

## **Introduction**

### **Name:**

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### **Business name or organisation (if applicable):**

Venture Taranaki Trust

### **Position title (if applicable):**

CEO

### **Is this an individual submission or on behalf of a group or organisation?**

Behalf of group or organisation

### **Please indicate which group you most identify with or are involved in?**

### **Please specify the group that you most identify with**

### **Please indicate which type of group your submission represents.**

On behalf of "other" group/organisation

### **Please specify the group or organisation that your submission is on behalf of.**

Regional Development Agency

## **Vision**

### **Do you agree or disagree with the overall vision for the minerals and petroleum sector in New Zealand?**

Agree

### **Why?**

New Zealand has great resources and the vision confirms an ongoing role for the minerals and petroleum sector that delivers value for New Zealand.

### **What is your vision for the minerals and petroleum sector in New Zealand?**

We support the vision as suggested

### **How can New Zealand sustainably derive value from its petroleum and minerals resources?**

New Zealand's petroleum resources, particularly natural gas, are a key component of New Zealand energy security and this will continue for at least several decades. Natural gas also has a key role to play as the country decarbonises its economy – as it can replace higher emissions fuels such as coal. New Zealand also has several mineral resources – such as lithium, cobalt and vanadium - that can support clean energy technologies. We note that the vision and the question asked relate to New Zealand deriving value from its resources. While that should naturally be the focus our minerals may also be of value in a global context. The vision and document should not be inward looking – the export of mineral resources that help the globe should also be a key focus.

## **Objectives for the minerals and petroleum sector**

**Objective for a sector that: “Responsibly delivers value for New Zealand (a) Supporting a productive, sustainable and inclusive economy (b) Supporting New Zealand's transition to a carbon neutral economy”.**

Agree

**Why?**

We agree with the objective. We note that the Government has set goals of 100% renewable electricity by 2035 and of reaching net-zero carbon emissions by 2050. Natural gas is expected to be a key component of the transition to a carbon neutral economy. The continuing use of natural gas will enable New Zealand to progressively invest in renewable energy resources while also economically replacing higher emissions energy resources such as coal. We also note that the transition to a carbon neutral economy may involve capturing and storing emissions including storage of CO2 in depleted oil and gas fields. This would enable the continued use of petroleum resources without producing greenhouse gas emissions. We note that the Strategy is focused on the extraction of minerals. We suggest the Strategy should be extended to include carbon capture, use and/or storage (and potentially storage of other substances). Incorporating carbon capture, use and storage is in line with one of the proposed principles (Principle 5) which is focused on supporting a circular economy and in accordance with growing technology internationally in this area (including for food production). We also repeat our comment that the Strategy should not just be about value to New Zealand. Our mineral resources could also help global transition to a carbon neutral economy and this should be incorporated into a principle.

**Objective for a sector that: “Is productive and innovative”.**

Strongly agree

**Why?**

Being productive and innovative is a common-sense objective.

**Objective for a sector that: “Is effectively regulated”.**

Strongly agree

**Why?**

Being effectively regulated is a common-sense objective.

**Are there any other objectives for the minerals and petroleum sector that you would like us to consider in the strategy?**

As noted above we suggest that the strategy should also consider the capture, use and storage of carbon and potentially other substances. There is currently uncertainty around the regulatory environment for carbon storage – and this is one area where more effective regulation would be helpful.

**Guiding principles**

**Principle: The environment, ecosystems, and biodiversity are respected now and in the long term.**

Neither agree nor disagree

**Why?**

Our caution around supporting this principle is because there is ambiguity around just what “respected” means. We suggest some parties would likely infer “respect” as either being no extraction or being very restrictive with extraction – whereas other parties would infer it means extraction is okay with reasonable standards in place.

**Principle: Māori cultural interests are understood and respected.**

Strongly agree

**Why?**

This is in line with the principles of the Treaty of Waitangi.

**Principle: Support the transition to a carbon neutral economy by 2050.**

Strongly agree

**Why?**

The transition to a carbon neutral economy is an overarching requirement if New Zealand is to meet its international obligations. As noted above the petroleum sector, particularly natural gas, has a key role to play in this transition, while the extraction and application of various mineral resources will also support the transition.

**Principle: The impact on people, communities and regions are managed in a just and inclusive way.**

Strongly agree

**Why?**

We strongly agree that impacts should be managed in a just and inclusive way. This implies that changes are implemented by government in line with international best practice. The government should work with affected communities to put transition plans in place before major policies are changed.

**Principle: Support a circular economy by meeting resource needs through resource efficiency, recycling and reuse.**

Strongly agree

**Why?**

As noted above we suggest that “circular economy” should be recognised as including the appropriate capture, storage and potentially use of any waste products including emissions. Carbon capture and storage, in particular, is viewed by many other countries as a key component of decarbonisation. We suggest that the strategy should not just be focused on extraction of minerals, it should also recognise the placement of substances back in the ground in the minerals environment.

**Principle: Actions taken within the mineral and petroleum sector should align with the strategic direction of other related sectors and Government strategies.**

Strongly agree

**Why?**

Government strategies should be coherent and consistent.

**Do you agree or disagree with each of the following principles for the Crown?**

**Principle: The Crown honours its duty towards Māori as a Treaty partner, adheres to the Principles of the Treaty of Waitangi and its duty to meet settlement commitments.**

Strongly agree

**Why?**

This principle is in line with the Crown's responsibilities in the Treaty of Waitangi.

**Principle: The Crown receives a fair financial return for its minerals and petroleum.**

Neither agree nor disagree

**Why?**

We agree that the Crown should receive a fair financial return. However, we suggest that the communities from which minerals and petroleum resources have been and continue to be extracted should also receive a fair financial return from Crown royalties. This principle should be broadened to reflect this.

**Principle: The Crown regulates in a way that is fair, transparent, reasonable and proportionate.**

Strongly agree

**Why?**

This is a common-sense principle.

**Principle: The Crown honours the rights of current permit holders to continue production or exploration activities under existing permits.**

Strongly agree

**Why?**

If New Zealand is to be perceived as an environment of low sovereign risk it is important that existing property rights are maintained.

**Principle: The Crown makes policy decisions based on the best evidence, and accounting for the foreseeable need for minerals and petroleum, both now and for future generations.**

Strongly agree

**Why?**

This is a common-sense approach.

**Principle: The Crown proactively engages and consults with relevant stakeholders and decisions are communicated in a clear and transparent way.**

Strongly agree

**Why?**

This is a common-sense approach.

**Do you agree or disagree with each of the following principles for Industry?**

**Principle: Pursue continuous improvements in health and safety.**

Strongly agree

**Why?**

High standards of health and Safety are non-negotiable.

**Principle: Strive to implement industry best practice in operations.**

Strongly agree

**Why?**

This is a common-sense principle.

**Principle: Seek innovative ways to improve the resource efficiency of extraction operations; and minimise the negative impacts of these operations.**

Strongly agree

**Why?**

This is a common-sense principle.

**Principle: Engage with stakeholders and implement management systems to understand and manage impacts, and realise opportunities for redress where needed.**

Neither agree nor disagree

**Why?**

We agree with the intent of the principle but note there may be ambiguity about who are stakeholders and what opportunities for redress will be considered for stakeholders.

**Are there any other principles you would like us to consider in the strategy?**

As noted in our comments there are a few key issues that do not appear to be adequately addressed. 1 The Minerals and Petroleum sector is significantly export focused. The ability for New Zealand resources to be of global value, particularly in lowering emissions, should be acknowledged and addressed. 2 The opportunity for emissions (particularly, but not necessarily only carbon emissions) to be captured, stored and potentially used should be acknowledged and addressed. 3 The opportunity for communities from which minerals are extracted (and or emissions stored) to directly benefit from crown royalties should be acknowledged and addressed.

**Action areas intro**

**Action Area: Modernising the Crown Minerals Act**

Strongly agree

**Why?**

This is a common-sense action.

**What future actions would you like us to consider under this Action Area?**

The Act should also consider and address the storage and subsequent use of mineral products or emissions not just the original extraction.

**Action Area: Securing affordable resources to meet our minerals and energy needs**

Strongly agree

**Why?**

This is a common-sense action.

**What future actions would you like us to consider under this Action Area?**

We note that the consultation document mentions an aim of understanding New Zealand's resource stocks of clean-tech minerals. Lithium and cobalt are mentioned several times in the document. We suggest there should also be clear recognition of the vanadium resources in iron-sand deposits. Vanadium flow batteries are a promising technology.

**Action Area: Improving Treaty partnership**

Strongly agree

**Why?**

This is a common-sense action.

**What future actions would you like us to consider under this Action Area?**

We have no specific suggestions to make.

**Action Area: Improving stakeholder and community engagement**

Strongly agree

**Why?**

This is a common-sense action.

**What future actions would you like us to consider under this Action Area?**

We have no specific suggestions to make.

**Action Area: Improving industry compliance**

Neither agree nor disagree

**Why?**

We do not have sufficient experience to be able to comment. We would hope that compliance is already the norm.

**What future actions would you like us to consider under this Action Area?**

We have no specific suggestions to make.

**Action Area: Research and investment in better mining and resource use**

Strongly agree

**Why?**

Research and investment are key components of the development of any thriving industry.

**What future actions would you like us to consider under this Action Area?**

We note the Government investment in the National New Energy Development Centre announced in the 2019 Budget. The activities of the Centre will be relevant to the use of both mineral and petroleum resources. The opportunities surrounding carbon capture, storage and utilisation are also worthy of further research and investment. Captured and/or stored carbon may be a resource of significance. There is

development work currently underway in Australia focused on capturing carbon as high-value graphite ([www.hazergroup.com.au](http://www.hazergroup.com.au)). There is also work underway internationally exploring the utilisation of CO2 as a resource for production of artificial protein.

**Are there any other action areas you would like us to consider as part of advancing this Strategy?**

The strategy document has little specific content related to offshore mining of minerals. It is possible that New Zealand's most affordable mineral resources may be offshore. This is an issue which should be more explicitly addressed in the strategy.

**Other**

**Are there any other comments you would like to make about the “Minerals and Petroleum Strategy for Aotearoa New Zealand: 2019-2029”?**

On page 20 of the consultation document it states: “Fossil fuel use will be phased out carefully over time. This was initiated with the Crown Minerals (Petroleum) Amendment Act 2019; which put an end to the granting of new offshore oil and gas exploration permits.”

We were not aware that phasing out fossil fuel use was specified as a Government policy.

On page 22 the consultation document more cautiously notes “We will require significantly less fossil fuels, such as coal and petroleum, and will increasingly meet our needs through renewable energy.”

“Significantly less” is not the same as “phased out”. “Phasing out” fossil fuels, if based on a desire to reduce GHG emissions, assumes that emissions capture and usage is not feasible. This is a premature judgement, with new technology rapidly evolving, including for affordable food production in a world of 10 billion people. It also risks putting New Zealand through an unnecessary significant increase in energy costs and is at odds with other countries' approaches (including those with similar zero carbon goals to New Zealand).

There is inconsistency in the consultation document on this very important matter. It should be clarified.

**If you wish to, attach a document to this submission.**

**Use and release of information**

**We intend to upload submissions to our website at [www.mbie.govt.nz](http://www.mbie.govt.nz). Can we include your submission on the website?**

Yes

**Can we include your name?**

Yes

**Can we include your email address?**

Yes

**Can we include your business name or organisation?**

Yes

**Can we include your position title?**

Yes

**Can we include the group you most identify with (if submitting as an individual)?  
Can we include the group your submission represents (if submitting on behalf of a group or organisation)?**

Yes

**If there are any other parts to your submission that you do not want public on the website please note them below:**

**OIA publishing warning**

**If there is information in your submission that you wish to remain confidential, please note them below:**

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