



THE GROWTH BUDGET

Lifting Economic Growth

BUDGET
2025

Hon Shane Jones Minister for Resources

22 May 2024

\$200m set aside for Crown stake in new gas fields

The coalition Government is taking action on New Zealand's declining natural gas reserves and has set aside a tagged contingency of \$200 million over four years for co-investment in new gas fields, Resources Minister Shane Jones says.

The structure of investments is still being worked through, but this signals a willingness, subject to Cabinet consideration, for the Crown to take a commercial stake of up to 10-15 per cent in new gas field developments that feed the domestic market to address sovereign risk.

"Natural gas will continue to be critical in delivering secure and affordable energy for New Zealanders for at least the next 20 years. We are already feeling the pain of constrained supply," Mr Jones says.

"We are focused on growing the New Zealand economy, creating jobs and increasing prosperity and resilience. The Government is not prepared to sit on the sidelines and watch our industrial and manufacturing dwindle because of energy security concerns.

"Developing a new offshore gas field from exploration to production can carry a billion-dollar price tag and projects of this scale are likely to need offshore investment. We have demonstrated potential for significant gas development and while investors are interested, we need to show their commitment will not be a wasted exercise.

"Talk is cheap but having skin in the game as a cornerstone investor in production demonstrates our own commitment to meeting our future gas needs. We are looking to take a stake in the development of the next Pohokura, Kupe, Mangahewa or Turangi to accelerate the investment needed to support our energy system.

"If we really want to address the current reality that we rely on imported coal, not domestic gas, to get through winter we must be prepared to stand alongside our petroleum sector as a co-investor. I say to my colleagues across the political spectrum, for the sake of energy affordability and security, be pragmatic about the role of natural gas, now and in the coming decades."

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