



BRIEFING

Operationalising the Gas Security Fund

Date:	2 December 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	REQ-0023305

Action sought		
	Action sought	Deadline
Hon Chris Bishop Associate Minister of Finance	Agree to the objectives for investments of the fund; and Agree to a terms of reference for the Gas Advisory Panel, to a shortlist of people to approach for membership of the Panel, and to the fees for Panel members	8 December 2025
Hon Shane Jones Minister for Resources		

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Isabel Poulson	General Manager – Strategy, Planning and Performance, Kānoa – Regional Development & Commercial Services	Privacy of natural persons	
Bridget Sullivan	Regional Lead, Taranaki	Privacy of natural persons	✓

The following departments/agencies have been consulted
MBIE Resources Policy, The Treasury, Ministry of Foreign Affairs and Trade

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



BRIEFING

Operationalising the Gas Security Fund

Date:	1 December 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	REQ-0023305

Purpose

To seek your agreement, as delegated Ministers, to:

- a) the detailed objectives and outcomes of the Gas Security Fund, including a focus on supply, reserves and storage rather than price;
- b) the Terms of Reference for the Gas Advisory Panel;
- c) officials approaching a short list of potential members for appointment to the Panel;
- d) the fees for the Panel.

Executive summary

New Zealand faces a critical energy security challenge as gas reserves decline faster than anticipated, threatening affordability and reliability during the transition to low-emission alternatives. Natural gas remains essential for system stability until viable substitutes are available.

To help address this, in Budget 2025 Cabinet established the **\$200 million Gas Security Fund** to co-invest in projects that accelerate gas supply and mitigate sovereign risk. Investments will be of a commercial nature, compliant with international obligations, and focused on increasing gas availability rather than influencing prices.

In October, Cabinet agreed to draw down the tagged contingency to begin operationalising the fund and to establish a Gas Advisory Panel. Cabinet also authorised Joint Ministers to make decisions relating to the Fund.

We are asking you to set the **key objectives of the Fund** to be broadly based around:

- Accelerating supply from existing reserves and bring new resources to market.
- Enhancing flexibility and deliverability, including storage solutions.
- Increase gas storage capacity.
- Supporting exploration and appraisal of new fields to maintain supply during the energy transition.
- Ensuring investments generate appropriate returns, manage risk and align with legal and trade obligations.

The **governance and decision-making** settings will be:

- Joint Ministers (Associate Finance and Resources) will approve investments based on advice from the Ministry of Business, Innovation & Employment (MBIE) and an **expert Gas Advisory Panel** of up to five members with deep industry expertise.
- Panel appointments will be made on short terms (six-month) to expedite establishment.
- Fees for Panel members will follow the Cabinet Fees Framework.

We are recommending a robust **evaluation process** for the assessment of investment proposals. Key advisory roles in the preparation of investment advice for Ministers will be played by the Gas Advisory Panel, the Treasury, and the Ministry of Foreign Affairs and Trade (MFAT, regarding consistency with international obligations).

Evaluations will be undertaken using a standardised approach which includes consideration of commercial, financial, and strategic analysis of projects, including their relationship to wider policy settings and market considerations:

- Four phases: Expression of Interest → Investment Proposition → Detailed Investment Evaluation → Decision Making.
- Proposals assessed for strategic fit, risk, viability, financial due diligence, and compliance.

Once you confirm the objectives for fund investments and the Terms of Reference for the Panel, we will:

- Approach candidates for Panel appointments.
- Develop the monitoring and evaluation framework to measure success in increasing supply and storage capacity.

Kānoa – Regional Economic Development & Investment Unit (Kānoa) plans to issue a press release announcing the opening of the fund in the week of 1 December 2025. Applications will be invited in the form of Expressions of Interest via MBIE’s Grow Regions website from early December.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

The Gas Security Fund (“the Fund”)

1. **Agree** that the Fund prioritise investment applications that contribute to one or more of the following objectives:
 - a. Accelerate the supply of existing reserves to market
 - b. Bring increased gas resources to market or increase reserves
 - c. Increase gas storage capacity
 - d. Increase the flexibility or deliverability of gas to market
 - e. Support investment in new petroleum exploration or appraisal with the potential to increase gas reserves or resources.

And that Fund investments are:

- f. Expected to generate an appropriate return on investment
- g. Consistent with New Zealand’s international obligations.

Agree / Disagree

2. **Agree** that the Fund will focus on directly addressing gas supply, reserves, and storage, rather than gas prices.

Agree / Disagree

3. **Agree** that messaging regarding the Fund should signal to the sector that the government is open to considering a wide range of proposals that align with the Fund objectives.

Agree / Disagree

4. **Note** that Kānoa will issue a press release announcing the opening, and applications will be invited in the form of Expressions of Interest via MBIE’s Grow Regions website;

Noted

5. **Agree** that rather than investment decisions being taken on a first in, first served basis, officials will group investment choices to enable the sector time to submit more complex proposals and to assist Joint Ministers in considering priorities and trade-offs across projects when taking decisions;

Agree / Disagree

6. **Note** that the sector will be invited to contact Kānoa to signal if they intend to submit an expression of interest, in order for officials to gauge the level of interest;

Noted

The Gas Advisory Panel (“the Panel”)

7. **Agree** to the proposed Terms of Reference for the Panel in Annex Two;

Agree / Disagree

8. **Note** that a proposed quorum for the Panel is three members – therefore the initial appointment of five members would be sufficient to proceed with the operation of the Panel;

Noted

9. **Indicate** from the list below who you would like officials to contact to test their availability and suitability in the Chair and member roles on the Panel (noting not all candidates are likely to be available):

Candidates	
Andy Knight (Chair)	<i>Agree / Disagree</i>
Privacy of natural persons, Confidential advice to Government	<i>Agree / Disagree</i>
Tim Allan	<i>Agree / Disagree</i>
Privacy of natural persons, Confidential advice to Government	<i>Agree / Disagree</i>
John Pagani	<i>Agree / Disagree</i>

10. **Note** that once we contact your preferred candidates and have tested their availability and suitability in the Panel we will provide advice on final decisions for appointment.

Noted

11. **Agree** to set fees for the Panel in accordance with the Cabinet Fees Framework, at:

- Chair: \$1,194 per day
- Members: \$761 per day

Agree / Disagree



Brent Chalmers
**General Manager, Investment Management
Kānoa – Regional Development &
Commercial Services, MBIE**

02 / 12 / 2025

Hon Shane Jones
Minister for Resources

..... / /

Hon Chris Bishop
Associate Minister of Finance

..... / /

Background

New Zealand's gas supply is not adequate to meet demand, and reserves have fallen faster than anticipated.

1. New Zealand has an energy shortage which has put the affordability and security of gas and electricity at serious risk. As New Zealand undertakes its energy transition towards lower emissions alternatives, natural gas will play an important role in the stability of this system until viable alternatives are in place.
2. Poor drilling results in our aging gas fields and a significant negative perception, due to regulatory and policy changes over time, of the risk in investing in the New Zealand petroleum sector (sovereign risk) are two primary contributing factors to our gas shortage.

In Budget 2025 Cabinet allocated \$200 million to address this

3. Cabinet [CAB-25-MIN-0126.74, Initiative 16978; CAB-25-MIN-0161.01]:
 - a. agreed to establish a \$200 million tagged contingency to co-invest in new gas fields to encourage investment in this industry due to New Zealand's ongoing need for gas and to mitigate sovereign risk.
 - b. agreed in principle, subject to the outcome of appropriate business cases, to the Government taking a cornerstone investment in new gas field developments of up to 10 to 15 percent, with the specific aim of addressing sovereign risk and accelerating investment in new gas production.
4. Since Cabinet set aside funding in May, New Zealand's gas supply and energy security has worsened. As a result, Cabinet agreed to expand the scope of the Fund to include investment into gas storage, and approved a single-stage Business Case for commercial co-investment that will increase or accelerate the volume of gas to market and mitigate perceived sovereign risk. It also agreed to draw down the \$200 million tagged operating and capital contingency to begin operationalising the investment [CAB-25-MIN-0360 refers].
5. Cabinet also authorised the Associate Minister of Finance and the Minister for Resources ("Joint Ministers") to:
 - a. Approve investment decisions, particularly those required to accelerate gas to market in the short term, based on advice from the MBIE and an expert advisory panel.
 - b. Make initial appointments to the expert advisory panel and approve the terms of reference to ensure this work can proceed at pace.
 - c. Approve the detailed scope and breadth of commercial instruments to be considered and make any necessary operational design decisions, consistent with the overall investment approach agreed by Cabinet.

Objectives and outcomes of the Gas Security Fund

6. Cabinet agreed that investments through the Gas Security Fund ("the Fund") will be made within the following parameters:
 - a. Investments will be commercial in nature (for example, expected to generate an appropriate return on investment) on terms that do not breach our international obligations.
 - b. A portfolio of investments, as outlined in the business case, will be sought that:

- Prioritise options to accelerate or increase the volume of gas to market, including a nearer timeframe than is possible with new field development
- Support the flexibility and deliverability of gas in a future low volume market, which could include gas storage
- Respond to energy security of supply and apply a strategic, system-wide lens to investments.
- Enable the exploration and/or appraisal of prospective new fields (including fields that produce liquids in addition to gas), to ensure gas remains available to support the transition to a low emissions economy.
- Will not involve the Crown becoming a permit operator or require significant involvement in the managerial/operational control of assets/facilities.
- Can be entered into with the aim of selling down at an appropriate time.
- Will be made within appropriate guardrails including the need for advice from an expert advisory panel and legal advice on potential risks (including liability) and compliance with our international obligations.
- Actively encourage the use of regional procurement and regional labour market capability wherever possible.

We are seeking your agreement to the objectives for individual investments

7. In order to achieve the objectives agreed by Cabinet, we are seeking your agreement that the Fund prioritise investment applications that contribute to one or more of the following measures:
- a. Accelerate the supply of existing reserves to market
 - b. Bring gas resources to market or increase reserves
 - c. Increase gas storage capacity
 - d. Increase the flexibility or deliverability of gas to market
 - e. Support investment in new petroleum exploration or appraisal with the potential to increase gas reserves or resources.

Further, that investments are:

- f. expected to generate an appropriate return on investment
 - g. compliant with New Zealand's international obligations.
8. Investment proposals will be evaluated according to the extent to which they deliver the above objectives whilst not requiring a single investment to meet all criteria.

Claims within applications that an investment will have an impact on gas prices will not be given strong consideration

9. Gas pricing, or general gas affordability, is influenced by a wide range of factors. This Fund is seeking investment proposals to increase the supply of gas to market, as well as available storage to manage peak demand - therefore it is hoped that this will have a positive impact on the overall availability of gas and therefore soften prices for gas consumers. However, while it *may* have this impact, it is not possible to forecast or measure with accuracy whether individual investments will result in a reduction in gas prices, or a softening of anticipated price increases over time. This is particularly so in the

short term because of the time involved to bring new projects and volumes of gas to market. In addition, the Fund is only one of a range of government policy interventions being rolled out to cumulatively influence gas availability and affordability. As a result, we are not proposing to prioritise investment applications that claim they will impact on gas prices, but will instead prioritise projects that undertake to increase and accelerate gas available for market.

A wide range of investment proposals should be encouraged to apply for the Fund

- 10 Due to the early stage of engagement with the gas sector on the focus of the Fund, we do not yet have a clear indication of the exact projects or interventions that are likely to be proposed. However, it is likely that proposals will be wide ranging in scope and character. For example, the types of proposals could include:
- Risk sharing of development drilling, workover and stimulation projects
 - De-risking exploration activities, including seismic surveys, exploration and appraisal drilling
 - The installation or upgrade of gas processing facilities and reticulation to accelerate production or bring currently unsaleable gas up to market specification
 - Incentivising the development of new storage capacity.

We recommend signalling that the government is interested in a wide range of proposals

11. Setting too narrow eligibility criteria for funding applications risks making it more difficult and much slower to achieve the Fund's objectives of bringing more gas to market quickly and supporting energy storage and security. It is also likely that there are projects that could have significant benefit but have not been signalled by the sector to date, but will come to light now that the Fund has been publicly announced. While keeping the Fund open to a wide range of proposals may result in some being received that are not strongly aligned with the Fund objectives, clear guidance is provided to the sector on the Grow Regions website and early feedback can be provided to applicants on scope and eligibility.
12. We therefore recommend that expressions of interest are invited from the gas sector for any viable projects that support the Fund objectives set by Cabinet investment decisions prioritise the objectives outlined in paragraph 7 above.

Applications will be rigorously tested

13. Once the applications have been received, the exact merit or feasibility of the individual proposals, and their likelihood to contribute to the Fund objectives, will be evaluated using a framework that draws on the Treasury Better Business Case. The evaluation process will also include consultation with MBIE Resources policy team, to ensure alignment with gas sector policy settings, Treasury, and MFAT.
14. Officials intend to thoroughly test the draft evaluations with the Panel. Advice will also be sought from the Panel on the potential high-level impact an investment could have on gas market settings, the appropriate financial instrument if supported for investment, high level terms, and the relative merits or priority of particular investments where more than one type has been received. Panel feedback on the proposals, the evaluation, and proposed investment recommendations will be incorporated into the evaluation document before being submitted to Joint Ministers for final decision making. The proposed process is outlined in detail below.

A range of financial instruments will need to be used

15. Having a single financial instrument, such as loans, risks missing opportunities to achieve the outcomes the Fund is intended to support, for example where underwrites or equity may be more suitable for incentivising a particular intervention. However, not having a single pre-agreed instrument increases the degree of care required to ensure the individual deals offered to applicants are appropriate and consistent with the Government’s fiduciary duties and international obligations. It will also require additional administration in contract negotiations for individual investments and their ongoing management.
16. To this end, there needs to be a robust and tested process for shaping the deals and approving their terms and conditions. To facilitate this, the possible terms and conditions for each individual investment deal will be framed up early in the evaluation process, then tested with key stakeholders (i.e., the Panel, the MFAT, and the Treasury). There will need to be the use of appropriate expert advice in negotiations, and a balance struck during negotiations between agreeing a deal that both parties are willing to proceed with if the benefits are sufficient, and ensuring that the Government is operating consistently with its international obligations.

Evaluation process

Cabinet agreed high-level decision-making parameters for the Fund which incorporate expert, strategic, legal, and international trade considerations

17. Cabinet agreed to the following considerations in taking investment decisions:
 - a. Advice from those with direct oil and gas commercial and geological expertise, and experience with the uniqueness of the domestic gas market.
 - b. Strategic and system-level oversight/advice to respond to the shifting market landscape and emerging issues.
 - c. Appropriate advice to decision-makers from MFAT to confirm proposed investments are consistent with our international trade obligations.
 - d. Legal advice on any potential liabilities or obligations arising from an investment, including decommissioning obligations where relevant.
18. Cabinet also agreed that MBIE will have responsibility for advice on investments, to allow for projects that are investment ready to proceed at pace, and that MBIE will be advised by an expert advisory panel comprised of up to five members who will collectively have direct oil and gas commercial and geological expertise, and experience with the uniqueness of the New Zealand gas market. The expert Gas Advisory Panel will advise MBIE and Joint Ministers directly.

Taking account of these parameters, MBIE has developed a detailed evaluation process for the Fund

19. The proposed process for the Fund is comprised of four broad phases - *Expression of Interest (EOI), Investment Proposition, Investment Proposal and Ministerial Approval*. As projects are identified as credible investment opportunities and advance through the evaluation stages, the scope and rigour of analysis and due diligence will be enhanced accordingly. Each phase is outlined briefly below:

Phase	Key Steps
1. EOI	<ul style="list-style-type: none">• EOIs are submitted by applicants through an online platform (MBIE’s Grow Regions website).

Phase	Key Steps
	<ul style="list-style-type: none"> • Supporting information for EOIs will include, but is not limited to, details of the applicant and its financial history, details of the proposed project and proposed Crown investment, existing work programme and data sets if the applicant is an existing permit holder. • Supporting information will enable initial assessment of the viability and strategic fit of the proposed project.
2. Investment Proposition	<ul style="list-style-type: none"> • Kānoa prepares a short investment proposition document outlining the proposed project, its strategic case and identified risks. The investment proposition may include high-level/tentative investment terms for early testing. • The investment proposition is reviewed by MBIE, including the Resources Policy team, and MFAT if considered necessary, to ensure consistency with wider energy policy settings and New Zealand's international obligations. Copy is provided to Treasury for their information. • The Panel reviews the investment proposition and recommends either: <ul style="list-style-type: none"> ○ Progress to detailed investment evaluation; ○ Clarification or refinement of investment proposition, or ○ Do not proceed further. • If it is considered particular investment proposals should not proceed to further evaluation, the Panel will recommend Ministers agree to an early decline.
3. Detailed Investment Evaluation	<ul style="list-style-type: none"> • If the Panel and officials consider a proposal is worthy of consideration for investment by Joint Ministers, Kānoa progresses full evaluation of the project, including (but not limited to), preparation of: <ul style="list-style-type: none"> ○ Analysis of the project's ability to deliver on Fund objectives, its strategic value, viability, risks, and commercial case ○ Financial due diligence ○ Proposed investment structure and terms. • Depending on the nature and complexity of the investment proposal, external legal advice may also be sought at this point and heads of agreement drafted. • Consultation with other agencies as required, including inviting MFAT to provide any advice necessary for Ministers regarding international obligations. • Panel reviews the investment evaluation and draft recommendations and formulates their advice for Ministers. • Kānoa provides final recommendations and evaluation to Ministers, incorporating Panel's advice.
4. Ministerial approval	<ul style="list-style-type: none"> • Joint Ministers meet to review investment evaluation and recommendations and make a final investment decision.

We recommend grouping investment proposals for decision making, rather than deciding based on 'first come, first served'

20. Officials consider it unlikely that there will be a large number of expressions of interest received for the Fund, based on the number of early approaches made by industry enquiring about the fund. Equally, some potential projects may be sufficiently costly that they seek a large proportion of the funding available.
21. In developing the process for evaluation and advising Ministers on investment opportunities, consideration has been given to how to assess the relative value of proposals and their potential to achieve the impacts sought. Ministers have signalled the need to respond with urgency to the current gas sector challenges.
22. Officials consider that a process which groups proposals together for comparison for relative impact and value will support enhanced decision making. In addition, it provides the sector with sufficient time to work up larger or more complex projects without risk of all the available funding being committed in the short term on investments that are ready to go to decision makers sooner but may not necessarily be likely to offer the same scale of benefits.
23. However, this approach potentially comes with a trade-off of pace of investment decisions. An alternative approach would be to provide Ministers with proposals for approval on a first come, first served basis. While this approach would inhibit comment about the relative merit of potential investments, compared to other proposals, it would likely roll the fund out faster and see projects actioned sooner.
24. We seek your agreement to receive investment proposals in groups to encourage consideration of relative merits and value. Officials would provide regular updates on the types of EOs received and will stage decision making points. The exact frequency of these decision-making points can be scheduled based on either timing – for example every two or three months, or else when a number of proposals have been received of a similar type to enable greater comparison. Regardless, a balance will need to be achieved between pace and prioritisation. Officials propose to seek confirmation from Ministers on their preferred approach to grouping once applications have begun to come in and greater clarity exists about the number and type of proposals being received.
25. The contracting phase for approved projects will be carried out by Kānoa in consultation with MFAT and others as required.

We will report to Joint Ministers regularly

26. Monthly updates will be provided to delegated Ministers to ensure comprehensive oversight of the Fund. These updates will include a summary of expressions of interest received to date, Fund status including funding amounts requested, committed, and the balance remaining. Updates will also be provided in the weekly report.
27. Ministers will also receive updates on the status of investments, categorised as approved, in active negotiation, contracted, or operational. To support ongoing monitoring and evaluation, an Outcome or Impact Report will be produced on a monthly or similar basis. Furthermore, a fund impact dashboard will be developed to provide a visual representation of forecasted benefits, the projected time required to achieve these benefits, and the progress made over time.

Investment Management

28. Investments will be held on MBIE's balance sheet and managed by Kānoa. This will include monitoring of contract delivery, compliance with terms and conditions, and achievement and reporting against expected deliverables.

Establishing the Gas Advisory Panel

29. Cabinet agreed to establish an expert advisory panel of up to five members with direct oil and gas commercial and technical expertise, and experience with the uniqueness of the New

Zealand gas market, to provide independent, expert advice to MBIE and decision-making Ministers.

30. Cabinet also authorised Joint Ministers to make initial appointments to the expert advisory panel and approve the terms of reference to ensure this work can proceed at pace.
31. The Panel will comprise up to five members, including a Chair, who will provide independent expert advice directly to MBIE and joint Ministers. Membership will collectively have direct gas commercial and technical expertise, and experience in New Zealand's uniquely situated gas market.

We recommend short term appointments to establish the panel at pace

32. Cabinet Office guidelines recommend that all but the most minor appointments are consulted on with the Cabinet Appointments and Honours Committee (APH) and confirmed by Cabinet. However, Ministers can make short-term appointments without consultation at APH. In practice a short-term appointment is a term of up to six months in length.
33. To establish the Panel at pace, we recommend you progress your preferred candidates for appointment with term lengths of six months. You will then have the opportunity to progress (re)appointments through APH in six months' time, with the option of reappointing the current membership or appointing new members.

We have identified potential Panel members and developed a shortlist

34. MBIE and Ministers` offices have identified a number of high-calibre individuals who may be well-suited for appointment to the Panel. We have assessed the candidates' technical and industry expertise at a high level, considered potential conflicts of interest and contestability, and identified those we believe are best suited for appointment to the Panel.
35. Attached as **Annex One** is a long list of candidates considered but not recommended to progress at this time. Initial enquiries about this longer list have identified various questions about either the type of expertise best required on the Panel, potential conflicts of interest, or potential perception of lack of contestability or similar if appointed.
36. While the Panel is intended to comprise of up to five members, we recommend approaching more names to ensure there is a suitable pool of candidates to select from. In our experience, candidates may not have the time availability or interest to participate, or closer enquiries may identify conflicts of interests precluding appointment. This then requires us to seek your permission again to approach further names, which will impact the timeframe associated with getting the Panel up and running.
37. Subject to your agreement on candidates, we will reach out to test their availability and suitability and provide you with advice on the final makeup of the Panel for appointment.

Name	Bio
Andy Knight (Chair)	<p>Mr Knight is the former Chief Executive of The Gas Industry Co, one of the gas sector's co-regulators. He is also Chair of Taranaki Iwi Holdings Management and a Director of the Energy Efficiency Conservation Authority (EECA) as well as of related iwi entities and private investments.</p> <p>He has previously been a Director of Powerco, CEO of New Zealand Oil & Gas and has held executive roles with Vector Limited, the NGC Holdings Limited Group of Companies, The Australian Gas Light Company and Fletcher Challenge Energy.</p>

Privacy of natural persons, Confidential advice to Government

Name	Bio
	Privacy of natural persons, Confidential advice to Government
Tim Allan	<p>Mr Allan is a resource industry professional, with over 30 years' international experience. Most recently, he was the exploration stakeholder lead and senior exploration geophysicist (Australasia) for OMV (Austrian Mineral Oil Administration).</p> <p>His experience covers the full spectrum of oil and gas exploration, appraisal, development and production operations, in a wide range of land and marine environments.</p>
	Privacy of natural persons, Confidential advice to Government
John Pagani	<p>Mr Pagani is the External Relations Manager for the Gas Industry Company. He has been involved in the energy sector since 2012 and was previously General Manager Corporate Services at New Zealand Oil & Gas. Mr Pagani has worked with boards and management of energy firms and industry associations in New Zealand and Australia.</p>

38. The proposed Terms of Reference outline the scope of responsibilities for the Panel, the evaluation criteria, how recommendations should be made and provided, and reporting requirements. The full proposed Terms of Reference is attached as **Annex Two**.

Recommended panel fees are based on the Cabinet Fees Framework

39. The Cabinet Fees Framework (the framework) covers all statutory bodies and committees that are not covered by the Remuneration Authority, or other fee-setting bodies and is administered by the Public Service Commission (PSC). This ensures a consistent approach to remuneration across all statutory and other Crown bodies.
40. An assessment of fees initially involves an evaluation exercise to determine a 'classification' for the type of body, such as regulatory or disciplinary. This is followed by an assessment using a number of factors to determine an indicative fee band for remuneration. Judgement on the entity's scoring is then applied to assess where in the band the fees should be set.
41. The responsible Minister can set fees without APH and Cabinet consultation if the proposed remuneration rates fall within the applicable Framework band.

We have undertaken an assessment to establish fees for the Panel

42. We have undertaken an assessment of the classification and scoring of the Panel under the Framework, with our full working attached as **Annex Three**. Based on our assessment of the Panel's functions, we consider that it should be classified as a Group 4, Level 2 body, with a score of 22. The daily fee ranges for Group 4, Level 2 are outlined in the table below, alongside the proposed Panel fees.

Panel role	Level 2 band	Proposed fees
Chair	\$560 - \$1,265	\$1,194
Members	\$415 - \$800	\$761

43. The proposed fees are at 90% of the current band within Group 4, Level 2. This is consistent with the Framework, which allows for flexibility within band levels to reflect the complexity, risk, and public profile of a board appointment. By setting fees at 90% of the Level 2 band, we remain within the approved parameters while acknowledging the unique challenges and operating environment of the Panel.
44. The Panel requires members with deep, specialised expertise. This level of technical knowledge and industry insight is essential for the Panel to function effectively and establish credibility within the sector.
45. Additionally, board members in the oil and gas sector face heightened reputational exposure due to the industry's environmental impact, regulatory scrutiny, and evolving public expectations. The Panel is likely to attract significant media and stakeholder attention, increasing the personal and professional risk of members. The proposed fee level acknowledges a potential reputational risk without exceeding the band. In our assessment, this will aid in supporting recruitment and retention of high-calibre individuals.
46. Should the Panel responsibilities change in terms for the form or function, you will be able to undertake a fee review at that time to realign fees.

Next steps

Measuring the success of the Fund

47. Work on how to best measure the extent to which the Fund achieves its objectives is currently underway.
48. To measure an increase in gas supply, officials will assess existing reserves versus the incremental additional reserves delivered by the investments through the Fund. Delivery of infrastructure and storage projects to accelerate gas supply will be measured by the additional throughput or storage capacity delivered. Sector analysis may be commissioned to consolidate this data, and gas companies may also be required to provide data on existing reserves and the expected additional volume from the project if making an application to the Fund.
49. The monitoring, evaluation and reporting of the investment impacts will be undertaken by Kānoa. We will provide a proposed monitoring and evaluation framework for your consideration by Confidential advice to Government .

Other remaining decisions

50. Officials will return to Joint Ministers if further additional decisions are required as the Fund is rolled out. The decisions sought in this paper seek to move quickly to get appointments in place and Expressions of Interest requested in the shortest time frame possible.

Appointment of the Panel

51. Subject to your decisions, we will reach out to your preferred candidates to test their availability and suitability in being considered for the Panel.
52. We will then provide advice on final decisions for appointment, from the candidates who have confirmed their availability, along with appointment letters for six-month terms.

Annexes

Annex One: Longlist of candidates considered for appointment

Annex Two: Terms of Reference for the Gas Advisory Panel

Annex Three: Fee scoring under the Cabinet Fees Framework

Annex One: Longlist of candidates considered for appointment

53. Officials have completed a high-level review of all potential candidates listed below. This has considered any known conflicts of interest, recognised expertise in core geotechnical or commercial gas industry matters, and perceptions of contestability or acumen to the wider gas sector. A short list has been prepared seeking to achieve the optimal mix of skills and experience required to provide investment advice for decision making Ministers.

Name	Notes
Andy Knight	Shortlisted
Privacy of natural persons, Confidential advice to Government	
	Shortlisted
John Pagani	Shortlisted
Privacy of natural persons, Confidential advice to Government	
	Shortlisted
Tim Allan	Shortlisted

Annex Two: Terms of Reference for the Gas Advisory Panel

1. Purpose

The Gas Advisory Panel (the Panel) is established to provide independent, expert advice to Ministers and the Ministry of Business, Innovation and Employment (Kānoa) on gas security, and investment proposals submitted to the Gas Security Fund (the Fund). The Panel will contribute advice to Kānoa's evaluation and development of investment proposals. It will also provide Ministers with independent expert advice on the finalised Gas Security Fund investment applications. The Panel's role is to:

- A. provide advice on the extent to which proposals will effectively contribute to the Fund's objectives;
- B. provide insights into the sector, applicants, project proposals and their comparative merits, and any other relevant factors that assist evaluation of proposals and advice to Ministers;
- C. advise on the appropriateness of proposed investment terms and conditions;
- D. recommend whether the proposed investment projects should be approved, declined, or revised;
- E. provide advice, if requested, on gas sector settings and other relevant matters as required by Ministers from time to time.

The Panel is not required to make decisions on investments. The Panel's role is advisory only.

2. Objectives of the Gas Security Fund

The Gas Security Fund aims to achieve the objectives agreed by Cabinet [CAB-25-MIN-0126.74, Initiative 16978; CAB-25-MIN-0161.01]. Furthermore, the Fund will prioritise investment applications that contribute to one or more of the following measures:

- A. Accelerate the supply of existing reserves to market
- B. Bring gas resources to market or increase reserves
- C. Increase gas storage capacity
- D. Increase the flexibility or deliverability of gas to market
- E. Support investment in new petroleum exploration or appraisal with the potential to increase gas reserves or resources.

In addition, investments are expected to:

- F. Generate an appropriate return on investment
- G. Comply with New Zealand's international obligations.

Investment proposals will be evaluated according to the extent to which they deliver the above objectives whilst not requiring a single investment to meet all criteria.

3. Scope of Responsibilities

To fulfil its purpose, the Panel may, without limitation:

- A. Review and assess proposals referred by Kānoa and work in collaboration with officials to optimise proposal concepts and investment terms and conditions to achieve the objectives of the Fund;
- B. Provide comment on the evaluation of proposals against the Fund's objectives and assessment criteria;
- C. Provide advice and comment on the proposed terms and conditions of investment proposals;
- D. Provide recommendations to Kānoa and Ministers;
- E. Identify any systemic issues or opportunities affecting gas security.

The Chair may also be invited to attend additional meetings with officials or Ministers to assist in final investment decision making.

4. Evaluation Criteria

Strategic Alignment

- Contribution to increasing short- to medium-term gas supply or resources.
- Alignment with energy security and resilience needs.
- Support for transition pathways in the energy sector.

Impact and Outcomes

- Expected volume of additional gas supplied to the market.
- Increase in gas storage capacity and its contribution to supply stability.
- Timeliness and duration of impact.

Technical and Commercial Viability

- Feasibility of the proposed technology or infrastructure.
- Commercial readiness and scalability.
- Risk assessment and mitigation strategies.

Return on Investment

- Appropriate return on investment.
- Leveraging private sector co-investment.
- Long-term benefits relative to cost.

Environmental and Social Considerations

- Compliance with environmental regulations.
- Engagement with affected communities and stakeholders.
- Consideration of Treaty obligations.

5. Membership

- The Panel will comprise up to five members appointed by the Minister for Resources and the Associate Minister of Finance.
- Members may be reappointed for a further term following expiry of their term of appointment.
- Members continues in office despite the expiry of his or her term of office until:
 - (a) the member is reappointed
 - (b) the member's successor is appointed
 - (c) the Ministers inform the member by written notice, that the member is not to be reappointed, and no successor is to be appointed at that time.
- Members may be removed from office, at any time, at the responsible Ministers discretion, through written notice to the Member and the Panel.
- Members will be selected for knowledge and expertise in the gas industry or wider energy sector.
- A Chair will be appointed by Ministers to lead the Panel. The Chair will:
 - Chair meetings of the Board, as required
 - Be responsible for representing the Board to the Ministers, as required
 - Represent the collective interests of Board members
 - Be responsible for keeping Board members informed of relevant discussions with Ministers.

Remuneration and hours of work

- Payment for members and the Chair, are set in line with the Cabinet Fees Framework. Hourly pro-rata rates based on a standard eight-hour day will be calculated to apply when hours worked differ from a standard day.
- Actual and reasonable travel, accommodation and other expenses involved in members attending face to face meetings will be paid for by the Secretariat, which will make the necessary bookings

and arrangements. Where members incur legitimate expenses directly out of pocket for attending face to face meetings, they will submit a claim for reimbursement to the Secretariat. All claims must be supported by appropriate documentation. Members seeking guidance on what legitimate expenses are should ask the Secretariat for advice.

Expectations of Panel members

- Panel members are expected to act with a high degree of professionalism, including:
 - Attending scheduled meetings and undertaking any required pre-meeting reading to ensure they can engage fully at each meeting
 - Working transparently, consistent with all privacy and legal requirements
 - Disclosing any real, potential or perceived conflicts of interest as they arise and agreeing to the appropriate management of these conflicts, as determined by the Chair
 - Only claiming for legitimate expenses, they may incur.

Panel members must not undertake any work or activities beyond the scope of their role as defined in these Terms of Reference, unless specifically requested or authorised by the Chair.

Responses to media queries

- Panel members should not speak to the media about the activities of the Panel unless they have received permission from the Chair to do so.
- Where a journalist or media outlet seeks the views of an individual Panel member, the member will make clear that any views presented by them represent their personal views, or those of another group they may represent, and not those of the Panel, Ministers or any other part of Government.

Dealing with conduct issues

- If there is any question about the conduct of a Board member it should be reported to the Chair who will determine an appropriate response.

Resignation of membership

If a Panel member is unable to continue their membership of the Panel, they should advise the Chair and the secretariat of the same. A decision about whether and how to replace that Board member will be made by the responsible Ministers.

6. Meetings

- The Panel will meet monthly or as required to provide advice in accordance with decision-making processes;
- Meetings will be held in person, with the option for an individual member to attend remotely if required and at the agreement of the Chair;
- A quorum will consist of three of the members.

7. Recommendations

- Recommendations will be made by consensus where possible; otherwise, by majority vote. The Chair will not have a casting vote.
- Each recommendation will include a summary of the assessment and rationale.
- Recommendations will be submitted to Ministers in writing as part of Kānoa drafted decision papers.
- Where a disagreement exists between the Panel and Kānoa, the view of the Panel will be reflected to Ministers in writing.

8. Confidentiality and Conflict of Interest

- Members must maintain confidentiality of all material supplied to them, including all proposal materials and deliberations;
- Any conflicts of interest must be declared, and affected members must recuse themselves from relevant discussions in accordance with the conflicts of interest policy (to be prepared).

9. Secretariat and Support

The Panel will be supported by a Secretariat provided by Kānoa, responsible for logistics, documentation, and communication.

10. Reporting

The Panel will provide periodic reports to the Ministers summarising its activities, recommendations, and any emerging trends or risks.

11. Review of Terms

These Terms of Reference will be reviewed annually or as directed by Ministers to ensure they remain fit for purpose.

Annex Three: Fee Scoring under the Cabinet Fees Framework

Group four – Advisory bodies

Category	Definition	Score
Skills, knowledge and experience	Distinguished - Deep and broad knowledge in a specific area or as a leader. Widely respected as a subject matter expert or authority in their field.	10
Function, level and scope of authority	Provides expert counsel and advice direct to Ministers, agency governance boards or CEOs and/or multi-agency task forces on technical or major policy issues, where issues are of strategic importance. At this level the body would be expected to be proactive in identifying emerging issues and contributing to policy direction and to inform the Government's agenda	4
Complexity of issues	Evaluative - Issues will include circumstances, facts and concepts different to those that have been experienced in the past. Analytical thinking and evaluative judgement will be required to identify realistic alternatives and apply/recommend a solution.	3
Public interest and profile	Widespread public interest in outcomes would be expected. Member/s will attract strong media interest. Potential risk to personal and/or the body's reputation is high.	5
Total Score		22