

From: Jane White
Sent: Wednesday, 25 March 2026 6:10 pm
To: Steve Mason [EXTERNAL] (Parliament); Emily Young [EXTERNAL] (PARLIAMENT)
Cc: Becky Prebble; Kirsty Flannagan; Phillip Mellor; Sam Buckle
Subject: RE: **Classification**]Update on negotiation envelope for Golden Bay

Hi Steve and Emily,

Please find answers to the Ministers questions:

What is the Treasury perspective on intervening to support GBC?

(The following is from the Treasury)

- Evidence suggests that there is a legitimate emissions leakage issue due to Golden Bay Cement (GB) increasingly facing emissions costs in the future which its competitors who import cement do not face. This suggests there is potential for wider issues with our current Industrial Allocation (IA) phase-out settings, which may require a systematic review.
- However, in Golden Bay’s case, we do not think there is a strong case for government support because the supply chain risks look manageable, displaced workers are expected to be quite readily absorbed in the regional economy, and we expect expanding global trends towards emissions pricing to mitigate the emissions leakage risk over time.
- If government did want to provide support, our preferred mechanism to do so would be to adjust IA phase-out rates as this addresses the problem more directly than a cash subsidy or an exemption from the ETS and the legislative architecture for Industrial Allocation is already in place.
- Supporting Golden Bay does create some risks, some of which can be managed (e.g. contracts that enable the expected narrowing of emissions pricing differentials with other countries to be factored in over time); and some that are more difficult to manage (e.g. 9(2)(g)(i) , and the precedent risk that other current IA recipients will expect the same support, with associated fiscal impacts).

OIA note added relating to bullet point 3 of this email: The Treasury's views on the most appropriate form of support developed further as advice proceeded and the Treasury ultimately advised in support of a direct funding approach.

Are there any ComCom issues or wider price control complaints raised relating to GBC the Minister should be aware of?

- The Commerce Commission has no current investigations or complaints under the legislation that we enforce relating to Golden Bay Cements.

Please let me know if the Minister has any further questions.

Thanks

Jane

Jane White she/her
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Note I don't work on Tuesdays. For anything urgent please contact David.Mead@mfe.govt.nz.

From: Steve Mason <Steve.Mason@parliament.govt.nz>
Sent: Wednesday, 25 March 2026 10:08 am
To: Jane White <Jane.White@mfe.govt.nz>; Emily Young [EXTERNAL] (PARLIAMENT) <Emily.Young@parliament.govt.nz>
Cc: Becky Prebble <Becky.Prebble@mfe.govt.nz>; Kirsty Flannagan <Kirsty.Flannagan@climateieb.govt.nz>; Phillip Mellor <Phillip.Mellor@mfe.govt.nz>; Sam Buckle <Sam.Buckle@mfe.govt.nz>
Subject: RE: **Classification**]Update on negotiation envelope for Golden Bay

Hi Jane,

Jack has confirmed that the Minister has not yet discussed GBC with MoF yet, however, they have meetings today and tomorrow where it may be raised (noting MoF is very busy with recent announcements and the fuel crisis response).

MFAT sent through their additional advice to the Minister, which has prompted the following questions from him for MfE to respond to:

- What is the Treasury perspective on intervening to support GBC?
- Are there any ComCom issues or wider price control complaints raised relating to GBC the Minister should be aware of?

If we could get an answer to those ASAP that would be great.

Happy to discuss.

Ngā mihi,
Steve



Hi Jane,

Ngā mihi,
Steve



Hi Steve and Emily,

Jane

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