Feedback from these agencies has informed the strategic framework, the scope and sequencing of proposed actions, and alignment with broader government priorities.
- 47 MBIE has undertaken engagement with iwi and hapū Māori, and with key stakeholders, including regional councils and representatives from the geothermal sector to inform the development of the draft strategy and action plan. Feedback from these groups has been reflected in the final strategy.
- 48 I acknowledge the ongoing National Freshwater and Geothermal Resources inquiry (Wai 2358) and reiterate that this strategy does not pre-empt any Waitangi Tribunal reporting.
- 49 The strategy itself is intended to provide a coordinated framework and long-term vision for utilising the potential of New Zealand's geothermal resources. Any future work to give effect to the strategy, including the development of new or amended policies, regulations or operational practices, will be undertaken through further policy processes. These processes will include consultation with iwi, hapū and sector participants as appropriate, and will ensure they have the opportunity to provide input on substantive policy proposals.

Communications

- 50 Following Cabinet approval, I intend to launch the strategy at an appropriate time in the coming weeks, likely February 2026.
- 51 The strategy will be released on MBIE's website with an accompanying press release and proactive release of the relevant Cabinet papers. MBIE officials will work with my office on questions and answers to support the launch of the strategy.

Proactive Release

- 52 This Cabinet paper will be proactively released once the strategy has been launched, likely in February 2026.

Recommendations

The Minister for Resources recommends that the Committee:

- 1 **note** New Zealand has a globally significant geothermal resource, with the potential to support economic growth, regional development, emissions reduction, and Māori economic participation;
- 2 **note** in July 2025, Cabinet approved the release of a draft strategy for six weeks of public consultation;
- 3 **note** Cabinet invited the Minister for Resources to report back to Cabinet with a final geothermal strategy and implementation roadmap, and any funding implications, following public consultation by late 2025 [EXP-25-MIN-0063];
- 4 **note** feedback received from public consultation was generally supportive of having a strategy to drive innovation, double geothermal energy use by 2040, and unlock regional potential;
- 5 **note** officials have finalised the strategy following feedback received from public consultation, the Wai 2358 discrete one-day hearing, and additional analysis; however, the vision, strategic outcomes, and action plan goals remain broadly unchanged from the draft released for consultation;
- 6 **note** the strategy includes five key priorities to focus action;
- 7 **note** the inquiry into National Freshwater and Geothermal Resources (Wai 2358) is ongoing, and that this strategy does not pre-empt any Waitangi Tribunal reporting;
- 8 **agree** to the final national geothermal strategy *From the Ground Up – A strategy to unlock New Zealand’s geothermal potential*;
- 9 **approve** the release of *From the Ground Up – A strategy to unlock New Zealand’s geothermal potential* at an appropriate time; and
- 10 **authorise** the Minister for Resources to make any graphical, technical, and necessary minor amendments to the strategy and action plan prior to release.

Hon Shane Jones

Minister for Resources

Appendices

Appendix One - *From the Ground Up – A strategy to unlock New Zealand's geothermal potential*