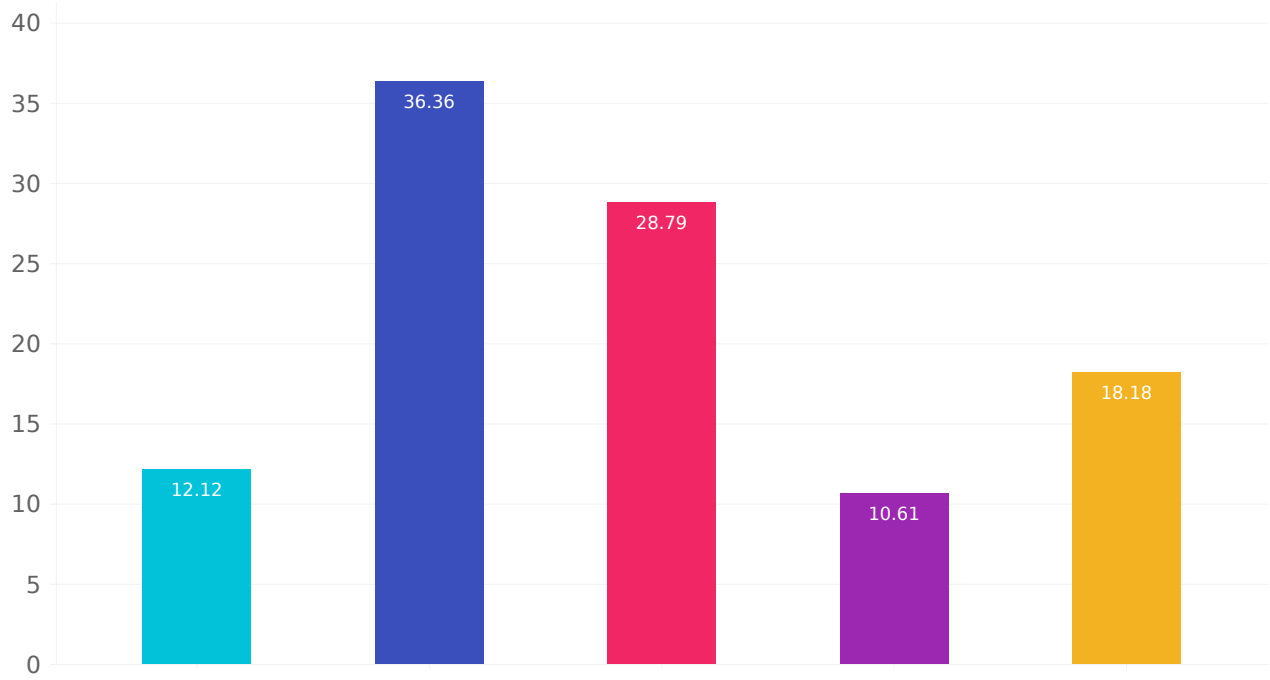
Response Statistics

380 Survey Visits	66 Total Responses
66 Completed Responses	0 Partial Responses

Overall CSAT Score

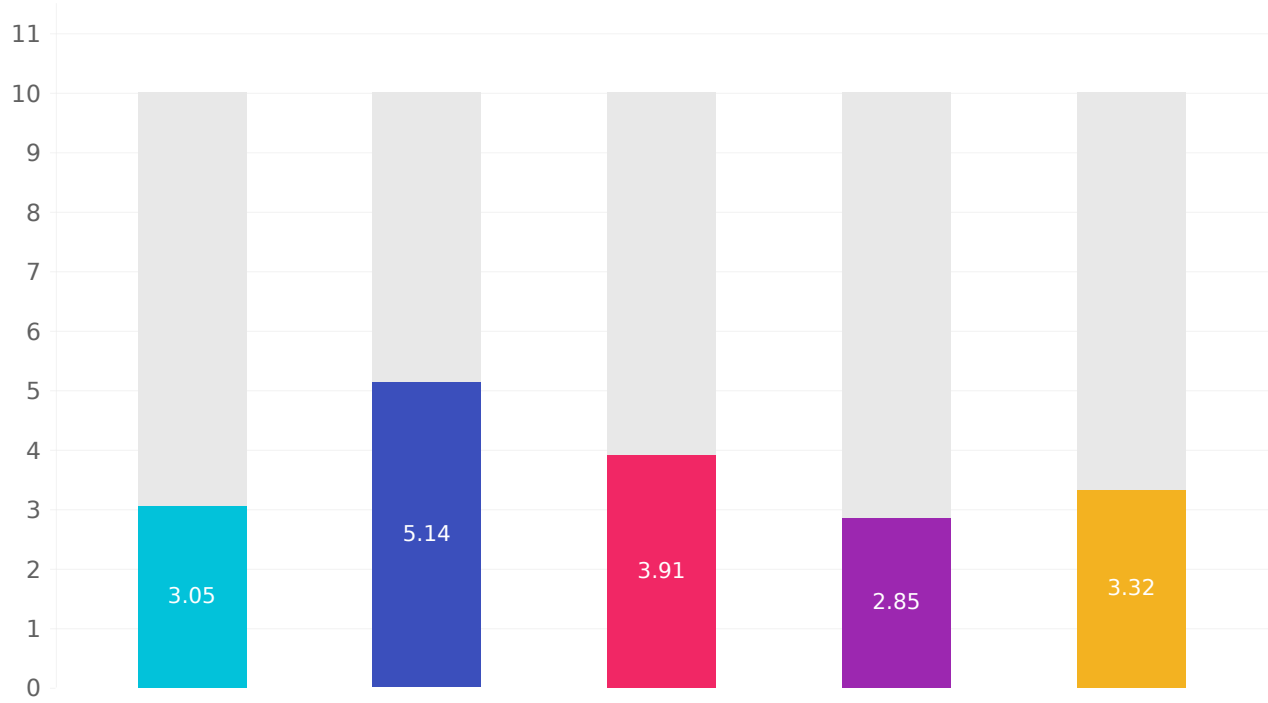


- 10. On a scale of 1 to 10, how confident are you of renewing your gas supply contract at an economic price, or at all, when it ends?
- 11. On a scale of 1 to 10, how well informed do you feel about natural gas supply and pricing?
- 12. On a scale of 1 to 10, how concerned are you about future gas availability and pricing?
- 13. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers in less than 3 years, how would this impact on the viability of your business?
- 14. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers within 3 -5 years, how would this impact on the viability of your business?

Questions	Negatives	Neutrals	Positives	CSAT Score
10. On a scale of 1 to 10, how confident are you of renewing your gas supply contract at an economic price, or at all, when it ends?	50	8	8	12.12
11. On a scale of 1 to 10, how well informed do you feel about natural gas supply and pricing?	29	13	24	36.36
12. On a scale of 1 to 10, how concerned are you about future gas availability and pricing?	43	4	19	28.79
13. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers in less than 3 years, how would this impact on the viability of your business?	53	6	7	10.61
14. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers within 3 -5 years, how would this impact on the viability of your business?	50	4	12	18.18

Overall CSAT Score: 21.21

Average Ratings



- 10. On a scale of 1 to 10, how confident are you of renewing your gas supply contract at an economic price, or at all, when it ends?
- 11. On a scale of 1 to 10, how well informed do you feel about natural gas supply and pricing?
- 12. On a scale of 1 to 10, how concerned are you about future gas availability and pricing?
- 13. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers in less than 3 years, how would this impact on the viability of your business?
- 14. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers within 3 -5 years, how would this impact on the viability of your business?

Questions	Average Ratings	Out of
10. On a scale of 1 to 10, how confident are you of renewing your gas supply contract at an economic price, or at all, when it ends?	3.05	10
11. On a scale of 1 to 10, how well informed do you feel about natural gas supply and pricing?	5.14	10
12. On a scale of 1 to 10, how concerned are you about future gas availability and pricing?	3.91	10
13. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers in less than 3 years, how would this impact on the viability of your business?	2.85	10
14. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers within 3 -5 years, how would this impact on the viability of your business?	3.32	10

Overall average survey rating: 3.65/10

No Responses

Survey Questions for Industrial and Commercial Gas Consumers

Thank you for helping us by sharing your thoughts on this issue. The first 9 questions below seek facts about your business/organisation and your natural gas usage, costs, and contracts. Questions 10 to 23 seek qualitative information relating to your perspectives, concerns, and potential impacts on your business. These are the core focus of the survey.

This survey should take 10 – 15 minutes to complete. If you don't have all the information sought in questions 1 – 8 that isn't crucial. Questions 9– 21 are the more important ones.

Your name/business name will not be included in the survey findings.

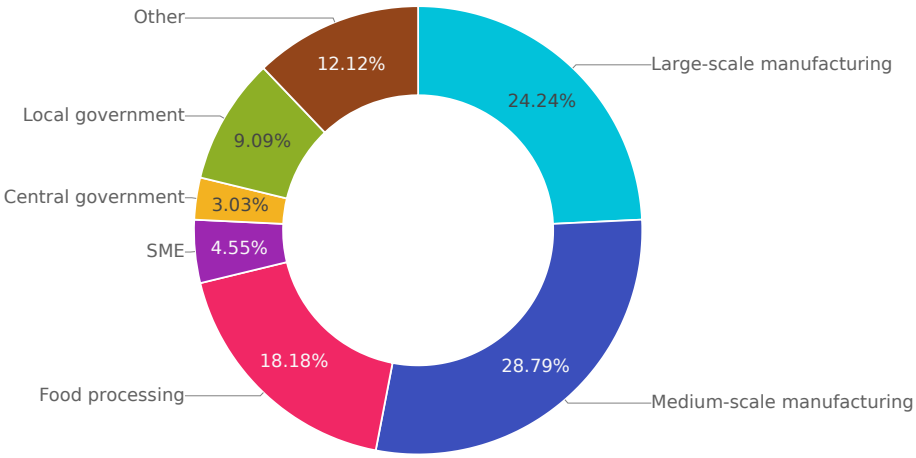
Please tell us about your business/organisation and natural gas situation.

No Responses

Q1

1a. What sector does your organisation belong to?

Answered: 66 Skipped: 0



Q2

1b. How many gas using sites does it have?

Answered: 64 Skipped: 2

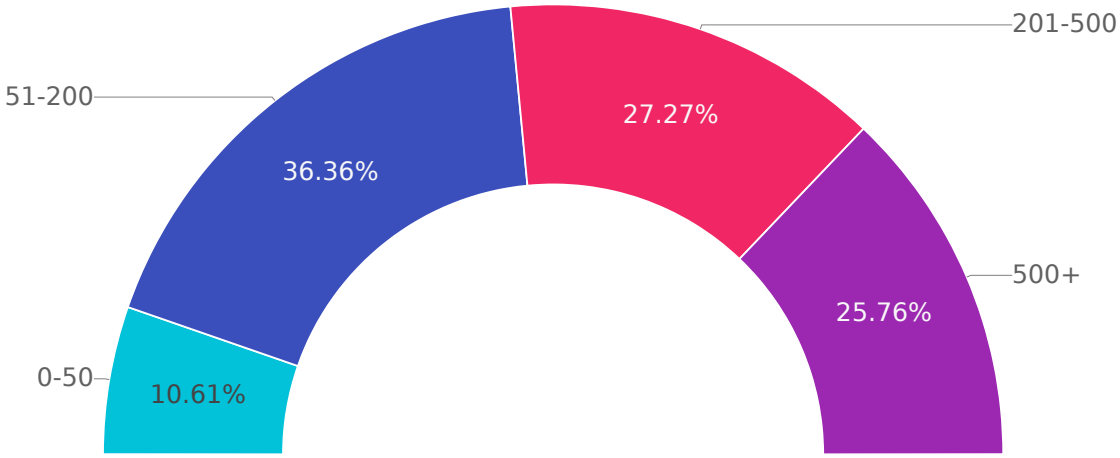
1. 2
2. 2
3. 2
4. 1
5. 1
6. 1
7. 1
8. 3
9. 1
10. 3
11. 2
12. 2
13. 7
14. 3
15. 1
16. 1
17. 1
18. 1 in NZ
19. 4
20. APPROX 30
21. 25
22. 5
23. 1
24. one
25. 2
26. 3
27. 2
28. 1
29. 1
30. 2
31. 3
32. 1
33. 1
34. two
35. 4
36. 3
37. 3
38. 1
39. 4
40. Three

41. 21
42. 9 sites, but one is being converted to electricity, so really 8 sites.
43. over 100
44. 20 or more
45. 1
46. 1
47. 4
48. One
49. 1
50. 1
51. 4
52. 2
53. 6
54. 2
55. 1
56. one
57. 1
58. 2
59. 3
60. 2
61. Two
62. Five
63. 1
64. 2

Q3

2. Approximately how many employees does your organisation have?

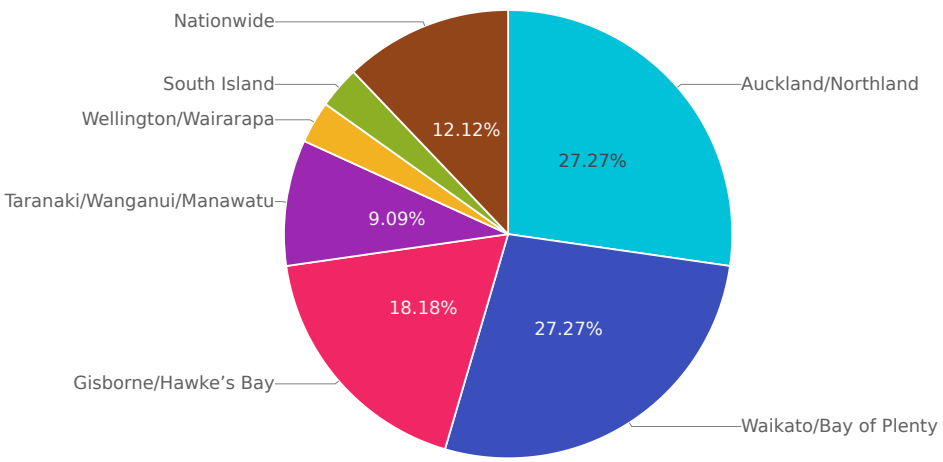
Answered: 66 Skipped: 0



Q4

3. In which region of New Zealand is your organisation primarily based?

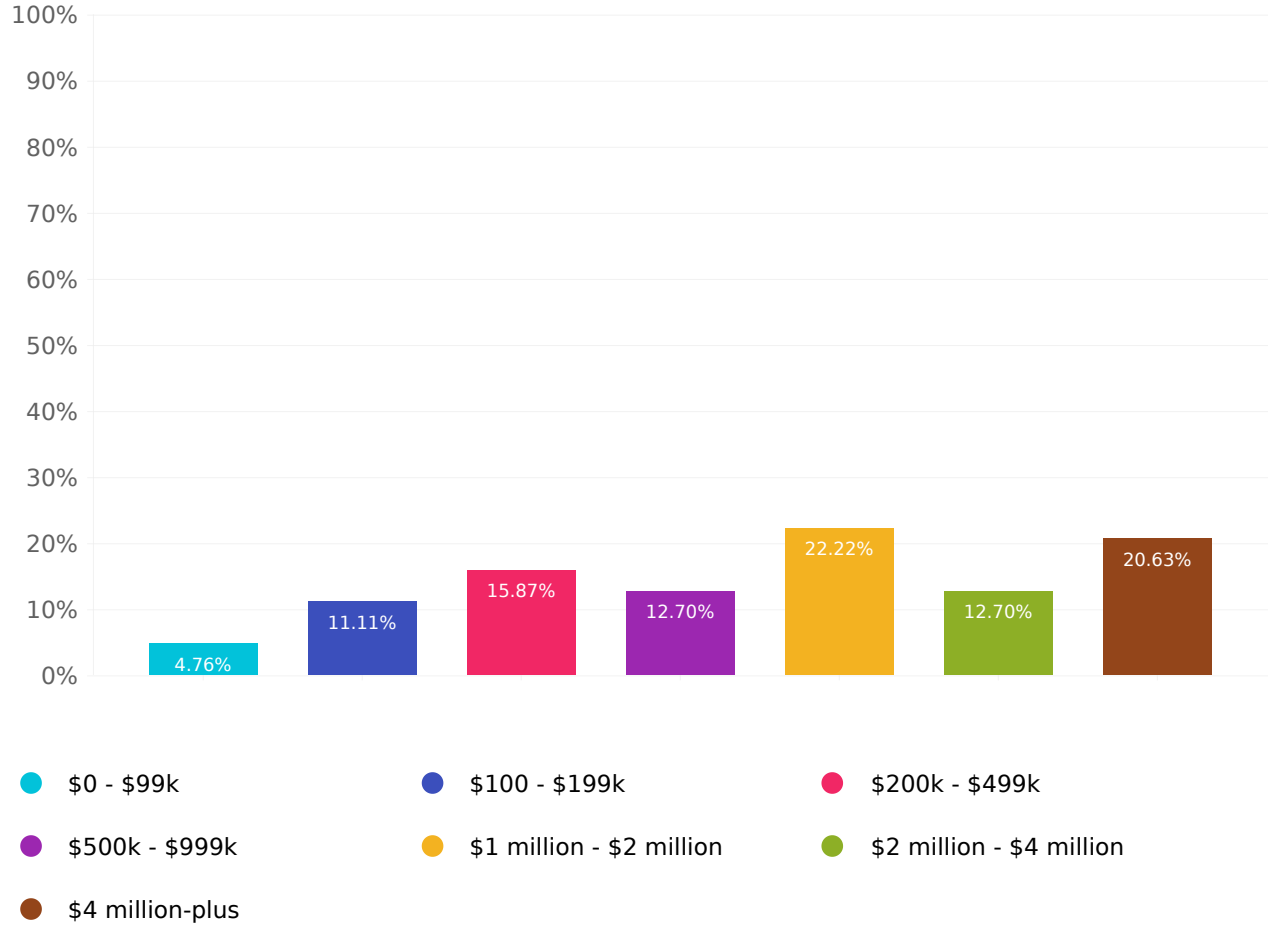
Answered: 66 Skipped: 0



Q5

4. What is your organisation’s approximate current annual spending on natural gas?

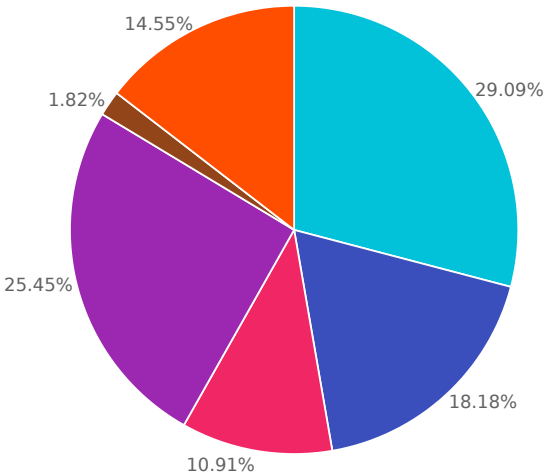
Answered: 63 Skipped: 3



Q6

5. What is your current gas price? ($/GJ or c/kWh, incl. ETS charge if shown, excl. GST)?

Answered: 55 Skipped: 11

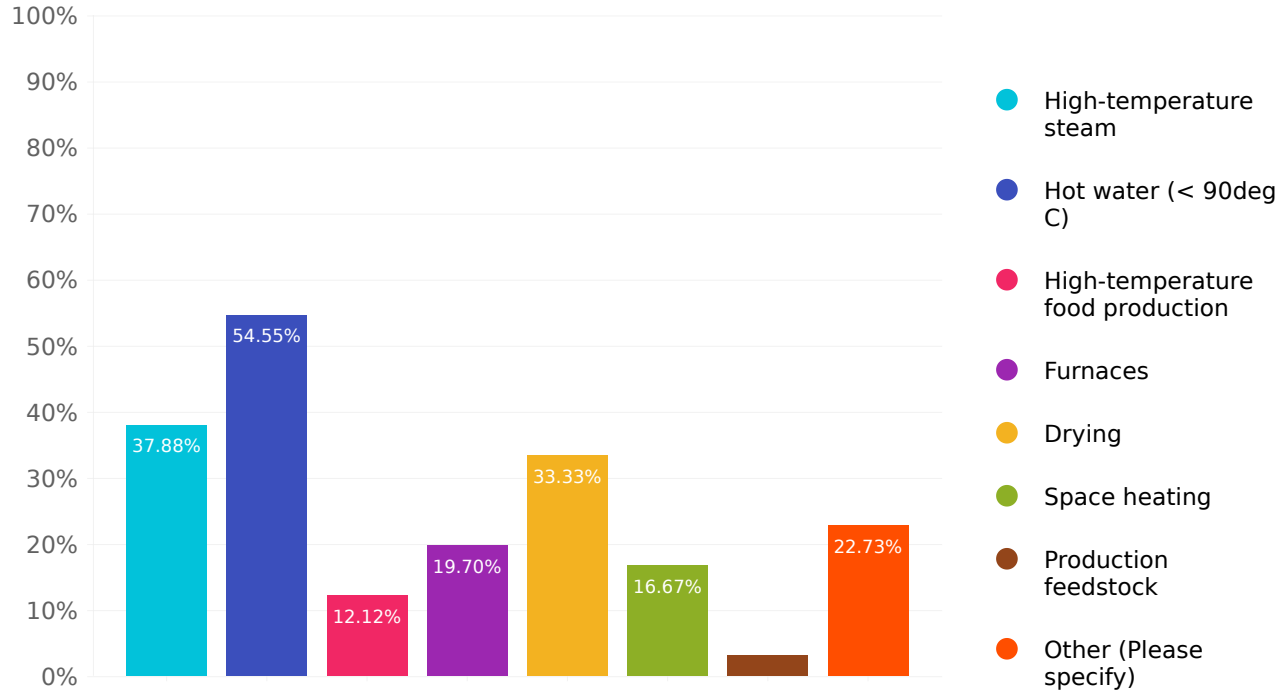


- $10 – 15/GJ
- $15 – 20/GJ
- $20 - $25/GJ
- >$25/GJ
- 3.5 – 5.5c/kWh
- 5.5 – 7.2c/kWh
- 7.2 – 9.0c/kWh
- >9.0 c/kWh

Q7

6. What does your organisation use natural gas for? (you can make more than one selection).

Answered: 66 Skipped: 0



Q8

7a. What is the full-term length of your current gas supply contract (in years)?

Answered: 61 Skipped: 5

1. 2
2. 10 years
3. 3
4. 3 years
5. currently terminated, stopped due to price
6. 3
7. 3
8. 5
9. 3
10. 2
11. 4
12. 6 months
13. 10 years
14. no contract since 2020, buying on spot market
15. 1
16. 3
17. 5
18. 3
19. 5
20. 5
21. 3
22. 5
23. 5
24. 0
25. 3
26. 2
27. 2 years
28. 2
29. 5
30. 12 months
31. 2
32. 1
33. 3
34. 0.25
35. 2
36. 5
37. 3
38. 3
39. Open
40. Open term currently

41. 7 years
42. 1
43. 1 year
44. we have no contract, we are at the mercy of the supplier for charges.
45. n/a
46. 3
47. 14 months
48. 3
49. 3
50. 3 months to run
51. 3
52. 1...
53. 1 year
54. 3
55. 3 years
56. 3
57. 1 more year
58. 2
59. Nil - on spot market. Unable to obtain viable contracts
60. 3
61. 6 months to go

Q9

7b. When does your current supply contract end?

Answered: 59 Skipped: 7

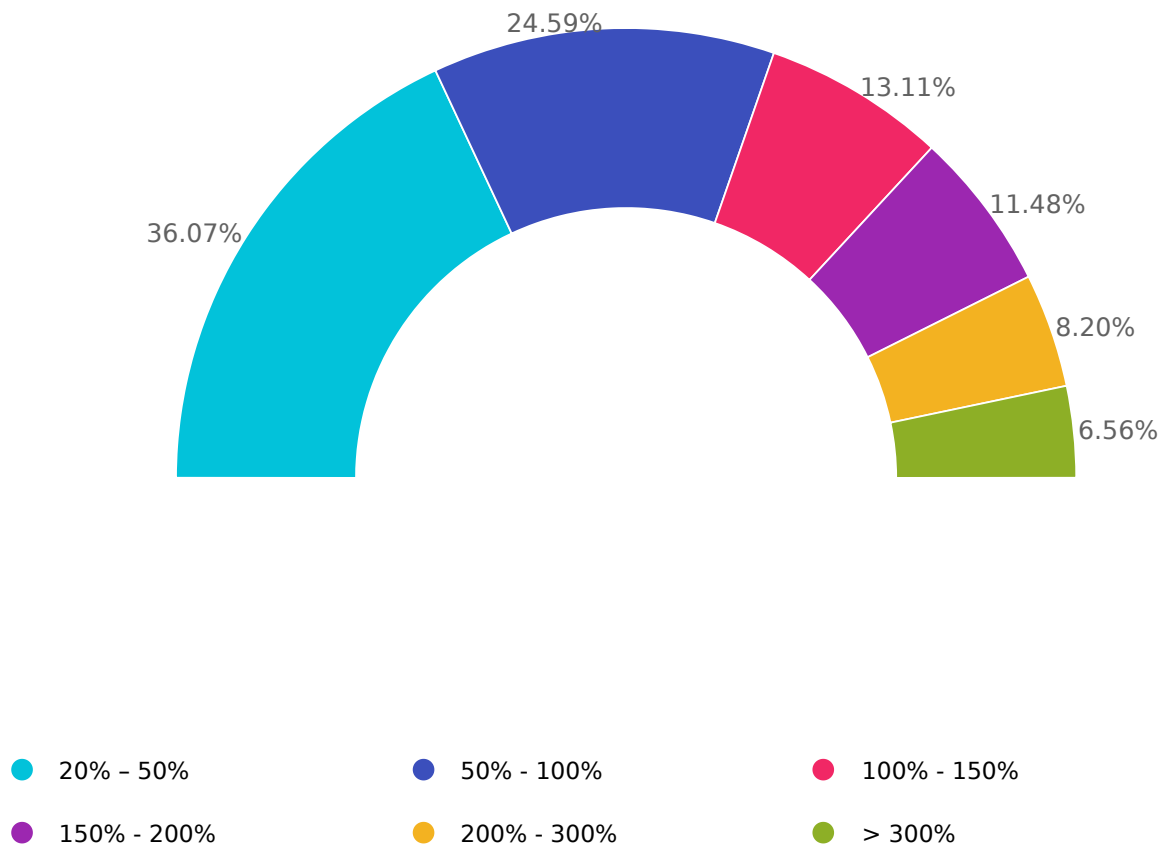
1. 2027
2. 2029
3. Oct 2026
4. Dec 26
5. have stopped now, switched to waste oil
6. 2027
7. Oct 2025
8. September 2028
9. Sept 26
10. 30/9/25
11. 2026
12. 31st Dec 2025
13. 2031
14. n/a
15. September 2025
16. June 26
17. 2030
18. 2027
19. 2027
20. 30 Nov 2025
21. May 2027
22. 2028
23. 0
24. June 2027
25. 10/25
26. 2027
27. July 27
28. Sept 2027
29. end 2025
30. April 26
31. 31/09/2025
32. October 25
33. 30 Sept 2025
34. May 2027
35. 2028
36. October 2025
37. June 26
38. Open
39. 30 September 2025
40. September 2025

41. july 26
42. 2024
43. n/a
44. 2026
45. September 2026
46. September 2026
47. September 2027
48. November 2025
49. December 2025
50. Late 2025
51. 2026
52. End 2026
53. 1 October
54. May 2028
55. Sep 2026
56. End of 2026
57. As above
58. oct 25
59. 31/12/2025

Q10

8. How much has your current natural gas price increased over the past 5 years?

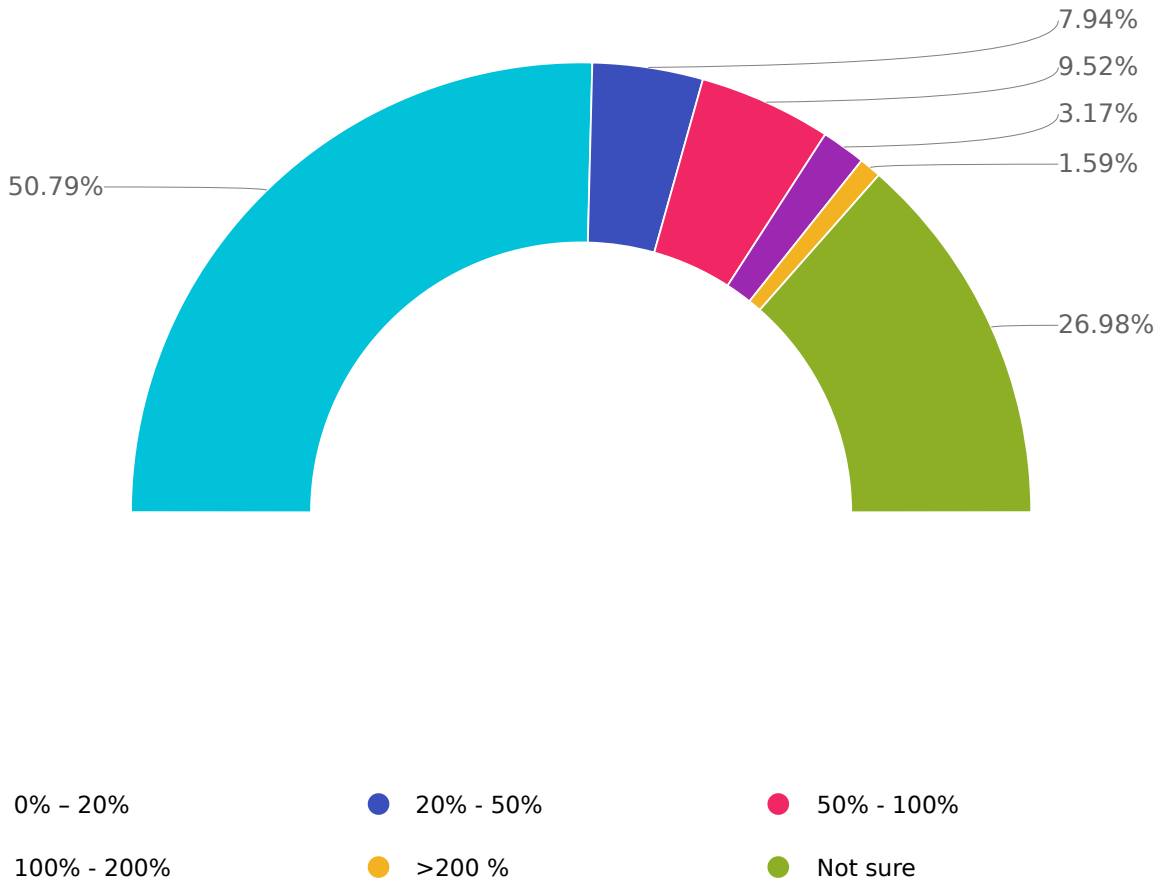
Answered: 61 Skipped: 5



Q11

9. Roughly what increase in your current natural gas price can your business withstand?

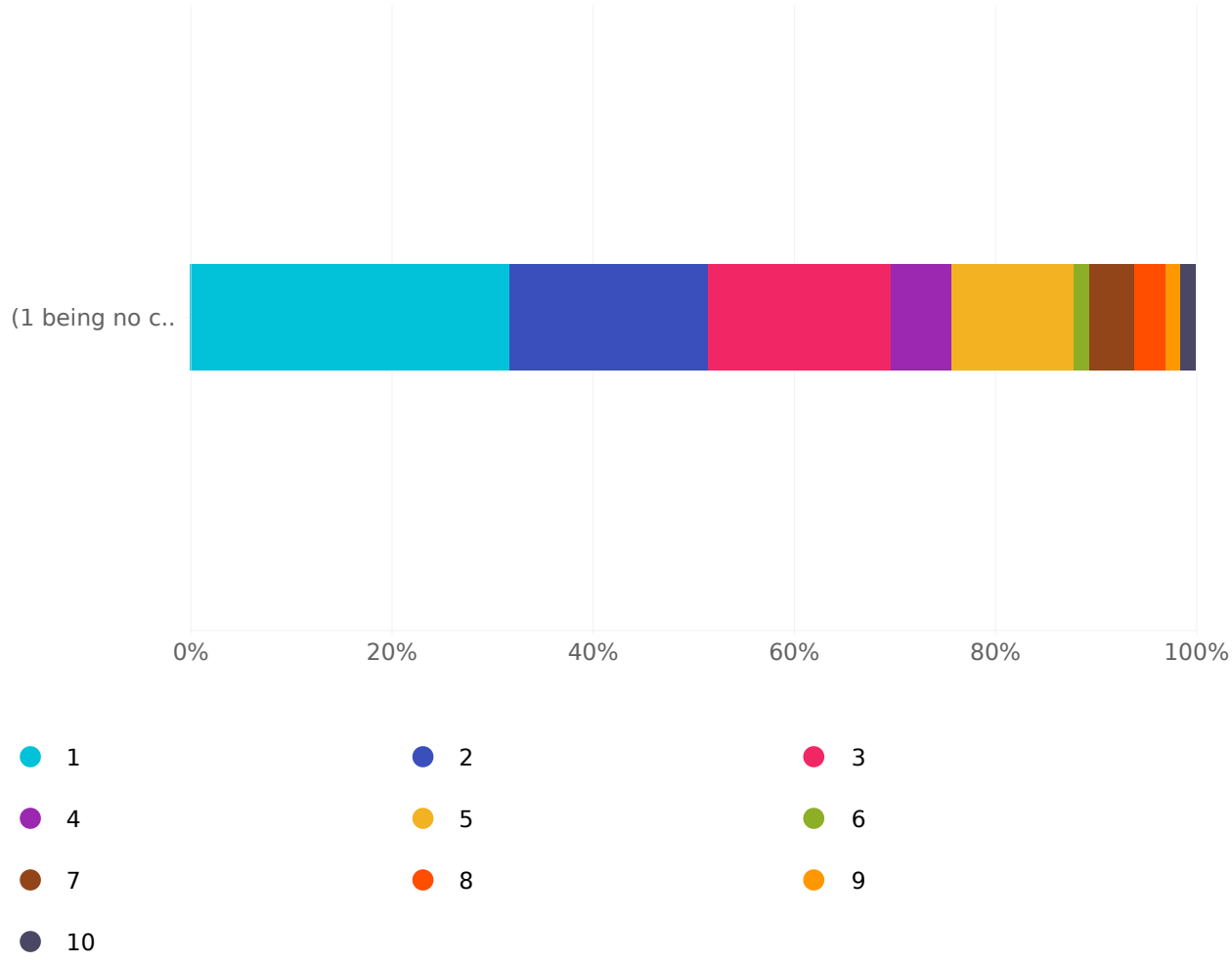
Answered: 63 Skipped: 3



Q12

10. On a scale of 1 to 10, how confident are you of renewing your gas supply contract at an economic price, or at all, when it ends?

Answered: 66 Skipped: 0

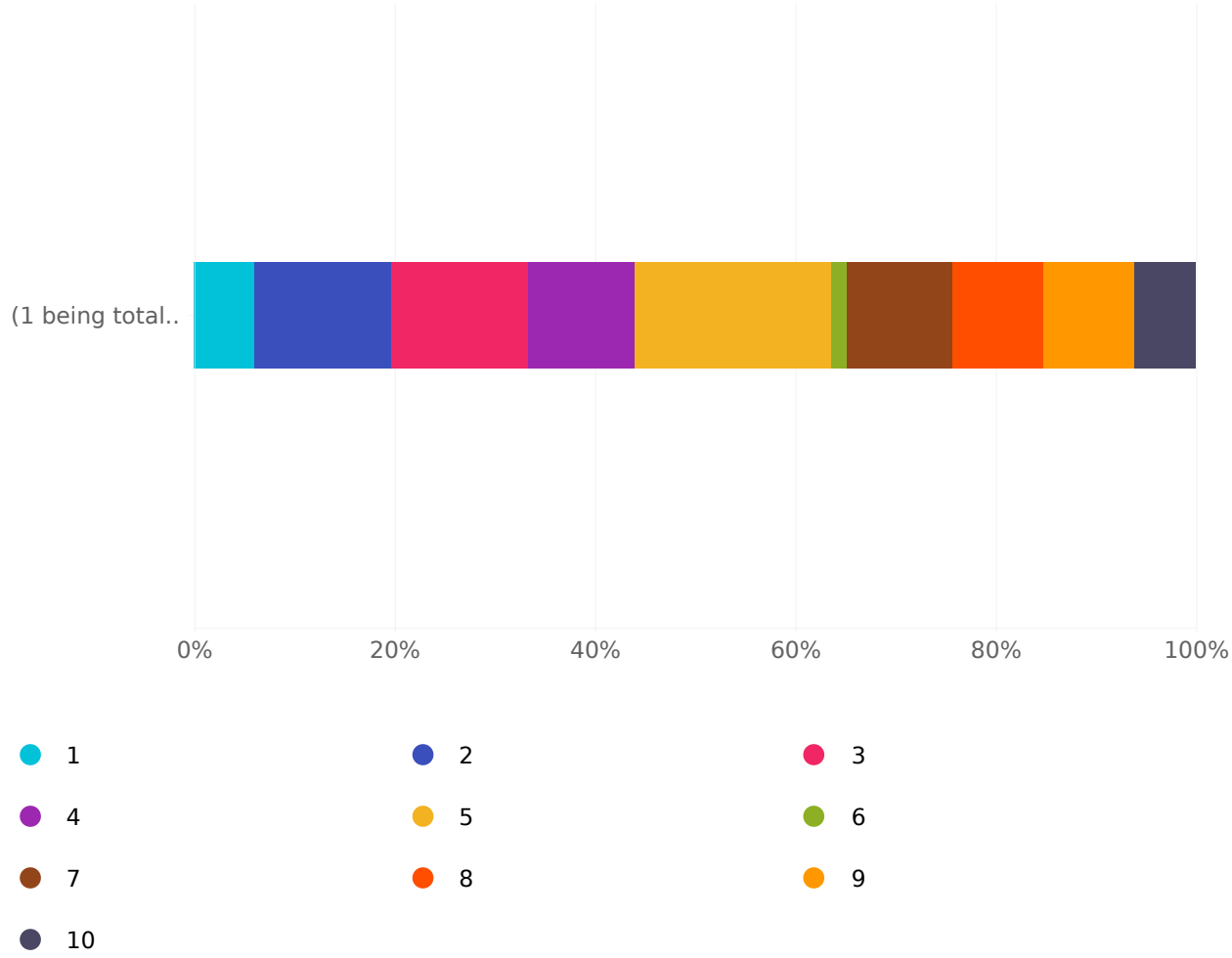


Average rating: 3.05

Q13

11. On a scale of 1 to 10, how well informed do you feel about natural gas supply and pricing?

Answered: 66 Skipped: 0

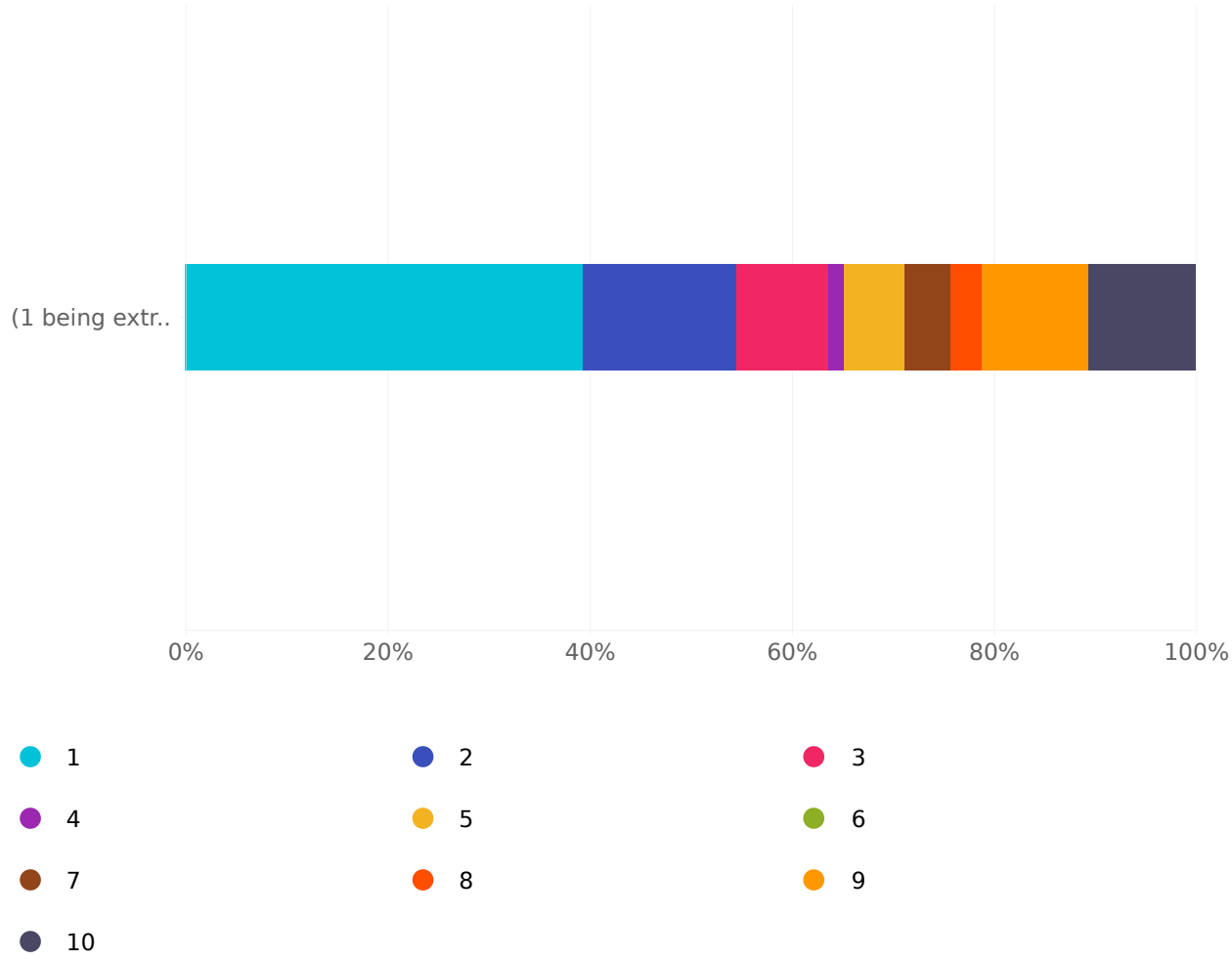


Average rating: 5.14

Q14

12. On a scale of 1 to 10, how concerned are you about future gas availability and pricing?

Answered: 66 Skipped: 0

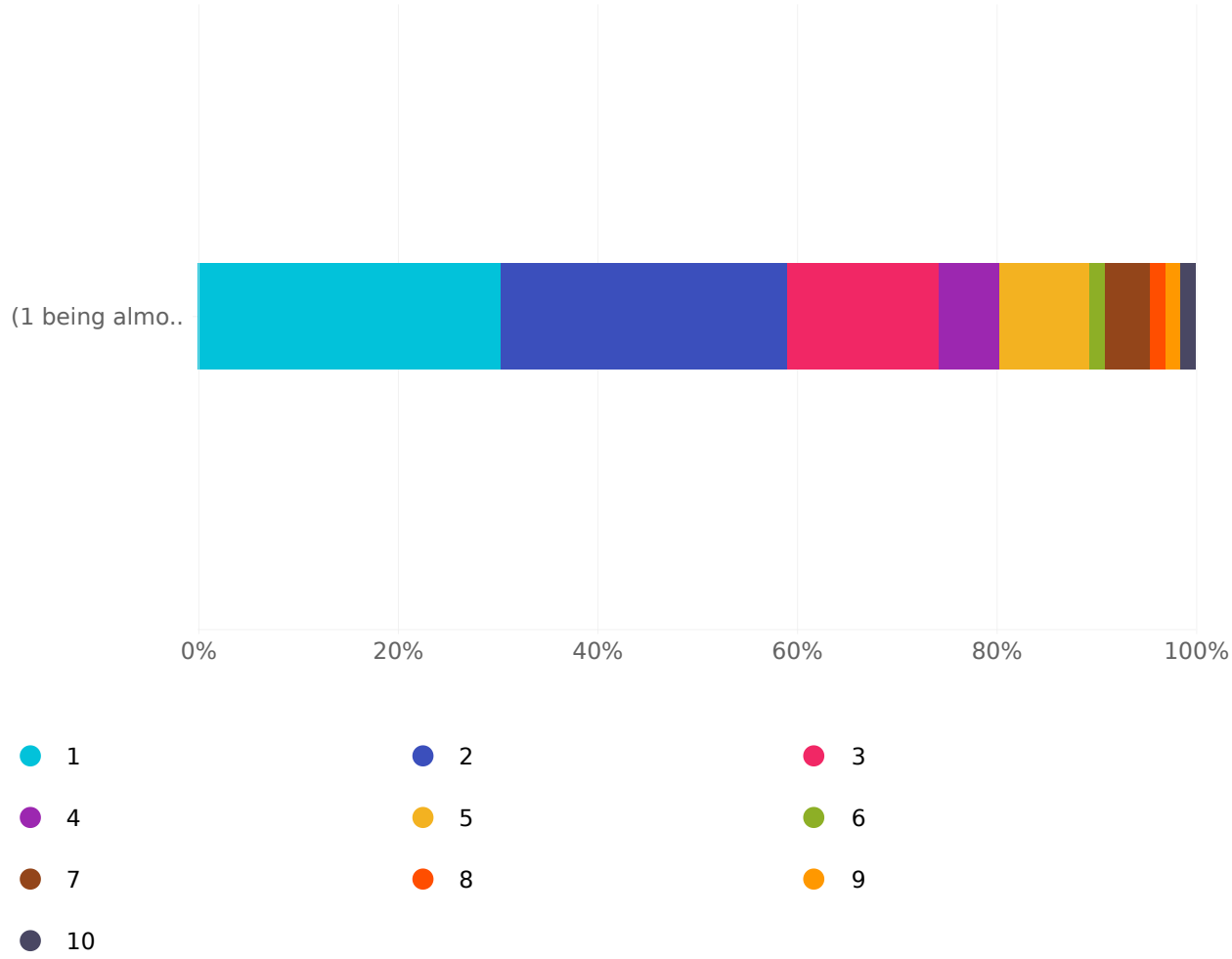


Average rating: 3.91

Q15

13. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers in less than 3 years, how would this impact on the viability of your business?

Answered: 66 Skipped: 0

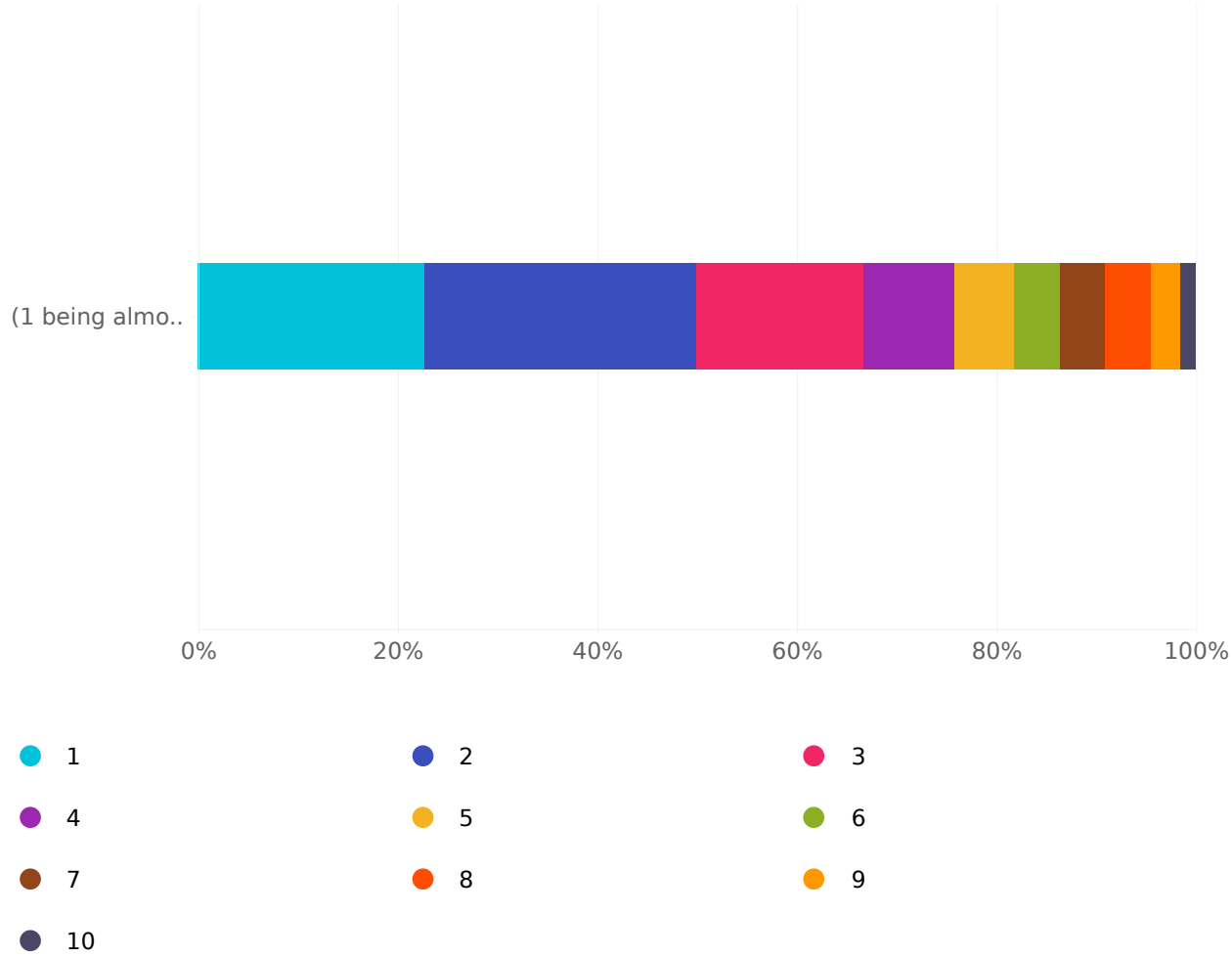


Average rating: 2.85

Q16

14. On a scale of 1 to 10, in the event of severe restrictions in or cessation of natural gas supply, either directly to your business or indirectly via your suppliers within 3 -5 years, how would this impact on the viability of your business?

Answered: 66 Skipped: 0

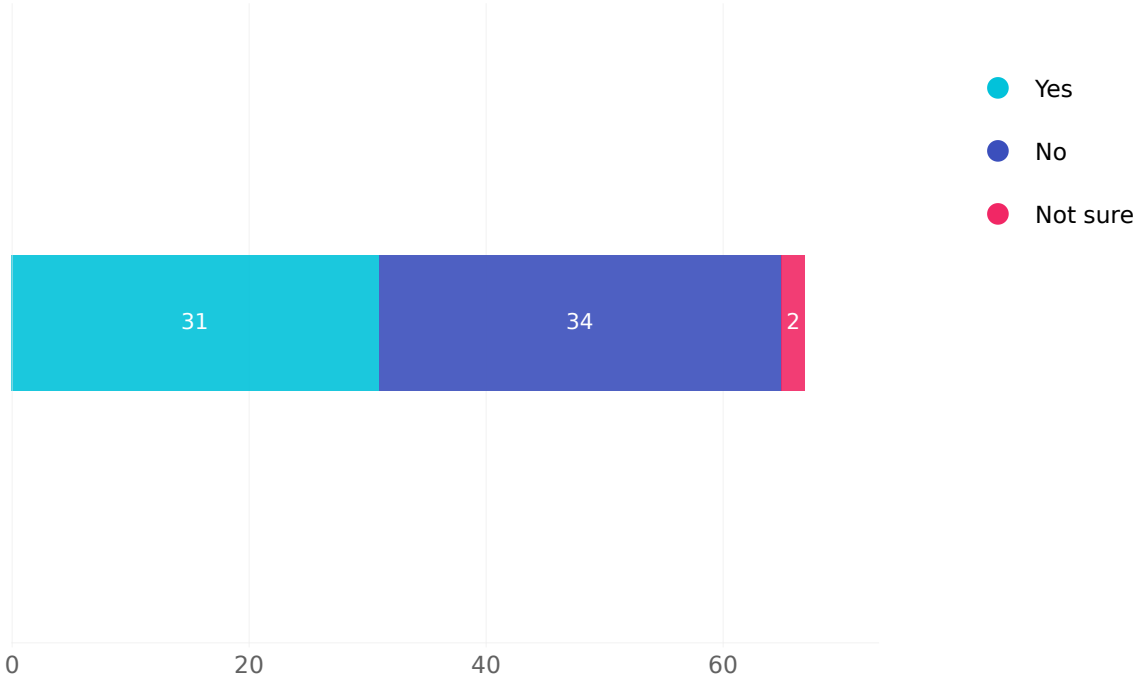


Average rating: 3.32

Q17

15a. Have you had to reduce operations, raise prices, or cut staff due to higher gas costs or unreliable supply?

Answered: 66 Skipped: 0



Q18

15b. If yes, please state what steps you have taken.

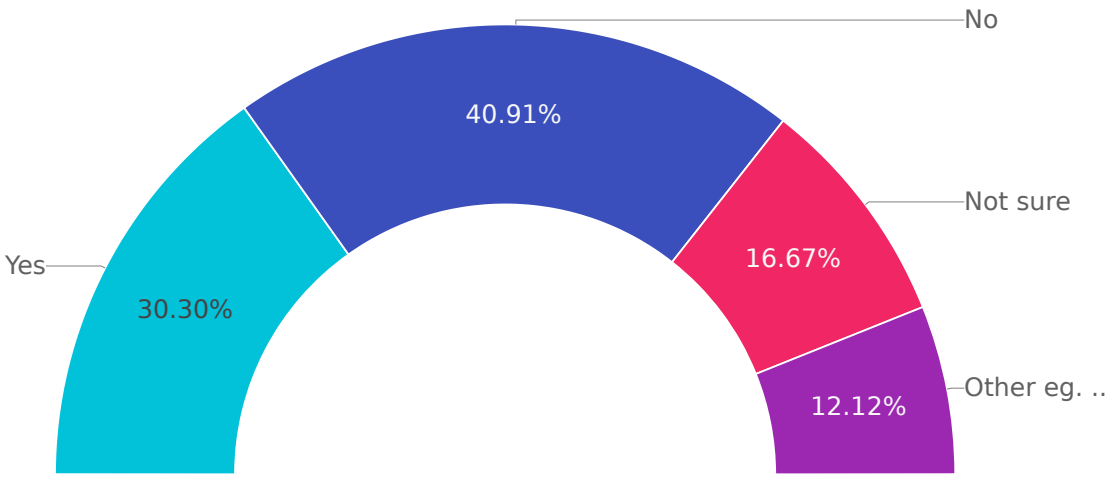
Answered: 30 Skipped: 36

1. Raise prices and cut staff
2. Restructuring and curtailing production
3. Fccus on reducing fixed costs across the business over last 3 years as energy and other input costs increase. This has included staff
4. we no longer have the ability to enrich our green houses with Co2, so less production now
5. reduced gas usage, changed shift patterns,
6. Raise prices
7. Price Increases passed on to our customers.
8. PASSED COST ONTO CUSTOMER
9. Gas supply was a contributing factor to the closure of the Penrose recycled paper mill and the Kinleith paper mill.
10. with last winters high prices we lowered temperatures and lost 10% production and 15% income
11. We have had to close off a part of out LTHW loop to increase efficiency and reduce consumption by 10-15%
12. increased sell price to cleints
13. Reduced remelt hours, meaning staff being deployed elsewhere
14. Re-engineering process heat system to operate predominantly on biofuels (internal byproduct of facility). Intensive energy efficiency program, insulation, leak and waste management.
15. Raise prices
16. Raise prices
17. Cost cutting
18. Reduced direct & indirect staff. Shut plant for prolonged times, 8 weeks max last year, 3 shuts this year total of 10 - 12 weeks shut total this year
19. Increase customer pricing for goods.
20. Reduced output
21. Increased costs and reduced production
22. Reduced days of Cremation operation
23. Raise prices and likely to need to increase again.
24. Increased prices, reduced production and reduced staff.
25. Increase costs to ratepayers and other customers.
26. price to convert has to be taken into account
27. Staff restructure.
28. Raise prices
29. Reduced gas usage. This has lowered production. We have no ability to pass on costs - we are price takers. This all goes straight off our bottom line. This also discourages expansion.
30. change growing patterns, Change varieties to more heat tolerant varieties. Cut all gas burned during the summer. Stop growing energy hungry varieties. Significantly raise prices.

Q19

16a. Do you plan to reduce operations, raise prices, or cut staff due to higher gas costs or unreliable supply within the next 12 months?

Answered: 66 Skipped: 0



Q20

16b. If yes, please state what steps you are planning.

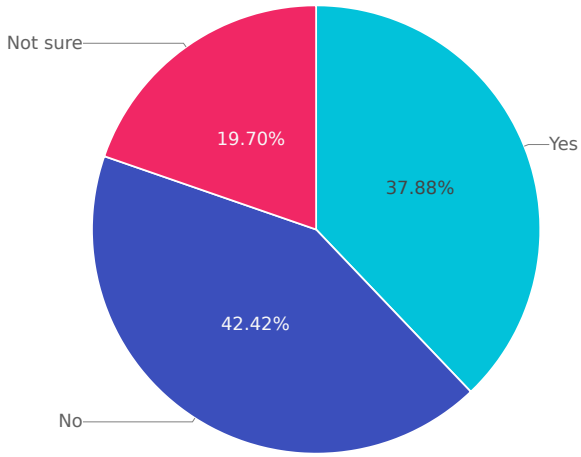
Answered: 26 Skipped: 40

1. Will need to raise prices
2. Partial to full elctrification, but expecting increased energy costs, and debt servicing costs to require about a 10-15% increase in prices charged to customers
3. less production, raise prices for our vegetables and herbs
4. New gas contract confirmed, 80% cost increase of gas (per GJ only) and ETS combined. Have to raise prices for some customers, but unable to raise prices with other customers due to international competition. Have to find ways to reduce cost elsewhere.
5. Further price increase to our customers will be necessary.
6. Shut down all older sites, severely scale back operations. Early retire existing facilities. Heavy redundancies of workforce. Big increases in price to remain profitable. Very unlikely that we will reinvest without affordable and readily available natural gas .
7. reducing gas use by using screens and more insulation but still need gas for heating and CO2 production for crops
8. Potential for move to reduced periods of operation - campaign rather than continuous operation.
9. Raising Prices
10. No reinvestment in production capacity
11. Raise prices
12. need to raise prices to maintain current production
13. Shifting more production to Australia
14. Reduced operations by 30 % prices are being raised from 1st August staff numbers have been and are being cut
15. prices up to clients
16. As above
17. Raise prices a lot
18. Change from gas to electrical ovens, at a large cost.
19. Raise prices.
20. It is expected we will have to switch to higher carbon intensity production facilities, when gas contracts expire in July 26. This will lead to the loss of permanent roles. Increasing prices is not viable due to the trade exposed nature of the business.
21. - Pass through costs to pricing as the market allows - Investigating Electric Furnaces - Entering into a new gas contract
22. As above, watch and see what the market does.
23. Would have to raise cost to convert
24. raise prices, cut staff
25. We will continue to restrict gas use which will impact production. The long term variability of our business remains exposed to gas. Ultimately if prices are unsustainable, we will cut production permanently which will lead to reduced employment, production, domestic and export receipts and lower GDP.
26. Cutting production. Slashing workforce. Significantly raising prices. Mothballing large areas of production.

Q21

17. Based on your current knowledge, would it be commercially viable for your process(es) and/or those of your suppliers to transition to an alternative fuel for part or all of your and/or your suppliers current gas usage?

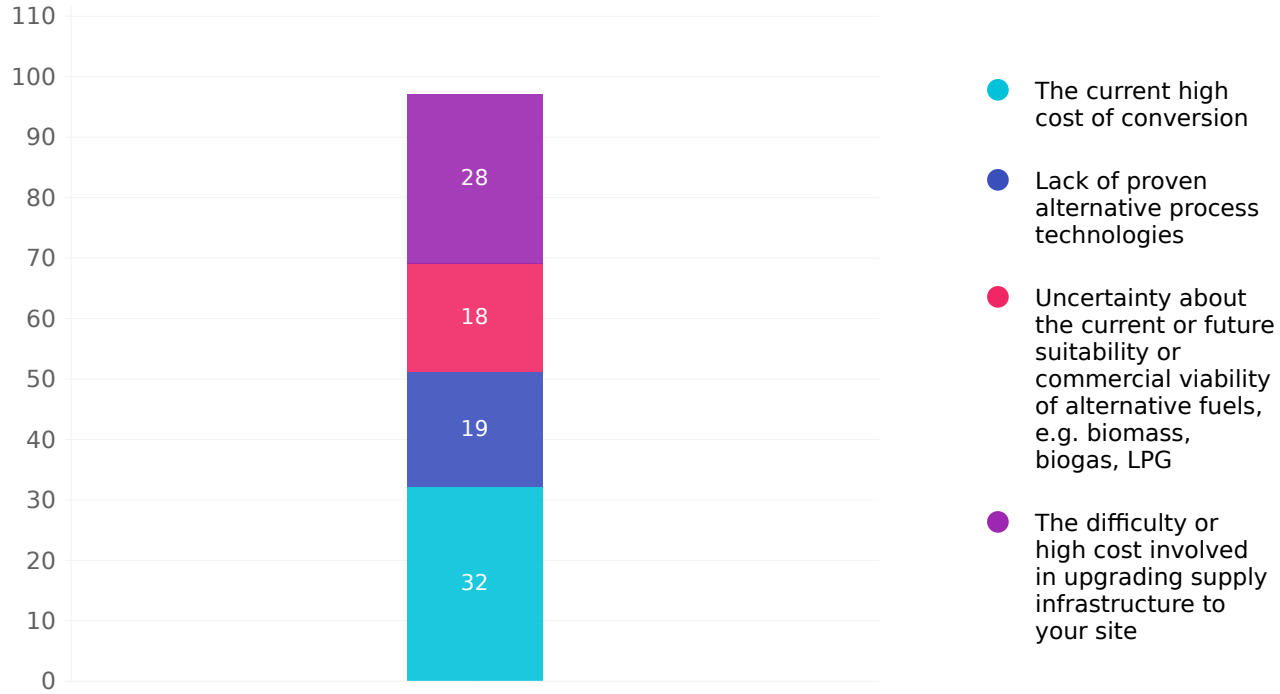
Answered: 66 Skipped: 0



Q22

18a. If no, or not sure, is the reason (or reasons):

Answered: 39 Skipped: 27



Q23

18b. Please tell us your thoughts about options for transition to other energy options.

Answered: 51 Skipped: 15

1. Not enough power supply in our location to convert us to electricity. Capital costs of other alternatives too restrictive
2. Scale & reliability don't exist for alternatives - they need to be in conjunction with current gas supply
3. We have reviewed wide array of options to switch away from natural gas. Electrification is only sensible technical solution for our process heat requirements, but the business case remains marginal at best. But as gas supplies tighten further then the reason to switch is more about resilience and energy security which gas does not provide looking forward
4. Expensive, and long lead times. Uncertainty in pricing across Natural gas, electricity and lpg makes business cases difficult to ascertain
5. we have been forced to change already from gas to waste oil
6. We have looked at changing to bio mass (not have land available. There is also not sufficient line capacity to move to power.
7. Electricity: Not enough supply, security of supply, and will require infrastructure upgrade on our site and from local transmission and distribution. Biomass: Located in polluted airshed - council not able to provide consent for switching to higher particulate emission fuel. Timeframe to allow biomass boiler is unknown. LPG is too expensive. Natural Gas is only viable option.
8. The reality is I have not seen any genuine alternatives to generate the energy we need for steam and hot water, because at this time we would have to de-commission our gas fired boiler and go to an electric boiler which is a) definitely going to cost more to run b) needs capex to replace the decommissioned boiler and c) it is unclear that we can procure the extra power we will need.
9. LPG or Used oil or Electricity or Diesel are potential options. However, they require capital investment. The only one with a reasonable pay back is used oil. All the others require investment with no pay back and will in fact increase the cost of energy in our process.
10. Existing sites are towards the end of their economic life and will have to be retired early. It is not economically viable to convert these sites to alternative fuels.
11. Kilns run at 800+ degrees, and requires gas or liquid fuels. Would be challenging to convert these to alternative fuels. Boilers could possibly convert to coal, but liquid fuels or gas are the only practical option. There is limited potential for electrode boilers, although it isn't our of the question for smaller sites, but the cost of conversion would be significant.
12. CO2 gives us 20% more yield and other fuel options come without CO2. The drop in production will already be the end of the business. Alternatives have a too high Capex and Opex
13. There are some good options, but many challenges to migrating from gas energy. Electrification is not viable due to a lack of network capacity (half our energy is currently gas supplied). Bio-mass looks like a good fit for us, but we have some supply uncertainty which is concerning given our critical reliance on stable heating for science operations. We will probably look to diversify for redundancy, but this will also be the most costly approach.
14. we can run on LPG but would need a $1.5m + investment
15. Enabling biofuel options requires significant modification to process heating systems and emission controls. Gas is a clean fuel, the biofuel alternatives require scrubbers and particulate controls for the flue gas.
16. Potential need to consider a mix of natural gas and something else or a total switch to LPG or Electric.
17. - Costly Electrical infrastructure upgrade - Paybacks on transition are still quite long - Detailed technical assessments are required for each site. - Electricity costs are also increasing significantly
18. There is no commercially ready and economical solution for high temperature requirements. Electrifying this load would result in a 4x increase in opex ontop of large capex spend Other gas options (Biogas, LPG) have different energy characteristics and higher prices
19. Expensive
20. Option for the portion we use gas for currently will be to either move entirely to electricity or partly supplement with Biomass boilers (as we do in AUS). All will depend on cost vs sustainability/environmental impact.

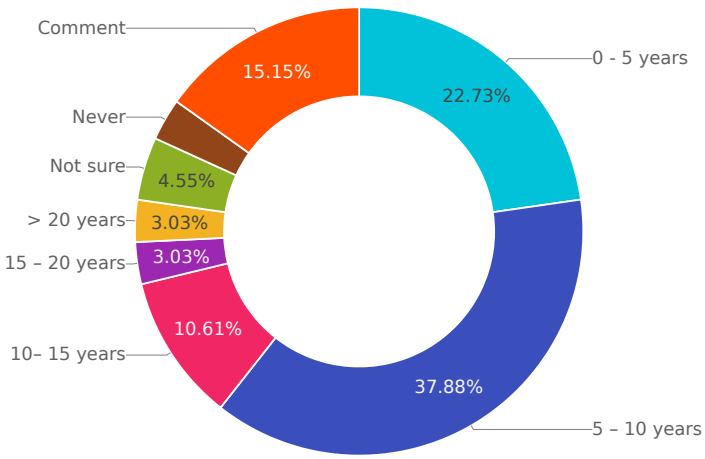
21. prefer to stay on gas
22. Changing to electric ovens for all 5 production lines is cost prohibitive for the business and will rewquire complete replacement in 3 of the 5 main ovens we have
23. We have investigated all other known options. All of them require significant capital investment and cost considerably more to operate than Natural gas. lead time for installation is also very long.
24. The importance of gas as fuel is minor for our manufacturing operation. The importance of gas as raw material for our glue supplier is massive. Any significant changes in gas prices would put our manufacturing at a sever risk to become unviable.
25. We've done extensive work on alternatives but the capital cost is massive, the space needed for biomass is large. Electricity would be best for us but the grid can't handle the increase and the price increase would close the business unless we got a really low price. We are currently looking at biomass but capital may prevent this.
26. I have recently looked at replacing gas fired boilers providing space and water heating. Eclectic alternatives don't provide the same recovery time, when demand is high, as current gas boilers. Electric water heating options are expensive, have very long lead times and require major electrical infrastructure upgrades to cater for the increased load.
27. The capital cost of the transition is large
28. We are in a "hard to abate" industry. The options such as Electrolyser are prohibative for both CapEx & Opex
29. Potential LPG, Electric or Hydrogen
30. Have previously done a study on this. No options found to be economic.
31. conversion to LPG very expensive
32. We have a plan to transition to 100% electricity or alternative fuel and are relatively confident we can achieve this in a commercially viable manner.
33. Council's biggest gas user is the HDC Crematorium, Hastings. It will be a high cost to convert this (and other) HDC sites to alternative fuel options.
34. Moving to electricity is constrained by the current power supplying and the cost of a new transformer on us
35. It is possible but the investment is over 250k which is not out of reach for this compnay but it will reduce the profitability of the business into the future, perhaps to an intenable level...
36. Methanol is required for the amino resin business in New Zealand. It is difficult to get costal shipping currently to deliver from Methanex's port tanks coastally to NZ tanks. If the exit it will be very difficult to organise shipments of methanol to NZ. The cost increases to import will be tough on already financially difficult conditioned in New Zealand (including electricity prices) Our panel board customers find it difficult to compete now in an international market.
37. this is a large capital expense and long lead project
38. Diesel or electricity - either will be costly.
39. Other thermal fuels become even more important, if gas is not available. For instance, it is critical to maintain a consistent supply of competitively priced coal. High gas prices will create a more carbon intensive product (about 30% higher), which is counter to our and NZ's decarbonisation goals
40. Biomass
41. We have commissioned a feasibility study at one of our sites for fuel switching for our thermal heat generation. Other technologies not widely used in NZ so hard to get good feedback and confidence. Electricity infrastructure looks like it won't have ability for some technologies to be adopted in some regions
42. Investigating an electric furnace, but technology is still new. Have investigated biofuel however security of supply and stability of pricing is unproven.
43. We have planned transitioning to biomass and electricity but both options are heavy on capital investment and as demand grows then supply pressure will impact both of these options.
44. Current working on a bio-methane project in partnership with PowerCo to provide alternative energy options via anaerobic digestion.
45. In this area Electricity is not a option to replace gas and anything else would have to be trucked in therefore adding to carbon footprint not reducing

46. Transitions are possible but it is difficult to plan for and justify these when the market and future is volatile. If the government stuck to the inevitable decarbonisation path with a steadily declining gas supply and a higher price then we can plan for this. Where there is a possibility of ongoing extraction with potential remaining for larger finds to suppress prices, then it's harder to provide certainty for a business case. Equally if the government provided co-funding for industry to transition rather than the fossil fuel industry, that would be far more constructive.
47. all four of the above options apply making it difficult to make a commercial decision
48. We could use Diesel or heat pumps if we had to for hot water - it would be expensive but manageable. However, our byproduct is rendered. Difficult and expensive to move away from GAS in that operation.
49. There are very few alternatives in the market for us in our manufacturing. Electric are very new and untested internationally on a large scale.
50. These have been covered with Minister Jones and other Ministers via separate email correspondence and meetings. Anything that requires electrification is non viable due to the lack of grid capacity in our locations. The costs of conversion to alternatives are also high and do not produce positive return on investment due to the age of our (and other growers) glasshouse assets (remaining useful life vs the cost of the investment does not produce a positive payback and has negative NPV's).
51. Most are significantly more expensive but much less efficient. All require a massive capital investment. All will see us caught with our existing infrastructure being stranded.

Q24

19. If there is to be a transition away from industrial natural gas as a fuel, whether to electricity, biomass, biogas, or LPG, what do you think is a reasonable and/or manageable timeframe for your business?

Answered: 66 Skipped: 0



Q25

20. (For private sector respondents) If, in the worst case, your business is forced to close due to natural gas pricing or unavailability, what do you estimate would be the main potential knock-on effects beyond your business?

Answered: 45 Skipped: 21

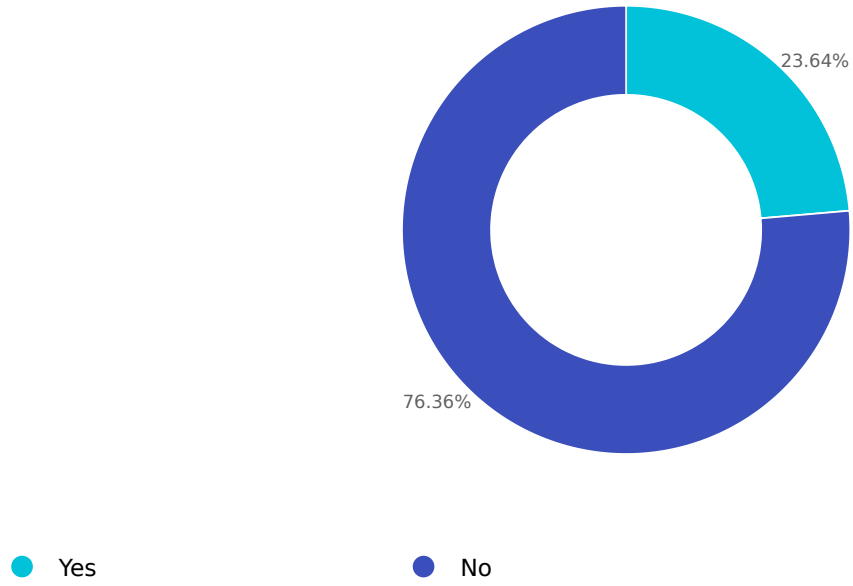
1. Loss of 70 jobs directly Closure of other businesses reliant on our production capabilities
2. economic contribution export earnings / balance of trade jobs contractor skill base increased energy costs for the remainder of the economy wider deindustrialisation
3. Significant reduction of market competitiveness in our finished goods market, leading to less choice for consumers and concentrated market power in a small number of manufacturers not unlike most other NZ industries
4. Australian customer will exit NZ, NZ customer will have to seek alternative solution or cease trading
5. we employ 800 people, for every one person we employ we keep 4 people in the community employed
6. Impact to various businesses and industries around NZ, from other manufacturing sites, to transport firms. Our customers will have to source from overseas suppliers. No longer able to be a NZ made product.
7. We are a contract brewing and packaging facility, so our customers who are beer brand owners may well go out of business as well as they rely on our capacity and economies of scale. So, there are a further 16 businesses at risk.
8. We are the only New Zealand based Aluminium recycler creating certified foundry alloys. If we cease operations, then our product will need to be imported and our feed source will then be exported.
9. In our case we produce about 25% of the national production. We are a domestically focused business. There will be a massive shortfall as we are supplying both supermarket fresh product and food service ingredients. There will be a massive shortage, supply will not meet demand which will push the price up by up three or four fold. In order to fill the shortfall, retailers and distributors will be forced to import the product from offshore. Some of this may be sea freighted in but also it will be necessary to airfreight the product at times. Product imported will likely come in from countries that have no restrictions on gas supply and do not have emissions tax applied. Currently it is not possible to import tomatoes into New Zealand due to a serious biosecurity issue. So expect prices to be very high especially between April and October.
10. Likely affecting our customers, with them having to changes suppliers and potential disruptions to their supply chains.
11. Food security for NZ as many growers are already getting out of the industry, Sort term there will be less supply and prices will go up. Overtime we will be dependent on import from SE Asia produced frozen vegetables
12. Magazine and catalogue market in NZ would also close
13. Papermills would need alternative process (export) of waste stream/byproduct processed by facility.
14. Lack of domestic manufacturing capability for packaging leading to heavy reliance on imports, loss of highly skilled technical roles
15. Less timber processing
16. Our NZ co-manufacturers may receive additional business but may not cope with increased volumes in short term. Products would need to be shipped in from AUS so local suppliers of raw materials would have substantial decrease in spend. Staffing decrease for NZ.
17. economic loss due to wages, supply organizations loss of business
18. loss of employment for staff impact of sheep farmers not buying wool
19. Higher cost to consumers as less plants available to feed the population so likely only the top 2 manufacturers within our industry would be able to continue production profitably Less jobs in our community
20. All of the local businesses that depend on us would also suffer and some may close. Many of our customers around the world would be forced to source alternative products from other suppliers who may not operate in as environmentally friendly as way as we do.

21. It would negatively affect the livelihood of 1,000 households in the region. NZ will loose $250million GDP. Prices for building materials in NZ will increase. NZ will have to import wood panels and other products using glue/resin/adhesives.
22. If Cedenco shuts then the effect would be a loss of income to the region. The biggest impact is we process 50,000T of juice grade apples. This would be catastrophic for the apple industry if we couldn't do this.
23. loss of export earnings less value add in NZ Major employer in region and flow on effects.
24. Our largest customer would most likely have to shut or absorb + 50% price increase for the equivalent bleaching agent that might be imported from Asia. It may force the closure of Pan Pac
25. Food price increases
26. Shortage of supply to a market we dominate.
27. magazine and catalogue market in NZ would collapse
28. We are currently transitioning away from gas and many of our sites already operate without gas. We do not anticipate any closures due to gas pricing and unavailability currently beyond temporary site specific closures.
29. N/A
30. Customers without a viable alternative, aged care, airlines
31. Our customers would need to source their flexible packaging products from overseas.
32. Further manufacturing in New Zealand will close
33. Lack of gas constrains capacity, which means customer reach is permanently constrained. Best Available Technology site cannot operate due to lack of gas - going back to less efficient technology.
34. More skins to landfill
35. large job losses and significant economic and social impact on local communities and farmers
36. The end of NZ manufactured water heating appliances, job losses.
37. The NZ consumer will suffer as fresh food production is not available and the food & beverage industry in NZ will also move offshore and import directly. This leaves NZ food supply chain vulnerable to high risk which we experience during covid.
38. n/a
39. loss of 80 jobs in a place of high unemployment An investment of around 100 million wasted
40. We are a sole provider for an industry sector. Manufacturing for the sector would move to China.
41. Reduction in market of approx 40% of locally available product in our sector, relying on imported materials to pick up the slack.
42. Unlikely to close but could be reflected in the lower value of New Zealand livestock.
43. We are the market leaders in our products so that would disappear from the shelves for consumers. We may have to look at taking the operation off shore to be viable.
44. Reduced employment across regional NZ where we have sites. Lower supply of NZ produced fresh vegetables. Imported substitution of fresh vegetables, with a higher cost and carbon footprint. This has a flow on effect to GDP.
45. 250 jobs gone. Severe restriction of produce supply which would see massive price increases and increases to the cost of living.

Q26

21a. If your business operates an industrial boiler, is it set up for diesel as a back-up fuel?

Answered: 55 Skipped: 11



Q27

21b. Number of sites set up.

Answered: 25 Skipped: 41

1. 1
2. 1
3. 0
4. 0
5. 2
6. 2
7. n/a
8. 1
9. 1
10. one
11. 1
12. 2
13. 1
14. nil
15. 3
16. nil
17. 1
18. 1/2
19. 1
20. 1
21. 0
22. 2 Meat plants -= Yes. Our Rendering partner - No.
23. 2
24. 1
25. 2

Finally, we’d like to give you an opportunity to add anything you think is relevant to the topic of natural gas use supply for business and other organisations

No Responses

Q28

Please add any further comments you think relevant to this issue here.

Answered: 37 Skipped: 29

1. This is one of our biggest concerns right now. Nobody even wants to quote on supplying us due to uncertainty, so finding it difficult to lock in any long-term agreements and ensuring continuity of supply. Have looked at electrical conversion, but local power companies have told us will not be able to supply the power we require to do this. Have investigated geothermal heat pumps, but is cost prohibitive. Serioly running out of alternative options
2. we have to be more realistic about the available alternatives at scale, the cost of these alternatives & the ability to pay for customers - this is a global competition issue - we can;t afford this transition domestically
3. While affordable and reliable natural gas supply is the current burning platform to maintain the industrial and manufacturing base in New Zealand, the lack of a National Energy Strategy is of serious concern. It is clear the fuel and energy mix is irrevocably changing in NZ. Without a bipartisan long term energy strategy industrials are struggling with the certainty in order to make well considered investment decisions. Other jurisdictions that have this mapped out offer a clear advantage in this regard. NZ needs to complete this quickly and to a high standard to stem the flow and provide direction.
4. There are a lot of moving bits and pieces, and energy retailers lack of certainty makes any decision a bit of a gamble
5. Previous Labour government has killed the gas industry, the current government needs to keep drilling or drill more, so important and criticial to so many sectors in NZ
6. the cost of gas and power is/has made NZ a third world country.
7. We have been able to source a long term contract after our current contract expires at the end of this year. However, the risk is that we will then be faced with high T&D network costs for being one of the few users on the network if other businesses are no longer able to source gas. But we have no other option than to use gas. The raw gas price and supply situation should now see government making moves to minimise cost to businesses by removing ETS and restricting hikes on network and T&D fees. The ETS is no longer fit for purpose with coal banned from 2037 and gas users unable to transition and stuck with huge increase in raw gas price.
8. Industries like ours rely heavily on public infrastructure to support our existence. Affordable gas and gas pipeline (reticulation), grid electricity supply (and local connectivity assets) should surely be more efficient sources of energy supply than carting this energy by road and then requiring lots of industry participants having to store it in bulk on their municipal sites. If one is rural perhaps there is a case for using a more diversly useable infrastructure asset, like roads or rail, to distribute the energy, if not actually create the energy on site. But surely municipal energy transport is more efficiently carried out in suited and dedicated lines of feed. However, when these lines of feed become operated by monopolies lacking effective central government leadership and oversight, the lack of competition seems to breed largess and a loss of customer focus or economic effectiveness. It is currently looking more economic to transport by road and store energy in the urban environment (however, then one gets the fun to the tackle admin/ compliance cost and added capital plant as a penalty). These problems go away if one imports the product with the energy already included as part of the manufacture of the imported product. The we can export our recyclables. But of course, then the industrial and manufacturing erosion continues. Reducing our self-reliance, increasing the strategic vulnerability, increasing the transportation miles required, de-skilling the country. Energy cost is a significant cost in operating our business. If we are to stay in business that delivered cost of the energy must be internationally competitive.
9. I think the public are still blissfully unaware of the enormity of this problem and how this incredibly bad policy will impact ordinary New Zealanders for many years to come. Gas use is huge in NZ in power generation, industrial process heating, hospitals, schools, hospitality and even in cooking and heating of homes. I think that its important to let the public know that gas prices are likely to triple and what effect that has on their power, their cooking, their BBQ gas bottles or even visits to schools or hospitals.
10. There needs to be a cross party agreement on gas supply and exploration to secure that the investment required can be done.
11. As a public sector organisation, we rely on government funding for a large portion of our operational costs. Successive stagnation or cut back in government funding have stopped us from being able to transition away from gas. Better recognition from government level of the cost and priority of transition is going to be critical in the next 24 months in ensuring our facilities can stay operational.
12. Previous government screwed us with stopping exploration

13. Poor strategic management of gas resources is and will continue to drive manufacturing (which relies on process heat) out of NZ. It would be great if the government (past and present) accepted that they have poorly managed the gas resources.
14. Nil
15. The transition process away from natural gas is not a straightforward one. The first step is the availability of electrical capacity to carry out the transition to electricity. Getting additional electrical capacity is expensive and a multi-year process. On the side, each site needs to go through a detailed assessment not only on the demand of space heating and DHW, but also structural, electrical, acoustics, etc. The costs of these projects can have paybacks longer than 10 years. In recent years, an increase in electricity prices has also meant that these transition projects will have higher OPEX costs. It is critical that there is clear information on natural gas supply, as transitioning away from it is not something businesses are going to be able to implement in the short term.
16. Businesses will need government and policy support to transition away from natural gas
17. A combination of restricted gas supply, rising prices and sustainability goals have meant that switch to electricity and/or biofuels for our gas portion is likely.
18. prefer to stay on gas but at an economic price
19. The survey is structured in such a way that it focusses on gas as fuel only but ignores the significance of gas as raw material for industrial processes.
20. We have managed reasonably large price increases to date which are nothing compared with what's to come. The industry is already struggling income wise so the next year will prove whether this pushes us to tipping point or not.
21. Feel free to call or txt me 021 398 413
22. A key constraint for converting to electricity as a fuel is the requirement to upgrade transformer capacities at our sites - this can be costly but possibly an even bigger problem are the lengthy delays created by working with lines companies to undertake this - many take a long time to respond to requests for upgrades and even longer to undertake the work. This is very challenging for budget and project planning.
23. Any changes of HDC sites to alternative fuel options, will be very costly and this will impact on (the already high) rates increases.
24. shutting down Methanex AND changing the structure of our electricity industry will give us the 10 year window we need to transition off gas
25. we need alternatives to gas that have a comparable cost to gas, diesel is dirty, power is constrained by the grid capability and size of wires, transformer upgrade cost are user cost and extortionately high. For our small business the upgrade cost is circa $300k or more. NZ doesn’t have a transistion strategy which would be good as a start, as we have a gas boiler there isn’t really an economically viable alternative
26. Gas is a cost effective energy source but if electricity is the low carbon energy source of the future then it may make this business uncompetitive and cause more job losses. NZ has a choice, keep jobs , renew gas supply exploration or either subsidise employers through capex investment to keep them going or let other countries with plentiful gas reserves supply the world with produced goods. If the do nothing option is taken, the result will be no improvement in carbon footprint for the total world market but a reduction in jobs in NZ.
27. Lack of certainty is impacting our ability to make appropriate capex decisions around the future of our maize driers.
28. Our business is energy intensive, with coal as an alternative to gas. Additionally, the products we make are internationally traded, so high energy prices contribute to increased trade exposure. Imported gas is unlikely to be a competitive source of thermal energy, so we encourage a focus on increasing local gas production.
29. The recent requirement to obtain GHG resource consents for fossil fueled thermal heat generation has imposed timelines for having to fuel switch. This is very onerous on businesses and possibly forces new technologies to be adopted which aren't viable or proven. This also assumes access to capital is not a constrain which it always is. Because these consents were issues regionally there is no way to prioritize best outcomes for both the business and the environment for NZ as a whole as all regions expect change.
30. Our biggest process using natural gas is a furnace for drying enamel onto the inside of pressurized water heaters. The way the furnace operates is unique in that the walls of the furnace are ignited. The ignition properties of the gas are therefore critical to the effective operation of the furnace. Currently there is no known replacement for this type of furnace. We are investigating an electric replacement, but this will be years in the planning and implementation, if it turns out to be feasible at all. Without this process we cannot locally produce water heaters.

31. Beyond gas is electrification but this too is in short supply with no new high output generation projects being projected. Renewable energy is good but only during daylight hours and the wind is blowing. This is a perfect recipe for further deindustrilisation in New Zealand and greater reliance on cheaper imports. This in turn raises NZ's carbon footprint.
32. Hamish Waugh GM Infrastructure Manawatu District Council 0276889973 Actively working to find a solution to this problem.
33. We are an LPG user, Natural Gas not available to us
34. The government should stop meddling on the supply side, and increase support for industry transition and decarbonisation which will provide far greater long term productivity, job creation, and energy security benefits.
35. Both the gas and electricity markets are broken. Central Govt should be ensuring a constant and low cost supply of energy to businesses.
36. Bipartisan approach across Government is needed to ensure NZ retains natural gas. The balance of our thoughts as noted, have been presented to and discussed with various Ministers. The other area that needs work is co-ordination between Ministries on legislation (such as resource consents for natural boilers for discharge to air, industrial allocation of carbon credits). The lack of co-ordination here has a material impact on greenhouse food production in NZ as the legislation is aimed at industrial business but is harming NZ food supply and production by default. Natural gas is critical to NZ glasshouse food production. NZ production of fresh vegetables is at significant risk without these issues being addressed. Glasshouses * produce 10-20 times more food per sqm/ha than outdoor production. * Use less than 10% of the water (which is primarily captured rainfall that is stored in ponds and re-used) than outdoor production. * Re-use drain water which includes fertilisers (so no loss to ground) * typically have a 2-3% waste rate (balance is sold for either fresh or process). Outdoor can be >25% waste depending on crop and weather. * For every ha of glasshouse that shuts, NZ would need to replace with (crop dependant) over 2oha of outdoor production (that puts strain on the natural resources that glasshouses do not - as above). And this needs to be close to labour supply, water sources and on premium soils.
37. If we cant burn gas we will have to default to our backup of diesel, This is very dirty and not nearly as efficient. Currently we burn natural gas for heat, environmental control and for the CO2 which we capture and inject into the glasshouses as a crop supplement. CO2 is not a bad thing, we need it to grow our crops, and we regard it as airborne fertilizer.

These survey results will provide valuable insights for decision-making. Thank you for taking the time to complete it. Your name/business name will not be shared in the final reporting.

No Responses
