MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Simeon Brown Hon Shane Jones	Portfolio	Energy Resources
Title of Cabinet paper	Improving gas market transparency: initial regulations to improve gas market monitoring	**Date to be published**	24 August 2026

List of documents that have been proactively released		
Date	**Title**	**Author**
July 2026	Improving gas market transparency: initial regulations to improve gas market monitoring	Office of the Minister for Energy Office of the Minister for Resources
29 July 2026	Improving gas market transparency: initial regulations to improve gas market monitoring ECO-26- MIN-0134 Minute	Cabinet Office

Information redacted **YES**

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.

Some information has been withheld for the reasons of commercial information and free and frank opinions.

[In Confidence]

Office of the Minister for Energy

Office of the Minister for Resources

Cabinet Economic Policy Committee

Improving gas market transparency: initial regulations to improve gas market monitoring

Proposal

1 This paper seeks Cabinet agreement to make regulations under the *Gas Act 1992* to require large gas users and electricity generators to provide their gas supply agreements to the Ministry of Business, Innovation and Employment (**MBIE**).

Relation to government priorities

2 This proposal supports the Government's priority to strengthen energy security and improve the functioning of energy markets. It gives effect to Cabinet's earlier agreement, under the Government's Energy Package – following the Frontier Economics Review of Electricity Market Performance – to improve transparency in the gas market in a period of declining supply and increasing market uncertainty [CAB-26-MIN-0110].

Executive summary

3 New Zealand's gas market is changing quickly, with declining supply and major participants adjusting their operations or considering exit. The Government has limited visibility of who has secured gas, on what terms, and at what price. This limits our ability to assess market pressures and determine whether further action (if any) is needed.

4 This paper seeks Cabinet agreement to develop regulations requiring gas-fired electricity generators and large users consuming more than 1,000 terajoules of gas a year to provide MBIE with copies of their gas supply agreements. This threshold would capture a small number of participants that materially influence market outcomes and would improve visibility of arrangements affecting gas supply and energy security.

5 This paper seeks agreement to require the provision of this information under these initial regulations until more enduring regulations are in place following consultation. Under these initial regulations, contracts are to be provided on the date on which the regulations come into force. The information would be used only for Government monitoring and oversight, and would not be published, recognising its commercial sensitivity.

6 Subject to Cabinet approval, officials will consult targeted affected participants and prepare regulations for implementation by October 2026. These regulations are intended as an interim measure ahead of broader gas market transparency regulations

expected in 2027, which will be informed by further consultation on longer-term disclosure requirements.

Background

7 The Government commissioned an independent review of electricity market performance in late 2024 in response to high wholesale electricity prices linked to a shortage of fuel for electricity generation. The 2025 Frontier Economics Review found that information on New Zealand's gas market is fragmented and incomplete, with limited visibility of forward supply, with some participants having better information than others, undermining confidence across both gas and electricity markets. It identified improved transparency as a cost-effective, high-impact intervention. This was reflected in the Government's October 2025 Energy Package, with Action 2.4 being to strengthen gas market transparency so markets can better plan for the future.

8 Subsequent consultation with market participants in late 2025 confirmed that key information – particularly on gas prices, volumes and terms of contracted supply – would not be voluntarily disclosed. As a result, the Government lacks visibility of who has secured gas supply and at what price, limiting its ability to assess how the impacts of constrained supply are distributed and whether any Government action is warranted.

9 In April 2026, Cabinet agreed to amend the *Gas Act 1992* to introduce a new regulation-making power to collect and publish gas market information [CAB-26-MIN-0110 refers]. The *Gas (Market Transparency) Amendment Act 2026* (the **Act**) was then passed through all its stages as part of Budget legislation in May 2026. The Act enables regulations to be made requiring industry participants to disclose market information to MBIE or the Gas Industry Company (**GIC**).

10 MBIE is undertaking targeted consultation on the types of market information that should be required and published under the proposed regulations. This includes:

- greater detail on New Zealand's gas reserves than it currently collects from gas producers
- information that would help address gaps in daily supply data (around 11 per cent of daily gas supply is currently unreported)
- details of significant gas contracts by gas volume.[1]

11 The regulations will support the collection of more complete and up-to-date information to:

- enable gas industry participants make better informed decisions
- support the Government to oversee, monitor and regulate the gas market.

[1] MBIE is planning to consult on what specific contractual information should be provided, and whether and how this information should be aggregated before it is published. MBIE is also intending to consult on the annual consumption threshold at which contractual information should be required.

12 We anticipate that regulations allowing the collection of the above-mentioned information can be in place during the first quarter of 2027.

There is an urgent need to gather core gas market information

13 We seek authority to make regulations on an expedited timeframe, ahead of the process set out in paragraphs 10 to 12, to gather contractual information from key gas market participants, including all electricity generators using gas (excluding cogeneration[2]) and industrial users that consume more than 1,000 terajoules[3] (**TJ**) of gas per annum. We estimate this threshold would capture eight major users[4], representing approximately 70 per cent of total gas use. It would also capture three gas-fired electricity generators (Contact Energy, Genesis Energy and Nova Energy).

14 The threshold would enable us to collect information from firms that are large enough to have a systemic effect on the overall functioning of the gas market. Electricity generators are included separately from the threshold, as their gas use can vary significantly from year-to-year based on climatic factors.

15 We propose moving quickly to bring these regulations into effect by October 2026 – ahead of the timeframe anticipated for the broader regulations described in paragraphs 10 and 11. However, we also consider it is important to consult on the regulations before they are made. They are technical in nature and we should engage with those affected to ensure that the final regulations operate as intended and without unintended effects. In addition, we have said publicly that we would consult on the regulations to be made under the new power, including in the initial pre-Budget announcement and in the House during the passage of the Bill.

16 To meet our proposed October timeframe and ensure we consult before the regulations are made, we intend to direct MBIE to do targeted consultation with affected market participants on the information we intend to collect following confirmation of Cabinet's agreement to the proposals in this paper.

17 Our urgency reflects the significant structural change underway in the gas market, driven by declining supply and the anticipated exit of Methanex, New Zealand's largest gas user. Methanex's exit is closely linked to the pending closure of OMV's Māui gas field, with both changes expected within the next 12 months. Methanex has historically provided a critical source of flexibility by adjusting its demand in response to market conditions as well as reducing or stopping methanol production and redirecting its gas to thermal generators during dry years. Its exit will materially change supply and demand dynamics, reduce energy system flexibility, and could have significant consequences on other large users' ability to secure gas.

18 Based on publicly available information and officials' engagement with gas market participants and commentators, there is a material risk that Methanex will close before

[2] 'Cogeneration' is the process of producing electricity and useful heat together at the same time, typically at sites that generate energy for their own operations.

[3] A terajoule is a unit of measurement of energy consumption generally used to measure large-scale consumption at regional or national level or for large individual consumers.

Commercial Information

the wider gas transparency regulations come into force, leaving the Government with limited visibility of potential market outcomes.

19 This lack of visibility constrains the Government's ability to assess emerging risks and support efficient and orderly market outcomes. Without information on contract duration, volumes and supply arrangements, the Government may only become aware of a major user losing access to gas when closure or significant production reductions are imminent. At that point, there may be little opportunity to consider measures to support an orderly adjustment or mitigate wider impacts on energy security and critical domestic supply chains.

Importance of gathering early contractual information from power generators

20 Genesis, Contact and Nova's gas-fired generation will continue to play a significant role in maintaining electricity security during periods of high winter demand for several years.

21 When Methanex exits, these generators will have fewer options to manage their gas position. This increases the risk of both not having enough gas when it is most needed or having too much gas when demand for gas-fired generation is low. Free and frank opinions

22 Major gas market participants' existing and upcoming contractual obligations will therefore strongly influence how limited gas supplies will be shared across electricity generation, large industrials and smaller users. Insight into their arrangements would help the Government understand emerging risks across the energy system and inform policy development on, and evaluation of, Government initiatives like the Gas Security Fund, the Gas Transition Loan Guarantee Scheme and winter energy reliability obligations.

Obligation to disclose gas contracts

23 We propose that the regulations be made to require electricity generators and gas users above the threshold to provide MBIE with:

23.1 all existing gas supply agreements on the date on which the regulations come into force, including the principal agreement, any schedules to the agreement, amendments, variations and any subsidiary agreements, that set out or affect the terms and conditions of the supply of gas to the end user

23.2 any new gas supply agreements or variations to existing agreements within ten working days of these taking effect in the six months following the regulations coming into force.

24 Visibility of these contracting arrangements is necessary to understand how they affect the key aspects of gas contracting the Government needs to understand – price, volume and contract duration. Requiring full agreements will also reduce the burden on affected firms by avoiding the need for them to identify and extract the relevant information themselves.

25 The regulations would specify that contracts provided to MBIE will not be published and only be used to inform government policy. This will provide firms subject to the regulations with assurance that the commercially sensitive nature of these contracts will be respected.

26 We anticipate that these regulations, intended to come into force in October 2026, will be replaced in the first quarter of 2027 by an ongoing obligation of continuous disclosure, and that those regulations would allow publication of some contract details to inform the wider gas market. These broader regulations can be implemented following the targeted consultation referred to in paragraph 10 on what information should be required to be provided to the government and published to the market.

Legislative prerequisites

27 We propose that the regulations be made under section 56AA(1) of the *Gas Act*. Before regulations can be made, section 56AA(2) requires that the Minister for Energy must be satisfied that "…the disclosure is necessary or desirable for 1 or more of the following purposes:

(a) to help industry participants or consumers (other than domestic consumers) (or both) to make informed decisions:

(b) to assist the Government in overseeing, monitoring, or regulating any gas market:

(c) to assist in the co-regulation of the gas industry by the Government and the industry body."

28 The Minister for Energy is satisfied that this test has been met. Gas contract information is desirable to assist the Government to oversee and monitor the gas market – limb (b) of the test in section 56AA(2).

29 As discussed above, the upcoming exit of Methanex and closure of Māui will have significant impacts on the whole gas system. New Zealand's gas market is dominated by a few large users of gas. Provision of existing and future gas contracts from users large enough to affect the gas system will provide the Government with some advance notice of when significant impacts may arise in the gas market, and allow it to monitor and oversee the gas market more effectively.

Risks

30 A key risk associated with this proposal is that the targeted regulations are intended to be progressed on an accelerated basis Free and frank opinions . This would be in addition to the use of urgency to pass the *Gas (Market Transparency) Amendment Act 2026*. However:

30.1 The gravity of the gas situation warrants the Government moving as quickly as possible to get as full a picture of the gas market as it can.

30.2 We will continue, in parallel, to consult with gas market participants on how to approach the broader, longer-term regulations that we intend will replace these targeted regulations.

31 The information sought is commercially sensitive, particularly in relation to pricing and contractual terms, which may raise concerns from affected parties about confidentiality Free and frank opinions . This risk can be addressed through including regulations to specify that the contracts will not be published and ensuring appropriate handling and protection of the contracts as commercially sensitive information.

32 We have weighed these risks against the consequences of not obtaining the information. Without greater visibility of gas contracting arrangements, there is a risk that emerging shortages affecting electricity generation, major industrial users or critical supply chains are identified too late for effective policy intervention. While the likelihood of a confidentiality breach is low, the consequences of insufficient information during a period of rapid market change could be significant. We consider that the proposed restrictions on publication and secure handling arrangements appropriately balance these competing risks.

Cost-of-living Implications

33 We have not identified any cost-of-living implications associated with the proposals in this paper

Financial Implications

34 There will be some implementation and administrative costs associated with collecting and analysing the contracts. As a one off-obligation, applying to a limited number of parties, these costs are expected to be minimal and will be met by MBIE within existing baselines.

35 Gas market participants subject to the regulations will also face compliance costs in compiling and providing contractual information. As these contracts are documents they hold, and the obligation will be to disclose them in full, these costs are also expected to be minimal.

Legislative Implications

36 Regulations under the *Gas Act 1992* will be needed to implement this policy.

Impact Analysis

37 The Ministry of Business, Innovation and Employment has determined that this proposal is exempt from the requirement to provide a Regulatory Analysis Statement on the grounds that it has no or only minor economic, social, or environmental impacts.

Human Rights

38 We have not identified any human rights implications associated with the proposals in this paper.

Consultation

39 The Treasury and the Ministry for Regulation were consulted in the development of the proposals in this paper. The Department of Prime Minister and Cabinet was informed.

Communications

40 Subject to Cabinet approval of these proposals, officials will undertake targeted consultation with affected gas market participants, GIC and the Electricity Authority, about the regulations to be made.

Proactive Release

41 We propose to release this paper proactively, subject to any redactions that may be required consistent with the *Official Information Act 1982*, within 30 business days following its consideration.

Recommendations

The Ministers for Energy and Resources recommend that the Committee:

1 **note** the *Gas Act 1992* allows regulations to be made requiring industry participants to disclose market information to the Ministry of Business, Innovation and Employment or the Gas Industry Company;

2 **note** that before information disclosure regulations can be made under the *Gas Act 1992*, section 56AA(2) requires the Minister for Energy to be satisfied that the disclosure is necessary or desirable for one or more of the following purposes:

2.1 to help industry participants or consumers (other than domestic consumers) (or both) to make informed decisions;

2.2 to assist the Government in overseeing, monitoring, or regulating any gas market;

2.3 to assist in the co-regulation of the gas industry by the Government and the industry body;

3 **note** that the Minister for Energy considers that this test has been met as gas contract information is desirable to assist the government in overseeing and monitoring the gas market;

4 **note** that recent developments in the gas market, including the anticipated exit of Methanex and declining gas supply, are expected to significantly affect how gas is supplied across the market;

5 **note** that limited visibility of gas contract volumes, duration, and pricing constrains the Government's ability to understand and respond to these developments;

6 **agree** to prepare regulations under section 56AA(1) of the *Gas Act 1992* to require electricity generators and gas users consuming more than 1,000 terajoules of gas per year to provide copies of all their gas supply agreements to MBIE;

7 **agree** that the gas supply agreements must be provided on the date on which the regulations come into force in October 2026;

8 **agree** that the regulations require firms to provide any new gas supply agreements or variations to existing agreements within ten working days of these taking effect in the six months following the regulations coming into force;

9 **note** that the Minister for Energy considers that these regulations are desirable to assist the Government to monitor and oversee the gas market;

10 **agree** that information collected under these regulations will be provided for monitoring and coordination purposes;

11 **agree** that the regulations specify that the information collected under these regulations cannot be published;

12 **note** that broader and more enduring gas market information disclosure requirements will be developed through the wider gas transparency work programme;

13 **authorise** the Minister for Energy and the Minister for Resources to issue drafting instructions to the Parliamentary Counsel Office giving effect to the policy proposals in this paper;

14 **authorise** the Ministers for Energy and Resources to make additional policy decisions and minor or technical changes to the policy decisions in this paper, consistent with the policy intent, on issues that arise in drafting the regulations.

Hon Simeon Brown

Minister for Energy

Hon Shane Jones

Minister for Resources