SAFELY DEVELOPING OUR NATURAL RESOURCES

New Zealand has an abundance of natural resources—hydro, geothermal, wind, oil, gas and minerals.

These give us a range of energy options—some well-established, some at a relatively early stage of development. The energy sector is also a major source of exports, with petroleum already New Zealand’s fourth-largest export earner.

National will continue its balanced and responsible approach to realising New Zealand’s energy potential while adhering to the strong environmental and safety provisions we have developed during our term in office.

Future development can create high-paying jobs, raise living standards and build a more productive economy for all New Zealanders. The resources sector employs more than 7,000 people, who typically earn more than twice the average New Zealand salary. New Zealand receives around $800 million in taxes and royalties from the sector each year, which helps to pay for public services like health and education.

National has made sensible reforms to the electricity market to improve security of supply and bring runaway prices under control. Much-needed investment has been made in the electricity network, and New Zealand now generates three-quarters of its power from renewable sources like hydro and geothermal.

Competition is the best way to keep downward pressure on the retail price of electricity. We will continue to promote competitive and innovative measures in the market to improve competition even further, and provide a broad range of choices to consumers.
REALISING OUR ENERGY POTENTIAL, SAFELY AND RESPONSIBLY

- Promoting investment in New Zealand for oil and gas exploration through New Zealand Petroleum and Minerals.
- Competitive tender systems introduced for minerals, and for oil and gas permits.
- Made seismic data freely available to help companies looking to invest in New Zealand.
- Strengthened health and safety requirements, including mining regulations to world’s best standard.
- Implemented new petroleum health and safety regulations, the first overhaul in 15 years, bringing us into line with the United Kingdom and Australia.

PROTECTING NEW ZEALAND’S OCEANS

- Passed Exclusive Economic Zone (EEZ) legislation to protect our oceans from the potential environmental risks of activities like petroleum exploration activities, seabed mining, marine energy generation and carbon capture developments.
- Introduced regulations to support the EEZ legislation. The regulations reinforce National’s commitment to world’s best practice for environmental protection and reducing marine pollution.
- Made the Environmental Protection Authority responsible for consenting, monitoring and enforcing activities that impact on the EEZ environment, such as petroleum exploration, seabed mining, deepwater aquaculture and marine energy development.

ESTABLISHING A COMPETITIVE, SECURE AND SUSTAINABLE ELECTRICITY MARKET

- Introduced electricity market reforms in 2010 to slow down the runaway price rises seen during Labour’s term in office and put a stop to dry-year emergencies where consumers had been asked to switch off their lights and conserve power.
- Ensuring more competition and transparency in the electricity market, through initiatives such as What’s My Number.
- Ensuring security of electricity supply through up to $5 billion of investment in transmission infrastructure.
- Established the independent Electricity Authority to promote competition, efficiency and a reliable supply of electricity.
- Encouraged renewable electricity generation growth through changes to the Resource Management Act and a National Policy Statement on Renewable Electricity Generation.

SUPPORTING ENERGY EFFICIENCY

- Insulating homes through the Warm Up New Zealand home insulation programmes, now extended and targeted at low-income households with high health needs.
- Encouraged business productivity and carbon emissions reduction through energy efficiency initiatives in transport and industrial heat.
OUR RESULTS SO FAR

MORE EXPLORATION

Last summer saw unprecedented oil and gas exploration in New Zealand, with the industry spending up to $1 billion here.

MORE COMPETITION IN THE ELECTRICITY MARKET

National has promoted the benefits to consumers of switching between electricity retailers to get the best deal—nearly 400,000 switches took place in 2013, the highest level ever seen. On average, consumers who switch save $155 a year on their electricity bills and we are now seeing unprecedented discounting being offered by retailers.

New entrants have joined the market—there are currently 14 independent retailers operating 25 brands, and the market share of the big retailers is decreasing.

More than halved the runaway price rises seen during Labour’s term in office.

WARMER, DRIER, HEALTHIER HOMES

Over 250,000 homes are warmer, drier and healthier due to our Warm Up New Zealand: programmes.

This compares to just over 50,000 homes insulated after nine years of the previous Labour Government.

RENEWABLE ELECTRICITY GENERATION GROWING

75 per cent of electricity was generated from hydro, geothermal and wind in 2013, up from 65 per cent in 2008. We remain committed to our target of 90 per cent renewable generation by 2025.

All generation currently being built is renewable, as is the majority of consented generation.

New Zealand’s proportion of renewable electricity puts us in the top five in the OECD.
WHAT WE WILL DO NEXT . . .

1. ENCOURAGE RESPONSIBLE ENERGY EXPLORATION

→ Continue to encourage oil, gas and mineral exploration.

We will encourage petroleum and mineral exploration while adhering to the strong environmental and safety provisions developed during our term in office. National believes we can realise the economic benefits of New Zealand’s energy potential and still maintain the highest possible environmental standards.

In particular, we are investing $8 million over four years in a range of new data acquisition projects, such as aeromagnetic surveys and petroleum basin analysis. These projects will contribute significantly to the understanding of geological prospectivity and further attract investors to exploration opportunities in New Zealand.

2. MAKE HOMES WARMER, DRIER, AND HEALTHIER

→ Continue our home insulation programme to make New Zealand homes warmer, drier and healthier.

The extension of the Warm Up New Zealand programme will insulate 46,000 homes—specifically targeting low-income households with high health needs. This will come at no cost to the household thanks to support from Government and third-party community funding.

3. ENSURE COMPETITION AND INNOVATION IN THE ELECTRICITY MARKET

→ Ensure a high level of competition among electricity retailers and transparency in the electricity market.

The successful What’s My Number switching campaign will continue with improved price and consumption data for consumers. A project is also underway to provide information to consumers to help them understand the components of their power bills more fully.

We will continue to support the work of the Smart Grid Forum to help advance the development of smart electricity networks in New Zealand. This will empower consumers by giving them more information about their energy usage, and help ensure New Zealand is well placed to capture the benefits of emerging technologies, like solar energy, electric vehicles and advanced meters.

4. IMPROVE ENERGY EFFICIENCY

→ Promote and develop projects to encourage energy efficiency and carbon reduction.

We will encourage and assist businesses and households to become more energy efficient and reduce their carbon footprint, especially in transport and industrial heat.

We will continue with our commitment of more than $5 million over three years to improve heat processes and fuel efficiency through the energy efficient meat and dairy plant initiative, the Southland heat hub initiative, the expansion of the heavy vehicle fuel efficiency programme, and the fuel efficient tyres initiative. These will save around 30,000 tonnes of carbon emissions per year.
DON’T PUT IT ALL AT RISK

Labour and the Greens would...

✗ Put the whole petroleum and minerals sector and thousands of jobs at risk, not to mention the hundreds of millions of dollars New Zealand receives each year from the industry in royalties and taxes.

✗ Bring in a highly experimental electricity system for which there is essentially no international precedent—New Zealand would be the only country in the world to move towards less competition in its electricity market. It would do nothing to lower prices, and would be a threat to both security of supply and the continued growth of renewable generation.