



## **Submission on the Crown Minerals Amendment Bill**

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Civic Trust Auckland (CTA) is a non-profit public interest group formed in 1968. It is a regular submitter to Auckland Council and also to central government. One of our recent submissions was on the Fast-track Approvals Bill, and, in 2021, we submitted on the Emissions Reduction Plan.

CTA **strongly opposes** the Crown Minerals Amendment Bill and we ask that the government rejects it.

We wish to make the following comments:

### **1. The purpose of the Bill**

**(a)** This Bill's general policy statement says that the Bill supports the government's objective to promote petroleum exploration and production, to ensure that gas remains a transition fuel until viable and cost-effective alternatives are in place.

**(b)** It is the view of Civic Trust Auckland that the government's role is regulation and management, not promotion of petroleum exploration and production, and, furthermore, that such promotion is inappropriate, for the reasons outlined below.

### **2. New Zealand's obligations**

**(a)** New Zealand's government declared a climate emergency on 2 December 2020. This decision followed the Intergovernmental Panel on Climate Change announcement that, to avoid a rise in global warming of more than 1.5°C, global emissions need to fall by around 45 per cent from 2010 levels by 2030, and it also followed the call by many New Zealanders to protect the environment and reduce the impact of human activity on the climate.

**(b)** In declaring a climate emergency, the government [stated that](#): "We recognise that climate change is one of the greatest threats we face, and that action is needed now to protect New Zealanders, our environment, our primary industries, our public health, and our Pacific neighbours." One of the government's actions was to stop issuing new offshore oil and gas exploration permits. Another was to start creating almost 11,000 new green jobs to restore and protect our environment.

(c) The [Paris Agreement](#) that entered into force on 4 November 2016 is a legally binding international treaty on climate change, adopted by 196 parties. We expect our government to act in accordance with the Paris Agreement and to honour its obligations under this agreement.

(d) In September this year, world leaders, being “deeply concerned at the current slow pace of progress in addressing climate change” introduced the [Pact for the Future](#), committed to “strengthen our actions to address climate change.”

(e) The Pact states: “We are equally deeply concerned at the continued growth in greenhouse gas emissions, and ... we reaffirm the importance of accelerating action in this critical decade on the basis of the best available science ...”

(f) In this Pact, world leaders decided (amongst other actions) to:

- Reaffirm the Paris Agreement temperature goal of holding the increase in the global average temperature to well below 2 degrees Celsius ... recognizing that this would significantly reduce the risks and impacts of climate change ...
- ... call on parties to contribute to the following global efforts ... tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030 ... accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century; transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner ... so as to achieve net zero by 2050 ...”

(g) In 2021, CTA submitted on the [Emissions Reduction Plan](#), expressing concern that the government was moving too slowly to introduce changes, and noting that: “The Intergovernmental Panel on Climate Change’s 1.5 degree report outlined that for a 66% chance of averting climate catastrophe, we must approach emissions reductions with deep cuts in emissions, starting immediately.”

### **3. Responsible use of New Zealand’s resources**

(a) Mineral resources are finite, whereas renewable resources are not. As petrochemicals are becoming scarcer, rather than “getting the most out of our existing fields” (as stated on the [MBIE website](#)), in CTA’s view, we should be saving these resources for future essential use.

(b) As stated [here](#) on the NZ Petroleum and Minerals (NZPAM) website: “The progression from prospecting, to exploration and possibly to mining can take decades.” In the Introduction Debate for this Bill, 16 years was quoted as the average time from exploration to production of oil or gas. We therefore do not see that the current government can improve investor confidence with this Bill, particularly as the current opposition parties do not support it.

(c) CTA does not see investment in the non-renewable petroleum sector as producing energy security; rather, we see investment in renewables producing that security.

**(d)** On the NZPAM website, it is further stated that: “While the desired result of an exploration well is the discovery of an oil and gas field, most wells drilled do not achieve this – as a rule of thumb; only 10% of wells make a discovery. And of these only 10% result in a producing field. As a well can cost between \$5 million (onshore) and \$100 million (offshore), it is a very costly decision.”

**(e)** Furthermore, CTA understands that fossil fuel extraction is becoming less economically viable, due to declining net energy returns.

**(f)** Even considering the billions of dollars that oil, gas and minerals could contribute to New Zealand’s economy, in our view, this is not worth the cost to the environment and the climate. Another consideration is the cost to New Zealand’s reputation.

**(g)** The Natural Resource Governance Institute, which supports “informed, inclusive decision-making about natural resources and the energy transition,” states [here](#) that “... the International Energy Agency has proposed a stop to new development approvals for oil and gas fields as a pathway to net zero emissions. Continued petroleum development therefore comes with many risks for petroleum producers.”

**(h)** Responsible policymaking needs to address long-term community needs and to consider the long-term consequences of our decisions and actions. These decisions and actions need to have regard to future generations, avoiding making the environment worse for them and using up even more resources.

**(i)** Investment in fossil fuels tends to take away much needed investment in renewable energy, so continuing fossil fuel supply would slow essential renewable energy and innovation.

**(j)** The Crown Minerals Amendment Bill puts short-term economic gain before the critical need to reduce our dependence on fossil fuels and to reduce harmful emissions.

**(k)** Further investment in fossil fuels will cause more greenhouse gas emissions and generate further stranded assets. Any further exploration and production of petroleum does not make economic sense, and it makes even less sense with regard to biophysical tolerances of the climate system and ecosystems.

#### **4. Effects on the environment**

**(a)** In CTA’S view, New Zealand legislation that protects land, water and the climate need to remain in place. Our current conservation and environmental laws have been carefully developed over the last 4 decades.

**(b)** Some of CTA’s specific concerns with this Bill as regards the environment are:

- Reversing the 2018 ban on new petroleum exploration outside onshore Taranaki.
- Allowing mineral activity in or under conservation land in Taranaki.
- Enabling gold mining in waterways and coastal areas of up to 50 hectares.
- Weakening the 2021 obligations on permit holders to decommission and clean up petroleum mining sites.
- Introducing a Tier 3 minerals mining permit to enable small-scale non-commercial gold mining activity across the country.

**(c)** Enabling further access for petroleum exploration and mining, particularly to conservation land, would increase threats to indigenous biodiversity and natural ecosystems, including to the habitats of a range of sea mammals (the critically endangered māui dolphin being one), which may be subjected to seismic blasting.

**(d)** CTA is also concerned about the risk to our oceans and coastline of oil spills.

**(e)** This Bill is contrary to the National Party's Blueprint for a Better Environment, which addresses sustainable freshwater, protection of our oceans and marine life, enhancing biodiversity, and opportunities for outdoor recreation, and is based on cohesive rules that target better environmental outcomes, achieving growth and prosperity within environmental limits.

## **5. Alternatives**

**(a)** CTA understands that cost-effective energy alternatives are already available, including renewable energy resources, with many renewable energy projects consented and ready to go. Rooftop solar and battery storage are cheaper and provide greater resilience during extreme weather events. Other alternatives include retrofits for existing buildings, agroecology, community-owned renewable energy, localized production, biomass, wind power, and new battery technologies.

**(b)** By investing in renewables, we can meet the country's growing energy demands while reducing our reliance on volatile global fossil fuel markets.

**(c)** CTA supports:

- greater investment in research and development of alternative energy sources
- subsidies for using renewable energy sources
- incentives to switch to electric and hybrid vehicles, and solar panels
- support for carbon sequestration and storage initiatives.

**(d)** Renewable electricity is now much cheaper than electricity from fossil fuels. It can also be put into use much faster than through the process of fossil fuel exploration and production.

**(e)** Distributed electricity production is more resilient than big networks. Continuity of supply can be addressed by emerging technologies.

## **6. Having a say**

**(a)** In a democracy, communities are generally enabled to influence the decisions that will impact them. Regarding this Bill, [MBIE](#) announced that: "All New Zealanders will be able to have their say on these proposed changes during the Select Committee process following the introduction of the Amendment Bill in the second half of 2024" and that "MBIE will be undertaking an engagement process to provide interested stakeholders with the information needed to meaningfully participate in the process." However, only 6 days (4 working days) have been provided for this participation, which, in CTA's view, does not enable the meaningful participation that MBIE suggests is provided for.

**(b)** We also note that the Bill includes provisions for establishing government policy statements with no public engagement process, which we consider to be contrary to good public policy practice.

## **7. Our recommendations**

In light of the well-recognised need to reduce reliance on fossil fuels, New Zealand needs to support faster development of alternative energy sources and increase our climate change actions for the benefit of future generations, our Pacific neighbours and the global population.

### **We wish to make the following recommendations:**

That the government:

**(a)** Rejects the Crown Minerals Amendment Bill in its entirety and rules out expectations for exploration and mining of fossil fuels, and minerals activity on, in or under conservation land or other sensitive environments.

**(b)** Instead of promoting petroleum exploration and production, promotes and supports sufficiency and the reduction of energy and resource consumption, as well as increased uptake of public transport use (bus, rail, ferry).

**(c)** Invests in, incentivises and supports regenerative sectors (see “Alternatives” above).

**(d)** Introduces increased taxes on emissions as a deterrent to high-emission activities.

**(e)** Investigates and addresses electricity market dominance and manipulation.

**(f)** Extends the submission period for this Bill to allow for meaningful participation in the legislative process.

**Due to the short timeframes provided for submissions on this Bill, we do not wish to be heard in support of our submission.**

Date of submission: 1 October, 2024

Signature:



Audrey van Ryn  
Secretary, Civic Trust Auckland