



## BRIEFING

### Resource Strategy: Summary of Submissions Following Public Consultation and Proposed Changes

<b>Date:</b>	27 September 2019	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0994 19-20

Action sought		
	Action sought	Deadline
Hon Dr Megan Woods <b>Minister of Energy and Resources</b>	<p><b>Note</b> that feedback on the draft <i>Aotearoa New Zealand Minerals and Petroleum Strategy 2019-2029</i> (the Strategy) was broadly positive, although noting that negative responses to the vision and principle 11 'honour rights of existing permit holders' is significantly attributable to references to Petroleum.</p> <p><b>Agree</b> to changes to the vision and accompanying commentary to address concerns regarding ambiguity.</p> <p><b>Note</b> indicative list of future actions for inclusion in the Strategy in Annex Two.</p>	30 September 2019

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andy McLoughlin	Acting Manager, Resource Markets Policy	Privacy of natural persons	✓
Erwin Ricketts	Senior Policy Advisor		

The following departments/agencies have been consulted
None to date.

Minister's office to complete:

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

Comments



# BRIEFING

## Resource Strategy: Summary of Submissions Following Public Consultation and Proposed Changes

<b>Date:</b>	27 September 2019	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0994 19-20

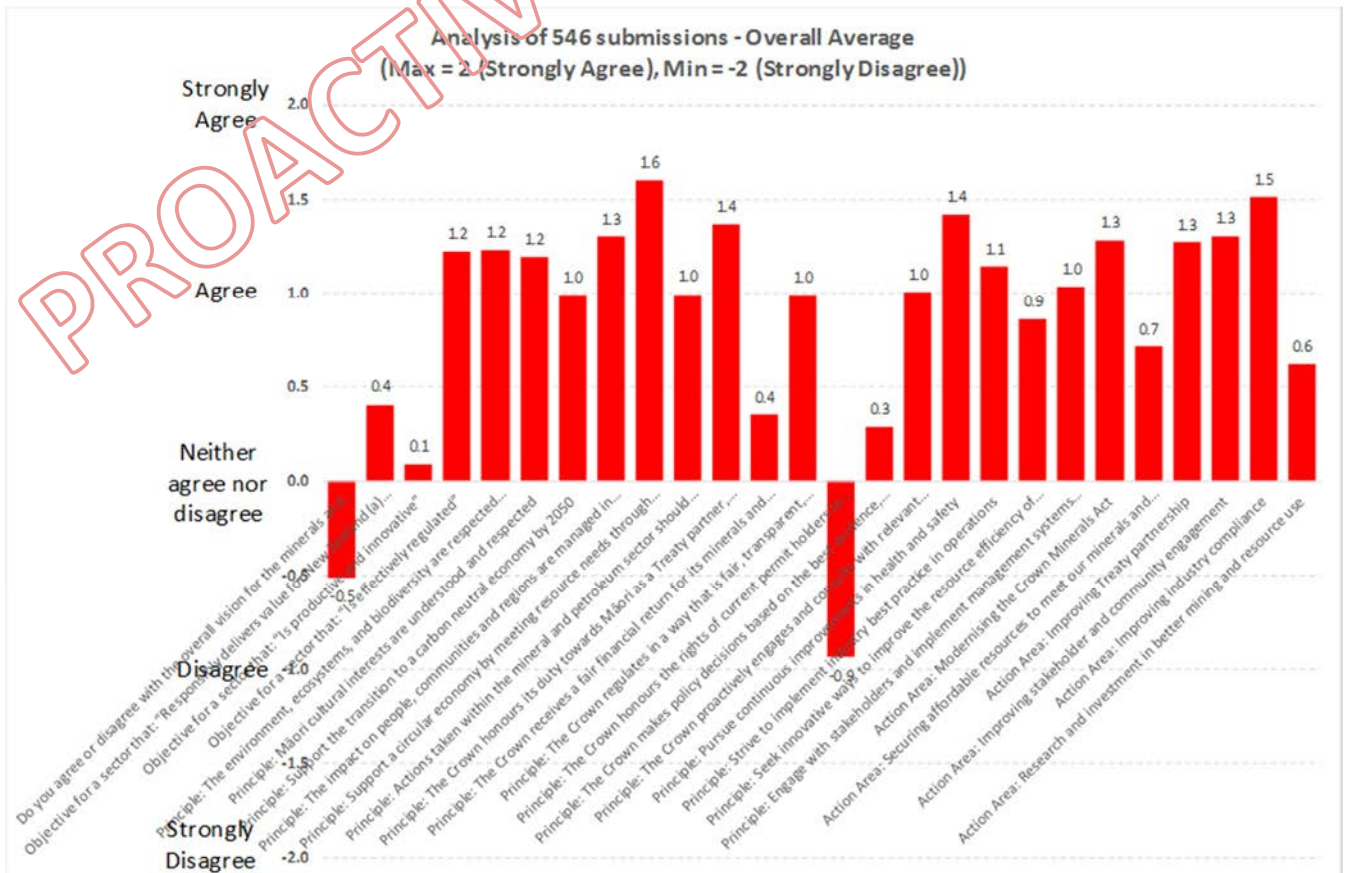
### Purpose

This briefing provides an overview of the submissions received through public consultation on the draft *Aotearoa New Zealand Minerals and Petroleum Strategy 2019-2029* (the Strategy); proposed changes in response to submissions, and a list of future actions for inclusion in the Strategy.

### Executive summary

Public consultation on the Aotearoa New Zealand Minerals and Petroleum Strategy 2019-2029 (the Strategy) ran from 27 August and closed on 20 September. We received 546 submissions. Of these submissions, we received: 9 from iwi, 6 from research institutes, 94 from individuals or groups who classified as “Environment” or Non-Government Organisations, and 32 submissions from the minerals and oil and gas sector.

Overall, the Strategy was positively received (see the graph below).



The least well received parts of the Strategy were the:

- Vision “A world-leading minerals and petroleum sector that delivers value for New Zealanders, both now and in the future, in an environmentally and socially responsible way;” and
- Principle 11 - the Crown honours the rights of current permit holders to continue production or exploration activities under existing permits

It should be noted however that even though these elements did not receive as high a score as the other elements, these are not necessarily bad results. Scores range from 2 (strongly agree) to -2 (strongly disagree); and neither the vision nor principle 11 received an average score of greater than -1 (disagree).

The poor reception of the vision and principle 11 is mostly attributable to submitters’ views of petroleum. We do not propose any changes to this principle at this stage

### Key themes across the submissions

A series of key themes came out of the submissions including:

- Environmental groups resisted the inclusion of Petroleum in the Strategy – this is particularly relevant to the vision and principle 11.
- All groups raise the desire for the Government to do more to advance recycling and the circular economy
- Industry groups were negative about the treatment of No New Mines on Conservation Land in the Strategy;
- Industry groups were concerned about the sequencing of the Strategy and review of the Crown Minerals Act 1991; and
- Industry groups were concerned about the cumulative impact of Government changes on actors in the economy.

### Proposed changes to the Vision Statement

We have proposed changes to the current vision in response to several submissions from iwi, environmental and industry groups querying the definition of the terms ‘world-leading’, ‘value’, and ‘socially and environmentally responsible’.

<b>Current vision</b>	A world-leading minerals and petroleum sector that delivers value for New Zealanders, both now and in the future, in an environmentally and socially responsible way.
<b>Proposed new vision</b>	A world-leading environmentally and socially responsible minerals and petroleum sector that delivers <u>affordable and secure resources</u> , for the <u>benefit</u> of current and future New Zealanders.

To further clarify the key terms of the Vision statement, we have also proposed to include additional commentary to follow the vision statement in the Strategy defining the terms: world leading, environmentally and socially responsible, affordable and secure, and benefit of current and future New Zealanders.

Note that these proposed changes are clarifications; they do not substantially change the vision. Accordingly, these changes will not address the concerns of a significant portion of submitters who disagreed with the vision on the grounds that it included petroleum.

## Future Actions

In the current draft version of the Strategy, we note that future actions will be informed by public consultation. Now that public consultation is closed, we have compiled a list of future actions for inclusion under the Action Areas of the Strategy (see Annex Two).

This list currently contains only the actions that will be progressed by MBIE. Ahead of the final publication of the Strategy, we will compile other relevant future actions that will be taken by other Government departments. We further note that the list of future actions published in the Strategy is non-exhaustive and that we will continue to review possible future actions (both ones that can be taken internally by MBIE and those actions suggested by submitters) to advance the intent of the Strategy.

As stated, the full list of actions as they currently stand is included in Annex Two. The text of these actions is still being finalised.

## Timeline and next steps

Action	Timing
Ministerial and departmental consultation period	30 September to 8 October
Final Strategy reflecting ministerial and departmental comments sent to your Office	11 October 2019
Lodge Cabinet Paper	16 October 2019
DEV Cabinet Committee	23 October 2019
Cabinet approval	4 November 2019
Public release of the final Strategy	6 November 2019

## Attached annexes

Several annexes are attached to this briefing, they cover:

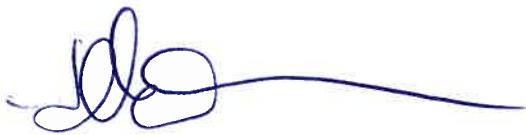
- **Annex One: List of proposed minor changes** – these are changes proposed to the draft Strategy that are minor in nature and centre on readability and accuracy of information communicated.
- **Annex Two: Proposed Future Actions** – a list of future actions compiled by MBIE for inclusion in the published Strategy. Note this text is still in development, and the final future actions will also include actions compiled from other departments.
- **Annex Three: summary of submissions on the draft Resource Strategy (27 August 2019 – 20 September 2019)** – summaries submissions based on the elements of the Strategy (i.e. vision, objectives, principles etc).
- **Annex Four: Summary of submissions via submitter group** – this annex provides a table of the high level view of each group on the different parts of the Strategy (i.e. environmental views on the vision, principles, etc).

## Recommended action

---

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that we received 546 submission on the draft Aotearoa New Zealand Minerals and Petroleum Strategy 2019-2029 (the Strategy). *Noted*
- b **Note** that submissions on the Strategy were positive, apart from the vision and Principle 11 - the Crown honours the rights of current permit holders to continue production or exploration activities under existing permits which received negative responses mostly due to the reference to petroleum. *Noted*
- c **Agree** to the proposed changes to the vision "A world-leading environmentally and socially responsible minerals and petroleum sector that delivers affordable and secure resources, for the benefit of current and future New Zealanders" and additional commentary to be included in the final version. *Agree / Disagree*
- d **Note** the proposed minor changes to the Strategy in Annex One. *Noted*
- e **Note** the current list of future actions in Annex Two, and that we will compile further actions from other departments ahead of publishing the Strategy. *Noted*
- f **Note** that you will receive a final version of the Strategy on 11 October 2019 which will incorporate Ministerial and departmental feedback. *Noted*
- g **Note** the opportunity to discuss further changes to the Strategy at the meeting with MBIE officials on Monday, 30 September 2019. *Noted*
- h **Agree** to forward this briefing to your Ministerial colleagues. *Agree / Disagree*



Andy McLoughlin  
**Acting Manager, Resource Markets Policy**  
Building, Resources and Markets, MBIE

27/9/2019  
..... / ..... / .....

Hon Dr Megan Woods  
**Minister of Energy and Resources**

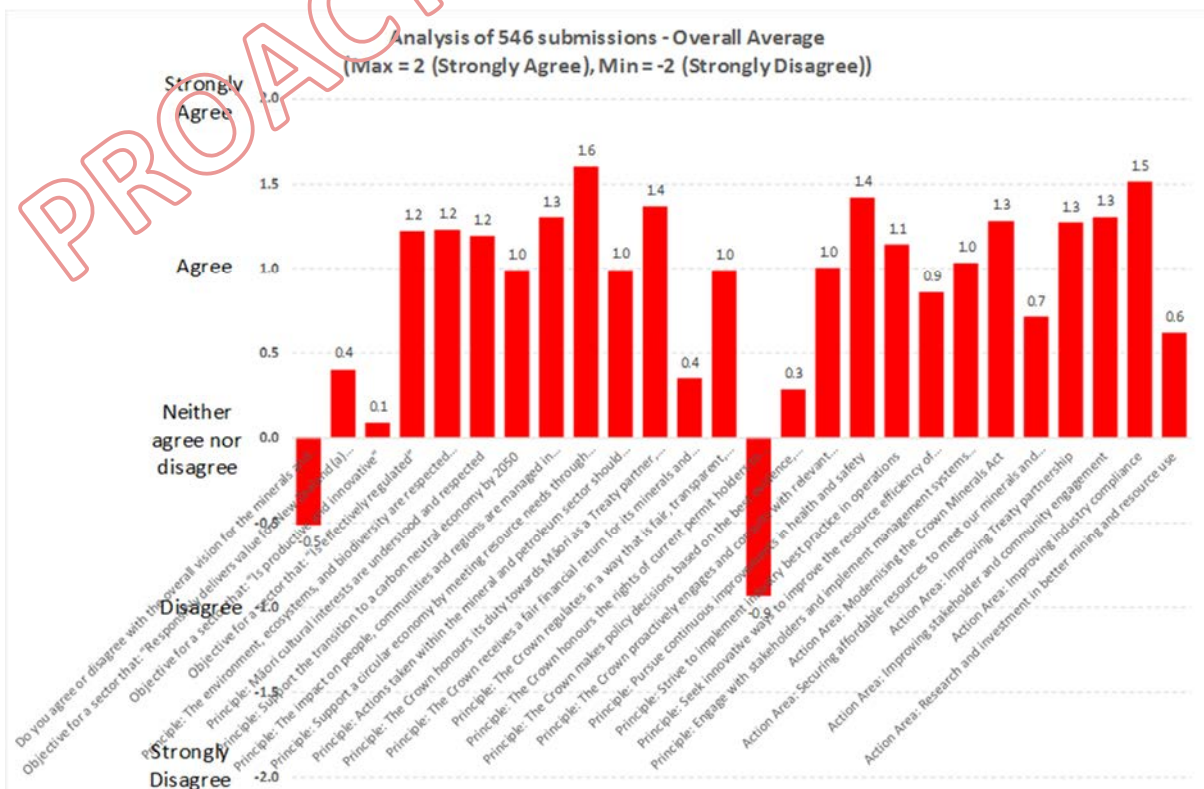
..... / ..... / .....

## Background

1. The Mineral and Petroleum Resource Strategy for Aotearoa New Zealand: 2019-2029 (the Strategy) will set the Government's long term vision for the minerals and petroleum sector. It is a ten year strategy (2019-2029) that will build a sector supporting the transition to a low carbon and productive, sustainable and inclusive economy. This Strategy will underpin the Tranche Two review of the Crown Minerals Act 1991 (CMA), and will guide future Government policy affecting the sector.
2. In January 2019, we provided you with the first draft overview of the Strategy [2145 18-19 refers]. On 28 February, you agreed to a collaborative co-design approach to the development of the Strategy [2147 18-19 refers]. On 13 June, we sought your agreement to circulate an early draft for comment with key stakeholders. Changes were made in response to those comments, and following agency and Ministerial consultation, the current version of the Strategy was released for public consultation [DEV-19-MIN-0220].

## Overview of Submissions

3. Public consultation opened on 27 August and closed on 20 September. We received a total of 546 submissions. Of these submissions, we received: 9 from iwi, 6 from research institutes, 94 groups who classified as "Environment" or Non-Government Organisations, and 32 submissions from the minerals and oil and gas sector.
4. Overall, the Strategy was positively received (see the graph below). These results were generated from averaging the responses to the online submissions. Submitters could score an element either a 2 for strongly agree, 1 for agree, 0 for neither agree nor disagree, -1 for disagree and -2 for strongly disagree.
5. Even the vision and principle 11, which received the worst responses still did not average out to a score of disagree (-1.0). More commentary on these points is provided below.



6. Submissions analysis on each of the elements of the Strategy is provided in Annex Three. A summary of submissions organised by submitter group is provided in Annex Four.

## Vision

7. Relative to the other elements, the vision did not receive a positive rating. However, it should be noted that the average response to the vision of -0.5 is not too bad considering a score of -1.0 is a disagree. The graph below shows the average rating for the vision by group.



8. Submitters who identified as Environment and Non-Government Organisations were least supportive of the vision. A significant reason for disagreement can be attributed to the inclusion of petroleum in the vision statement. Negative comments included:
- The continuing extraction of petroleum is not environmentally or socially responsible, nor is it sustainable;
  - No emphasis on renewables, or the climate emergency.
  - The term 'world-leading' was objected to because we should not be world-leading in the extraction of petroleum, or minerals, but should be transitioning away from it. Others objected to it because they considered it to be un-realistic.
9. A number of these submitters stated that there should be a separate vision for petroleum and minerals while others specifically mention that they would support the vision if it was for minerals only.
10. Iwi were the most supportive of the vision, followed by the minerals and the oil and gas sectors. These groups were very positive about the inclusion of 'environmentally and socially responsible' in the vision.
11. A common theme that reached across all groups was that the vision was ambiguous and that key terms such as 'environmental and social responsibility' and 'value' should be defined. We have proposed edits to address these ambiguity concerns – see paragraph 31 of this report.

## Principle 11 - the Crown honours the rights of current permit holders to continue production or exploration activities under existing permits

12. This principle had the least agreement of any principle with approximately 70% either disagreeing or strongly disagreeing with the principle.



13. The minerals and oil and gas sector were most supportive of this principle, with emphasis on the significant investment made by current permit holders into their projects. A couple of submitters mentioned they wanted the principle to be clear that this also included subsequent rights.
14. Individuals and groups whom classified themselves as Environment and Non-Government Organisations disagree the most with this principle. Primarily, submitters were concerned regarding the climate change implications, sustainability and the net-zero carbon by 2050 target.
15. Regarding current permits, these responses ranged from: permits should be reviewed in line with climate change (particularly the Net Zero Carbon Bill), permits should be renegotiated and fossil fuel production with permit holders phased down, through to those that demanded that permits were revoked immediately, with no compensation. Te Runanga o Ngati Kea/Ngati Tuara suggested that the principle be completely replaced with the following: The Crown should reserve the right to amend and cancel permits as fits environmental and legal circumstances such as climate change and evolving Treaty principles.
16. Some also submitted that the petroleum companies should be paying compensation for the effects of their products. Overall, these submissions reflected a desire to end petroleum exploration and production as swiftly as possible.
17. We do not propose any changes to this principle as it is consistent with Government actions to date.



## Key themes from the submissions

---

18. The following key themes were raised across many of the submissions. We have noted within the headings which groups these themes are mostly attributable to.
19. If you wish to make any changes to the narrative within the Strategy to accommodate these themes, we will engage with your office to give effect to them.

### Environmental Groups - Resistance to the inclusion of Petroleum in the Strategy – Vision and Principle 11

20. A majority of the submitters from Environment groups and the general public provided negative responses to petroleum throughout the Strategy. This anti-petroleum sentiment substantially explains the negative responses to the vision and *Principle 11 - the Crown honours the rights of current permit holders to continue production or exploration activities under existing permits* as discussed above. Many submissions stated that petroleum should be phased out completely rather than encouraged through the vision.

### All Groups - More focus on recycling and the circular economy

21. There was strong support for recycling and the circular economy across all submission groups including iwi, environmental, industry and individual members of the public. Many of the environmental groups wanted the Strategy to place more emphasis on creating a circular economy (rather than extracting new resources to meet our needs).
22. Many industry groups noted that Government has a significant role to play in incentivising the shift to a circular economy and wanted to see more action in that respect. For example, the Aggregate and Quarrying Association (AQA), suggested that a cost/benefit analysis for recycling and re-use of construction waste needs to be conducted by Government, in consultation with industry. This analysis would inform the types of incentives, and/or penalties, needed to achieve positive outcomes from the principle of a circular economy.

### Industry groups - Resistance to 'No New Mines on Conservation Land' in the Strategy

23. Many industry groups, e.g. Straterra and PEPANZ, submitted that the No New Mines on Conservation Land policy should not be in the Strategy because the policy is still uncertain and a public consultation paper is yet to be issued on this and that it is unlikely to be issued before the final Resource Strategy is published.
24. Some submitters went further and raised an issue with the objective of the policy which is to ensure that mining is done in the right place in the right way. Straterra suggest that the current regulatory regime (such as the CMA and the Resource Management Act 1991) already ensure that mining occurs in the right places and in the right ways. Submitters also noted that mining can only occur where the minerals exist and excessive limitations on available land to carry out mining operations will significantly inhibit the minerals industry's ability to deliver on the proposed vision of the Strategy.

### Industry Groups - Sequencing of the Strategy and review of the Crown Minerals Act 1991

25. Several industry groups raised concerns that the *Crown Minerals Act 1991 Review Tranche Two – Terms of Reference* had already been agreed in advance of the final release of the Strategy. In their view, this raises questions regarding how much influence the Strategy will have over the CMA review.
26. While it is not appropriate to include this messaging in the Strategy, it is still the case that the Strategy informs the review given the CMA discussion document, which is wide in scope, is still being developed. Furthermore, the terms of reference were non-exhaustive, and do not contain anything at odds with the Strategy (as it currently stands).

## Industry Groups - Cumulative impact of Government changes on sectors in the economy

27. Bathurst Resources Limited provided a submission highlighting the range of regulatory changes which will impact them including:
- a. Climate Change Response (Zero Carbon) Bill
  - b. Proposed National Policy Statement on Indigenous Biodiversity
  - c. Proposed changes to the Resource Management Act
  - d. DOC's Te Koiroa o te Koiroa August 2019
  - e. Draft National Policy Statement for Freshwater Management
  - f. Proposed National Environmental Standards for Freshwater
  - g. No new mines on conservation land policy
  - h. Proposed National Policy Statement on Highly Productive Land
28. They contend that these initiatives together "will act to prevent almost all productive economic activity outside of urban areas and except perhaps on already heavily modified rural areas." Given this, they suggest that there is little point in developing a Strategy if the land needed to source the minerals and petroleum is unavailable.
29. Contrary to this position, the number of policy changes currently being developed by Government underscores the importance of a Strategy. In the absence of a Strategy, it is more difficult for different parts of Government to account for the interests of the minerals and petroleum sector when developing policies. With a Strategy, the Government's vision for the sector is clear and this helps to inform the development of individual policies across Government.

## Proposed changes to the Strategy

30. At this stage, we are only proposing changes to the Vision statement, and some minor changes throughout the document. A full list of proposed minor changes can be found in Annex One. These changes address feedback regarding the clarity of phrasing, or where new information is available. If you have concerns over any of the proposed changes, we will engage with your office to address any concerns.

## Proposed changes to the Vision Statement

31. We have proposed changes to the current vision in response to several submissions from iwi, environmental and industry groups querying the definition of the terms 'world-leading', 'value', and 'socially and environmentally responsible'.

<b>Current vision</b>	A world-leading minerals and petroleum sector that delivers value for New Zealanders, both now and in the future, in an environmentally and socially responsible way.
<b>Proposed new vision</b>	A world-leading environmentally and socially responsible minerals and petroleum sector that delivers <b>affordable and secure resources</b> , for the <b>benefit</b> of current and future New Zealanders.
<b>Proposed New commentary</b>	<b>World-leading</b> - We want to support practices that effectively deliver the resources we need in a way that respects the environment, iwi/hapu and the communities involved. The world should be able to look to New Zealand for an exemplar of good regulation and industry practice. While ambitious, we already have a head start in the strong culture of responsibility that exists across industry. Through partnership between iwi, industry,

communities and Government, we can extend this head start towards a future where we lead the world in the way we develop resources.

**Environmental and social responsibility** - Minerals and petroleum development can have significant impacts on the local environment and communities. Environmental and social responsibility is about avoiding, mitigating and remedying negative impacts and maximising positive impacts during all steps of development.

- Environmental responsibility includes: minimising waste, pollution and carbon emissions; efficiently using inputs such as water and energy; seeking positive environmental outcomes; and rehabilitating the land during operations and once operations cease.
- Social responsibility includes active engagement between operators and iwi/hapu and the wider community to ensure community and cultural interests are respected.

Desirable outcomes are about creating opportunities to benefit the environment and communities. This can include harnessing the funds and resources that mining can bring to enhance environmental understanding, advance pest control and providing employment opportunities and social amenities specifically to local iwi and communities.

**Affordable and secure resources** - The economy in its current state requires mineral inputs (such as aggregate for roading) and petroleum (such as gas for energy) to function. We need a sector that can deliver these resources in a way that is affordable and secure. Resources need to be affordable so that everyone can benefit from them. Our supply of these resources also needs to be secure so that users can have the confidence that they can source resources when they are needed.

**For the benefit of current and future New Zealanders** - Our mineral and petroleum sector need to produce benefits for all New Zealanders including Māori. Benefit does not simply mean economic – the use of mineral and petroleum resources needs to be balanced across all dimensions of wellbeing which includes social and environmental considerations as well. Furthermore, we need to approach “benefit” with an intergenerational lens – to create equity across generations, we also need to provide for the needs of future New Zealanders. It is unsustainable and inequitable for us to meet our own needs at the expense of future generations.

37. Replacing ‘value’ with the terms ‘secure and affordable’ more directly defines what we initially intended by the term ‘value’. When read together with environmental responsibility which is mentioned earlier, the vision effectively replicates the energy trilemma (affordable, secure, and sustainable). By referring specifically to secure and affordable resources in the vision, this may alleviate concerns (such as those raised by Enerlytica) that the Strategy skews too strongly in favour of sustainability.
38. To address further comments seeking definitions of environmental and social responsibility, as well as a definition of world leading, we propose to include the above commentary which defines the core elements of the vision. The proposed commentary on ‘world leading’ addresses some of the comments received from industry that they are already taking actions to advance environmental and social responsibility. This commentary is proposed to follow immediately after the ‘Our Vision’ statement on page 22.
39. Note that these proposed changes are clarifications; they do not substantially change the vision. Accordingly, these changes will not address the concerns of a significant portion of submitters who disagreed with the vision on the grounds that it included petroleum.

## Future Actions

---

40. In the current draft version of the Strategy, we note that future actions will be informed by public consultation. Now that public consultation is closed, we have compiled a list of future actions for inclusion under the Action Areas of the Strategy (see Annex Two).
41. This list currently contains only the actions that will be progressed by MBIE. Ahead of the final publication of the Strategy, we will compile other relevant future actions that will be taken by other Government departments.
42. In respect to the suggested future actions received through submissions, some suggested actions (such as a request for the Government to provide more planning around aggregate supply) have already been incorporated into the current list. We will be unable to assess the feasibility of all submitted future actions however before the Strategy is published. Some submissions, such as the one provided by GNS Science, provided an extensive list that we need to consider carefully.
43. Given the Strategy is a living document, the published Strategy will not necessarily detail all the future actions because these actions are in development. Accordingly, we are not aiming to have all future actions assessed before it is published – we will report back to you on any future actions that prove feasible. We will however include a narrative in the Strategy to ensure that stakeholders understand that the list of future actions in the published Strategy is non-exhaustive and that the absence of an action in the published Strategy does not mean that it will not be progressed.
44. As stated, the full list of actions as they currently stand is included in Annex Two. The text of these actions is still being finalised.

## Next steps and timeline for the development of the Strategy

---

45. A timeline of the process is noted below.

Action	Timing
Ministerial and departmental consultation period	30 September to 8 October
Final Strategy reflecting ministerial and departmental comments sent to your Office	11 October 2019
Lodge Cabinet Paper	16 October 2019
DEV Cabinet Committee	23 October 2019
Cabinet approval	4 November 2019
Public release of the final Strategy	6 November 2019

46. Note on 11 October, you will receive a final version of the Strategy which will include all design elements such as images and diagrams. This version will also include the future actions compiled from other Government departments.

## **Annexes**

---

Annex One: List of proposed minor changes

Annex Two: Proposed Future Actions

Annex Three: Summary of submissions on the draft Resource Strategy (27 August 2019 – 20 September 2019)

Annex Four: Summary of submissions via submitter group

PROACTIVELY RELEASED

## Annex One: List of proposed minor changes

Below is a list of the minor changes we are proposing to the Strategy.

	Location in the Strategy	Original text	New Text	Why the change was made
1	Pages 10 and 24.	Principles to guide everyone (including the Crown and industry):	Principles to guide everyone:	Feedback noted that it was unclear why the Crown and industry were being singled out. Accordingly, reference to Crown and industry has been removed.
2	Page 22	Supporting New Zealand's the transition to a low emissions economy. The minerals sector has a significant role to play in providing the minerals necessary to build low emission technologies such as batteries and wind turbines	Supporting New Zealand's transition to a low emissions economy. The minerals sector has a significant role to play in providing the minerals necessary to build low emission technologies such as batteries and wind turbines. <u>As economies around the globe begin transitioning, we need to be alert to opportunities to support this global transition through export of our minerals.</u>	Feedback from key industry stakeholders noted that the narrative around export opportunities for New Zealand minerals could be strengthened.
3	Page 23	2. Is productive and innovative. A productive and innovative minerals and petroleum sector is key to getting the most value out of our resources. Competition within the sector drives efficiency, and innovation drives productivity through high-value applications, and efficient operating processes.	2. Is productive and innovative. A productive and innovative minerals and petroleum sector is key to getting the most value out of our resources. Competition within the sector drives efficiency, and innovation drives productivity through high-value applications, and efficient operating processes. <u>Innovation also involves seeking out new markets for our minerals and leveraging our international clean and green image to maximise the value we derive from the trade of our minerals.</u>	Feedback from key industry stakeholders noted that the narrative around export opportunities for New Zealand minerals could be strengthened.
4	Page 11	<b>(8) Coking Coal and Ironsands</b> Steel is used in many things such as railroads, bridges and buildings. To create steel, you need carbon and iron. Both things New Zealand has in the form of ironsands and high quality coking coal. There is currently no commercially viable alternative to making new steel at scale without coal.	<b>(8) Steel</b> New Zealand produces approximately 460,000 tonnes of steel annually using locally sourced coal, ironsand and limestone. Steel is integral in the development of new infrastructure such as railroads, bridges and buildings. There is currently no commercially viable alternative to make new steel at scale without coal.	To improve the readability of this section.
5	Page 11	-	Add to the infographic " The average new house contains 2.7 tonnes of steel in the form of roofing and structural reinforcement"	We recently obtained this figure and thought it would be useful to demonstrate how much steel was used in the average new home.
6	Page 4	-	Add to the infographic: "220 Kilograms - The amount of steel products on average that each New Zealander consumes per annum. Steel is also integral in the development of key infrastructure projects including; transportation, energy generation and energy distribution."	NZ Steel suggested we include facts on steel in the Strategy to emphasise that Steel was important to meet our infrastructure requirements.
7	Page 4	7.6 TONNES [the amount of aggregate consumed by New Zealanders]	8.6 TONNES [the amount of aggregate consumed by New Zealanders]	Feedback noted that this was an old figure; It has been changed to the most up to date figure.
8	Page 5	"This Strategy is a first step towards transitioning our minerals and petroleum sector to a more socially and environmentally responsible sector that better supports our future".	Remove text.	Industry submitters commented that the Strategy did not recognise their current efforts to advance social and environmental responsibility. Removing this text shifts the focus towards constant improvement – rather than implying that we are starting from a position of low social and environmental responsibility.
9	Page 5	"We need coking coal to make the steel necessary to build our cities, but we should start to investigate alternative methods of steel production to lessen environmental impacts".	Remove "coking"	New Zealand Steel pointed out that they also use non-coking coal in their steel making.
10	Page 11	Windows require silica sand, concrete requires pumice, limestone is a key component in the production of cement and bricks need clay.	"Glass requires silica sand, concrete requires aggregate, and limestone is a key component in the production of cement. Current research is looking at pumice and diatomite to reduce the carbon intensity of cement. Clay is required for the manufacture of brick and porcelain. "	Changed as current concrete manufacturing does not require pumice. Pumice is one option being investigated along with diatomite to reduce carbon intensity in cement manufacture.
11	Page 12	"Gas plays an important supporting role to our renewable electricity system, especially when hydro lakes are low"	"Gas has an important role to play in meeting our energy security needs, by supporting our renewable electricity system and ensuring that our electricity prices remain affordable".	Industry in particular submitted that more emphasis should be placed on the importance of gas for energy security in the Strategy.
12	Page 13	Since its discovery in 1969, it has played a huge role in New Zealand. Most of it lies in offshore Taranaki. Over the last decade, oil and gas have generated more than \$3.5 billion in royalties for the Crown. We currently have	"In 2018, New Zealand produced approximately 11 million barrels of oil and 184 petajoules of gas. Over the last decade, oil and gas has generated more than \$3.5 billion in royalties and Energy Resource Levies for the Crown. The Maari, Pohokura, Maui and Kupe fields make up over half of New Zealand's oil/condensate production. Natural gas	This section was rewritten to correct an inaccuracy and align more with the structure of the sections on minerals.

		27 fields producing in New Zealand. In 2018, New Zealand produced approximately 11 million barrels of oil. In 2018, New Zealand produced 184.41PJ of gas. This is enough gas to power approximately 3.5 million homes for a year.	is only supplied to a domestic market from wells which may also produce oil. The gas produced is enough to provide power for approximately 3.5 million homes for a year. As per natural petroleum field lifecycles, production of all hydrocarbons in New Zealand is declining."	
13	Page 16	"prohibits land access for listed conservation land"	"prohibits land access to listed conservation land for all but specifically exempted activities".	Wasn't entirely accurate as written, Section 61 of the CMA provides the limited activities that can occur on Schedule 4 land.
14	Page 15	-	Include the following under Natural Capital: "New Zealand Emissions Trading Scheme (ETS) Emissions are priced and managed in New Zealand through the ETS, which is the Government's main tool for meeting domestic and international climate change targets."	A submitter suggested including the ETS to show that emissions are priced and managed in New Zealand.
15	Page 16	"Other Appraisals" "Other approvals may be needed depending on the proposed activities:"	"Other Approvals" "Other approvals may be needed depending on the proposed activities:" Remove "discharge management consent (Maritime Transport Act)".	A submitter pointed out that this wasn't correct.
16	Page 18	"any failures which may occur." "Oil and gas is then transported around the country by trucks or pipelines".	"any risk which may occur." "Oil and gas is then transported either domestically by trucks or pipelines or exported internationally by vessel."	To reflect that some petroleum is exported offshore by vessel.
17	Page 28	"New Zealand's reserves of minerals, oil and gas are valuable national assets offering unique opportunities for economic growth and securing our supply of affordable energy. However we do not have a complete understanding of our entire stock of resources. It is important that we build this knowledge base as it informs many of the choices we will confront in future. For example, understanding of the complete stock of New Zealand's resources will enable better nationwide spatial planning, so mining of available deposits can occur where it has minimal negative impact."	"New Zealand's reserves of minerals, oil and gas are valuable national assets. Many of these minerals, such as aggregates and critical minerals, such as cobalt and rare earth elements, are key to the functioning of our economy. Our reserves of minerals, oil and gas also have a role to play in securing our supply of affordable energy. "	To improve the readability of the section.
18	Page 28	"In particular, understanding New Zealand's stocks of clean-tech minerals is valuable for supporting the transition to a carbon neutral economy. Looking ahead, New Zealand's resource needs will change. We need to understand whether these needs can be met from our own resource base, can be met by recycling resources, or whether we need to provide for these needs in alternative ways."	"However, our understanding of the complete stock and nature of our resources is incomplete. It is important that we build this knowledge base as it will inform many of the choices we will confront in the future. An understanding of New Zealand's resources will enable better nationwide spatial planning, so that policy decisions are informed with the best information possible. In particular, understanding New Zealand's potential of clean-tech minerals is valuable as they are essential to support a transition to a low carbon economy. "  Looking ahead, New Zealand's resource needs will change. We need to understand whether these needs can be met from our own resource base, can be met by recycling resources, or whether we need to provide for these needs in alternative ways."	To improve the readability of the section.
19	Page 31	-	Meeting our Treaty settlement commitments MBIE is constantly working to make sure that it is meeting its Treaty settlement commitments. Within MBIE, there is an Iwi Engagement Team which works with different teams in the Energy and Resource Markets branch of MBIE to ensure our Treaty Obligations and Settlement Commitments are met. We coordinate opportunities to partner with iwi to achieve shared goals.	This text was not available for inclusion in the draft Strategy; it is now ready to go in the final version.
20	Page 32	What do we aim to achieve? <ul style="list-style-type: none"> <li>Increased awareness of the value (positive and negative) that mining brings to our communities, and New Zealand as a whole.</li> <li>Our communities better understand the regulatory process governing mining.</li> <li>Trust that mining in New Zealand is occurring responsibly.</li> <li>0Better understanding of community values towards the development of our minerals and petroleum resources.</li> </ul>	What we aim to achieve <ul style="list-style-type: none"> <li>Increased awareness of the possible range of impacts that can result from mining (for example, environmental impacts, regional economic development opportunities, etc.).</li> <li>Our communities better understand the regulatory process governing mining and how mining development occurs.</li> <li>Trust that mining in New Zealand is occurring responsibly.</li> <li>Better understanding of community values towards the development of our mineral and petroleum resources.</li> </ul>	To improve the readability of the section.
21	Page 21	-	The Gas Act 1992 provides a key role in the regulation of the gas industry, as well as for the use and supply of gas.  Gas supply disruptions at major gas production stations in 2018 have highlighted a	A submitter suggested it would be useful to mention the Gas Act 1992 changes, in the complementary policies section.

			<p>number of issues that need to be addressed. The Government is currently finalising changes to the Gas Act 1992 to:</p> <ul style="list-style-type: none"> <li>• provide for better information disclosure requirements for the gas industry; and</li> <li>• Ensure that the Gas Act 1992's penalty regime is suitably robust and fit-for-purpose for deterring breaches of regulations.</li> </ul> <p>More information on the detail of these changes will be released in due course.</p>	
22	Page 21	-	<p>The Overseas Investment Act 2005 (OIA) acknowledges that it is a privilege for overseas persons to own or control sensitive New Zealand assets by requiring that they seek consent for certain investments. To achieve this purpose, the OIA and its Regulations contain restrictions on overseas persons acquiring interests in "significant business assets", "sensitive land" and fishing quota. The OIA and Regulations confer a broad discretion on the Overseas Investment Office (OIO) or relevant minister to grant consent, with or without conditions, or to refuse consent to an application. The OIA captures "overseas persons" – those who are not New Zealand citizens or ordinarily resident in New Zealand, companies that are incorporated outside of New Zealand or companies or other entities that are 25% (or more) owned or controlled by an overseas person or persons.</p>	<p>A submitter suggested it would be useful to include mention of the Overseas Investment Act given the impact decisions made under that Act can have on the industry (e.g. the declining of Oceana Gold (New Zealand) Ltd's application under the Overseas Investment Act to purchase 178 ha of rural land for a new tailings reservoir near Waihi in Coromandel).</p>

PROACTIVELY RELEASED



## Annex Two: Proposed Future Actions

**Note:** these future actions will slot in directly under the completed and current actions which are already included in the Strategy, and should be read in conjunction with these sections.

	<b>Future actions</b>
<b>Action Area 1: Modernising the Crown Minerals Act</b>	<ul style="list-style-type: none"> <li>• Ongoing monitoring to ensure the CMA remains fit for purpose.</li> <li>• Desktop review of international regulatory regimes.</li> <li>• Reflect the 'No New Mines on Conservation Land' objective.</li> </ul>
<b>Action Area 2: Ensuring we have the resources to meet our needs</b>	<ul style="list-style-type: none"> <li>• Update estimates of known minerals and petroleum resources (quantity and value).</li> <li>• Improve understanding of future demand and supply for aggregate</li> <li>• Develop a list of critical minerals for New Zealand.</li> </ul>
<b>Action Area 3: Improving Treaty Partnership</b>	<ul style="list-style-type: none"> <li>• Collaborate further with Māori to improve the Māori-Crown Partnership.</li> <li>• Reviewing industry engagement plans for better Treaty partnership outcomes.</li> <li>• Build iwi/hapū capability and capacity to engage with Government.</li> </ul>
<b>Action Area 4: Improving community and stakeholder engagement</b>	<ul style="list-style-type: none"> <li>• Public focused information on the positive and negative impacts of mining in New Zealand.</li> <li>• Develop web-based tools to aid engagement.</li> </ul>
<b>Action Area 5: Improving industry compliance</b>	<ul style="list-style-type: none"> <li>• Compliance road shows.</li> <li>• Improved targeting of site visits to catch non-compliance.</li> <li>• Move to online submissions of reports and data.</li> </ul>
<b>Action Area 6: Research and investment in better mining and resource use</b>	<ul style="list-style-type: none"> <li>• Developing a Research strategy.</li> <li>• Leverage resource and energy data and knowledge in new ways to unlock value</li> </ul>

## **Action Area 1: Modernising the Crown Minerals Act**

### ***Ongoing monitoring to ensure the CMA remains fit for purpose***

The Government will continue to monitor and seek feedback on the regulatory regime to ensure that it remains fit for purpose.

### ***Desktop review of international regulatory regimes***

We intend to survey regulatory regimes in other countries to identify what changes could be made to the CMA regime to better meet the needs of New Zealand.

### ***Reflect the 'No New Mines on Conservation Land' objective (ALREADY IN THE RS)***

## **Action Area 2: Ensuring we have the resources to meet our needs**

### ***Update estimates of known petroleum and mineral resources (quantity and value)***

We intend build a more complete and updated picture of the quantity, value and location of Crown-owned minerals using data supplied by current and past permit holders.

### ***Improve understanding of future demand and supply for aggregate***

Aggregate is critical to building our economy – it forms the foundation of buildings and makes up 75-90% of the material in roads and infrastructure. We want to build a stronger understanding of the potential demand and supply of aggregate in NZ to assist in the planning for aggregate to support a more productive, sustainable and inclusive economy. We intend to leverage off the model being developed by GNS on New Zealand's aggregate resource opportunity.

### ***Develop a list of critical minerals for New Zealand***

Critical minerals are mineral resources that are necessary for the functioning of the economy. Some examples of internationally recognised critical minerals include rare-earth elements and cobalt, which are used in the production of electronics and clean technologies such as batteries. These minerals are critical because the supply of these minerals may be at risk, either due to geopolitical issues, geological scarcity, or other factors.

Many countries maintain a list of critical minerals, which is a key part of building resilience within the economic system. New Zealand does not currently have such a list. However, we will work to identify which minerals are critical to the wellbeing of New Zealanders.

## **Action Area 3: Improving Treaty Partnership**

### ***Collaborate further with Māori to improve the Māori-Crown partnership***

To build the partnership between Māori and Crown, we need to foster manaakitanga (mutual respect). An important step towards true partnership centres on improving the way the Crown collaborates with Māori to develop options which will give Māori a genuine opportunity to contribute to Crown decisions on petroleum and minerals. The Crown is also looking to enhance opportunities for Māori to participate in the sector for the benefit of their communities.

Looking towards the future, we hope to explore ways to incorporate Mātauranga Māori insights into decision making and engage with iwi and hapū through regular meetings between senior decision makers, and iwi/hapū representatives. This honours the principles of Mana ki te Mana (chief to chief) and kanohi ki te kanohi (face to face).

We look forward to working with Māori to develop further options that will genuinely build partnership.

### **Reviewing industry engagement plans for better Treaty partnership outcomes**

All petroleum and Tier 1 minerals permit holders are required to provide annual reports on their engagement with iwi or hapū whose rohe includes part of the permit area, or may be directly affected by the permit. To guide their engagement, many permit holders create engagement plans which they use to guide their engagement with iwi and hapū.

These engagement plans are informed by guidelines laid out in the “Best Practice Guidelines for Engagement with Māori” hosted on the NZP&M website. This guide suggests steps such as:

- talking with iwi as early as possible
- keeping an open door policy if iwi are not initially willing to engage, and
- ensuring you are talking to the right people.

Looking ahead, MBIE will explore ways to better embed these principles in industry engagement plans. Firstly, we are exploring the possibility of providing a review service to permit holders who wish for their engagement plan to be reviewed which will help to identify whether the right iwi and hapū are being consulted, and whether there are further opportunities to maximise the value of engagement for both iwi/hapū and the permit holder.

We are also encouraging the voluntary use of engagement plans across all permit holders – not just for petroleum or Tier 1 permits. A positive relationship with a local iwi can be beneficial to a mining operation of any level.

### **Build iwi/hapū capability and capacity to engage with Government**

Effectively engaging with Government can be a resource intensive exercise costing time and resources. To effectively engage, iwi and hapū need to have members that understand the machinery of Government and how best to engage with it to advance their aims.

We are also looking at ways to provide resources to help iwi and hapū engage more effectively with the many demands that fall on them from central and local government. The possibility of workshops to further improve iwi/hapū capability to engage with Government will be explored.

### **Improving the way that Government engages with iwi**

Looking to the future, we will explore ways to better structure MBIE’s engagement with iwi on petroleum and minerals issues. Ways to improve regional outreach will be explored. We will also consider how we can structure emails, forms and contact information to improve access to MBIE when iwi wish to raise issues and queries relating to minerals and petroleum.

## **Action Area 4: Improving community and stakeholder engagement**

### **Public focused information on the positive and negative impacts of mining in New Zealand**

Mining that is undertaken in a socially and environmentally responsible way can not only deliver economic benefits but also overall improvements to both the environment and our people. We intend to make more information available to the public on not only the importance of minerals and mining in New Zealand but also mining’s environmental impacts.

More information will also be provided on the regulatory regime that underpins mining in New Zealand so that the public is aware at what point in the regime they can have their say.

### **Develop web-based tools to aid engagement**

MBIE will explore ways to improve the way we share data with our stakeholders and the public. We are looking to expand our web-based mapping tools, which visually display information and allow the public to interact with the data. Better access to information can increase understanding of the decisions we make and support engagement in the process. We will also explore ways that web tools can improve consultation and collaboration with all of our stakeholders.

## **Action Area 5: Improving industry compliance**

### **Compliance road shows**

We plan to travel around the country to meet with industry participants. These road shows will be a good opportunity to inform the industry of what is going on in the regulatory space and provide an opportunity for industry to feedback to the regulator what is going on in the sector.

### **Improved targeting of site visits to catch non-compliance.**

Site visits involve MBIE officials inspecting the operating sites of permit holders. These visits help detect non-compliant operator and signal to the wider industry that compliance with their regulatory obligations is required. We target site visits using a risk based model to target the operators most likely to be non-compliant. In the future, we hope to increase the amount of site visits we conduct and to further improve the targeting of these visits.

### **Rollout of an improved royalty audit framework.**

MBIE is committed to ensuring the Crown receives a fair financial return from the use of its Crown mineral assets for the benefit of New Zealanders. MBIE has been developing an improved royalty audit framework to help us assess permit holders to ensure they are paying the right amount of royalties to the Crown. We will soon be rolling this out and embedding it across our auditing team.

### **Move to online submissions of reports and data**

NZP&M is moving towards online submission of reports and data. We have already established the Online Permitting System which allows for permit holders to apply for and manage their permits online. In future we aim to have all reports and data submitted online.

Online submission allows us to more efficiently manage permit holder reporting requirements, including associated data and reports. NZP&M will be working to improve and streamline the Online Permitting System to simplify the process and will provide guidance to permit holders.

## **Action Area 6: Research and investment in better mining and resource use**

### **Research strategy**

The science and innovation system reaches across Government (central and local), businesses, researchers, research institutions and entrepreneurs. There is an opportunity to enhance the value of energy and minerals research throughout the value chain and close knowledge gaps across related research topics through greater coordination between specific areas of specialised expertise located across academia, Crown Research Institutes (CRIs) and industry. A greater awareness about the importance of minerals research as an

enabler of the transition to a low carbon economy and the role that minerals play in regional economies may support mineral research bids to progress through contestable science funds such as the Endeavour fund.

Attention needs to be given to maintaining an appropriate balance between fundamental and applied research across the short (5 to 10 year), medium (20 to 30 year) and long (40 to 50 year) term to allow value adding research to be built on a solid foundation of knowledge. Policy, legislation and regulation also needs to be responsive to new technology developments that may redefine what 'best practice' looks like.

To foster these opportunities, MBIE will explore the possibility of creating a Research Strategy to assist mineral related research. This Strategy will aim to:

- provide a coherent message around the value of mineral research
- coordinate and enable connections between groups to prevent overlaps, or enable connections where greater value may be realised by linked up research efforts
- direct research in a way that reinforces the Government's priorities, such as aligning research with this Strategy and the transition to a low carbon economy.
- Build and maintain links across the sector and the wider national and international research and innovation community.
- Be responsive to changes in technology, e.g. secondary processing, to ensure regulation is a responsible enabler to changes in the resources sector.

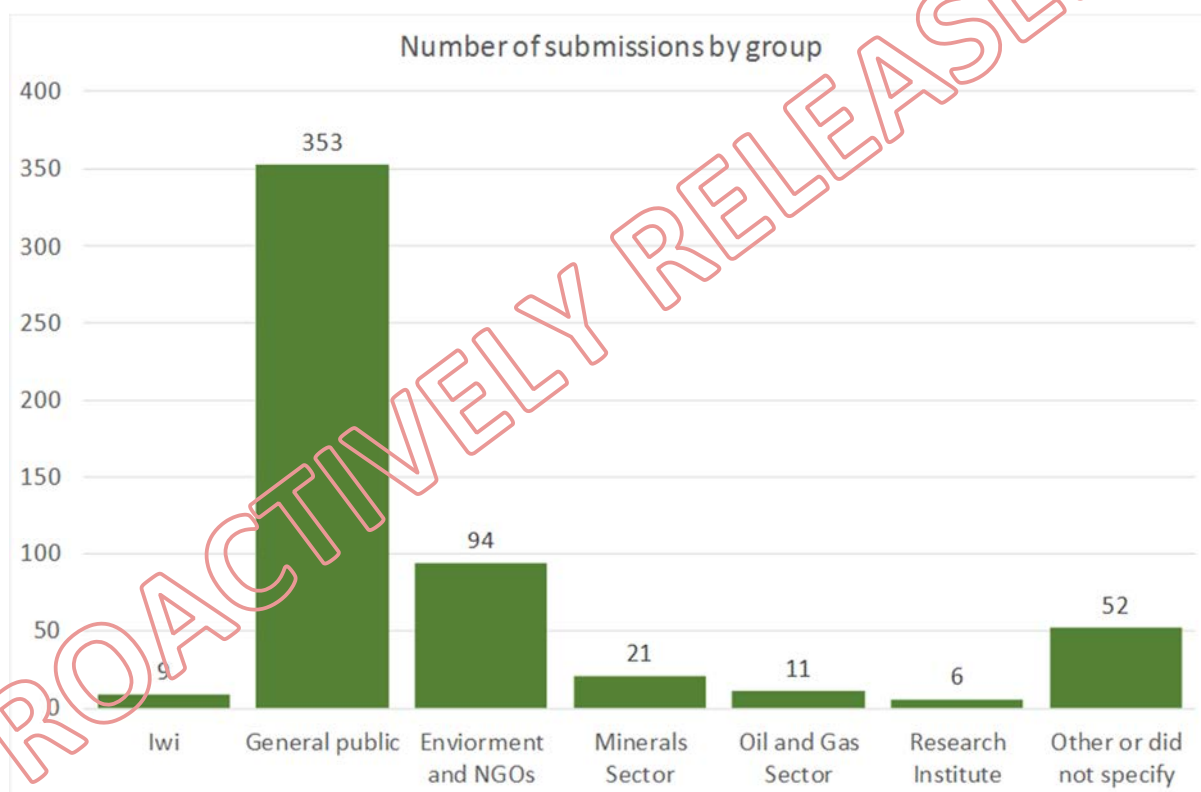
#### **Leverage resource and energy data and knowledge in new ways to unlock value**

MBIE holds decade's worth of resource and energy and technical data including seismic data, core samples and reports. This information is fundamental to understanding our petroleum, mineral and energy potential, beyond traditional uses directly in exploration. Innovative and collaborative reuse of our technical data with new analytical approaches (e.g. machine learning) is needed to underpin a just transition towards a carbon neutral economy, including future discovery of critical metals, new energy sources and secondary resource streams from existing operations.

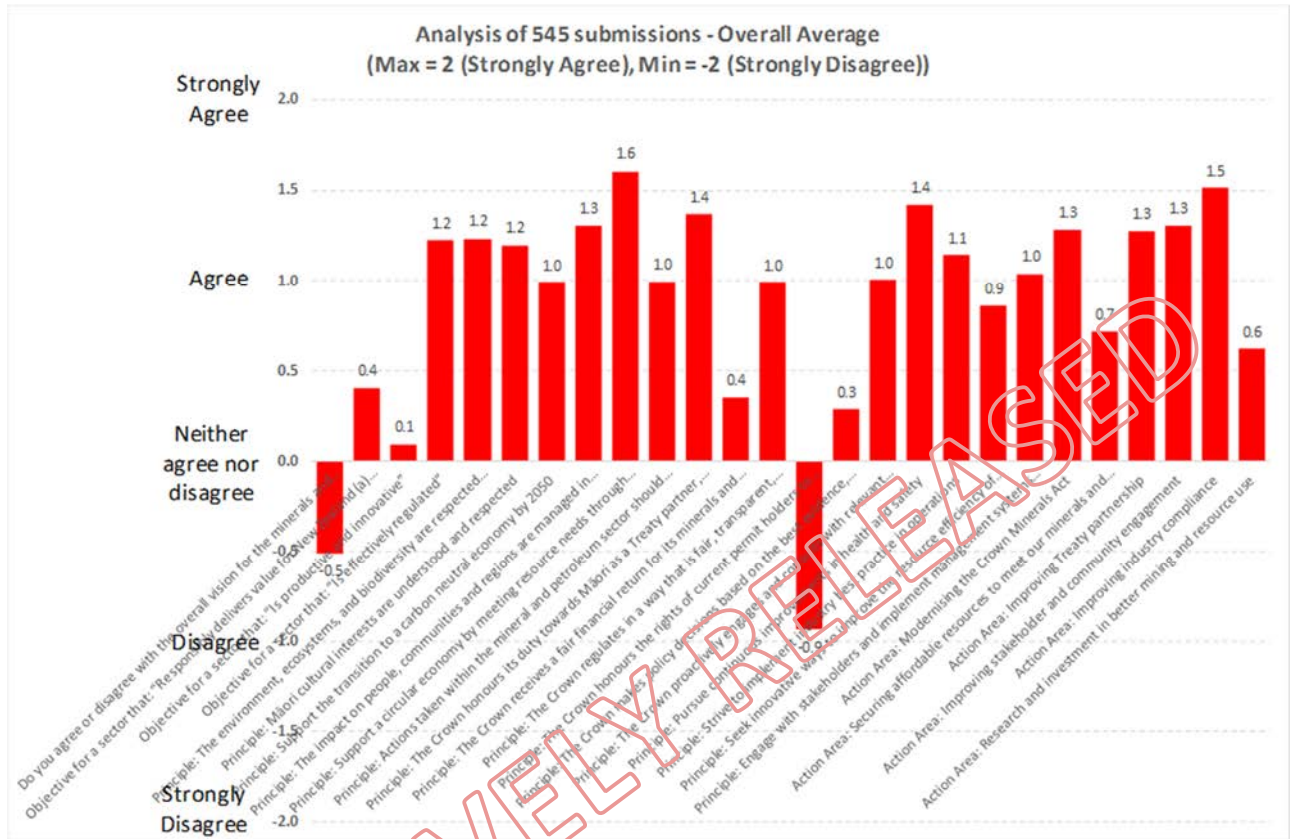
We will look to streamline the flow of data, analytics and knowledge between MBIE, other agencies, mana whenua, industry, the innovation sector and the rest of New Zealand to enable all New Zealanders to make informed decisions about our resources and energy. Improved access to our data will also enable it to be used in scientific, environmental and engineering applications. For example, the data has uses in seismic hazard modelling, ground water management, climate studies and offshore engineering projects such as tidal energy, undersea cable routing and offshore wind energy.

## Annex Three – summary of submissions on the draft Resource Strategy (27 August 2019 – 20 September 2019)

1. A total of 546 submissions were received on the draft Resource Strategy.
2. The graph below shows that the majority of submitters were made by individual members of the general public (353 submissions, 65%).
3. 9 submissions were received from iwi, 32 submissions were received from the minerals and oil and gas sectors and 6 from research institutes. 94 submissions were received from those who identified themselves as Environment or Non-Government Organisations, nearly three times the amount of industry submissions.



4. The graph on page 21 shows the overall results from the submissions. Each submitter who completed the online form was asked about whether they agree or disagree with each of the key components of the Resource Strategy (i.e. vision, objectives, principles and action areas). We scored 2 for strongly agree, 1 for agree, 0 for neither agree nor disagree, -1 for disagree and -2 for strongly disagree.

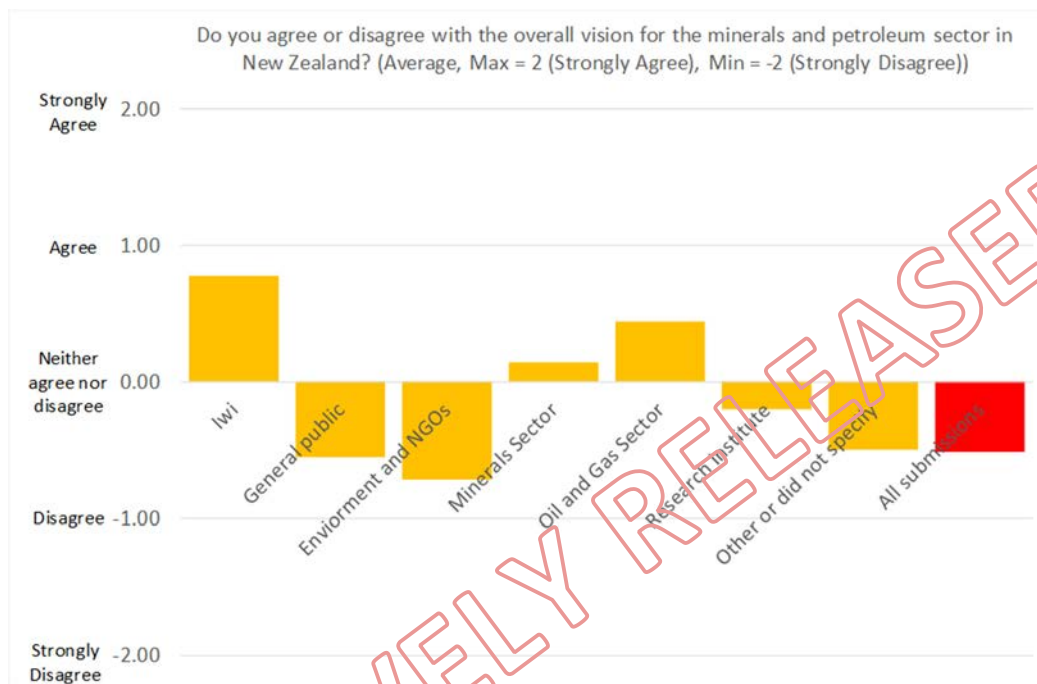


5. Overall the results were positive. 24 out of 26 components of the Resource Strategy scored positively with only two components scoring negative on average.
6. The two components which scored negatively were the *vision* and the *principle of the Crown honouring the rights of current permit holders to continue production or exploration activities under existing permits*.
7. While the vision scored negatively it was not strongly negative, it still scored between neither agree nor disagree and disagree.
8. The highest scored components of the Resource Strategy on average were:
  - Principle: Support a circular economy by meeting resource needs through resource efficiency, recycling and reuse. **Scored 1.6.**
  - 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. **Scored 1.4.**
  - Principle: Pursue continuous improvements in health and safety. **Scored 1.4.**
9. Each broad component of the Resource Strategy is examined below.

### Vision

**"A world-leading minerals and petroleum sector that delivers value for New Zealanders, both now and in the future, in an environmentally and socially responsible way".**

10. The graph below shows the average rating for the vision by group.



### Opposition to the vision statement

11. Overall, individuals and groups who identified themselves as Environment and Non-Government Organisations were least supportive of the vision. The key reason submitters either disagreed with the vision statement, or neither agreed nor disagreed, was because they considered that continuing to extract oil and gas was not environmentally or socially responsible. Some mentioned that the emphasis should be on moving to renewables and the recycling and re-use of minerals. Many submitters referenced climate change or the climate emergency the world was facing. A number of these submitters stated that there should be a separate vision for petroleum and minerals while others specifically mentioned that they would support the vision if it was for minerals only.
12. A number of submitters who disagreed with the vision statement considered that we should be transitioning away from both the extraction of oil and gas and minerals because it was unsustainable and the sector could not be environmentally or socially responsible.
13. Some submitters also opposed or 'neither disagreed nor agreed' with the vision statement on the basis that the vision was ambiguous and further definition of the terms used was required. In particular, submitters felt that word "value" needed to be defined.
14. The term "world-leading" was also objected to by some because they considered we should not be world-leading in the extraction of petroleum, or minerals, but should be transitioning away from it. Others objected to it because they considered it to be unrealistic.



## Support for the vision statement

15. Overall, iwi were most supportive of the vision followed by the minerals and oil and gas sector. Of those who supported the vision statement, the majority emphasised that the most important element of the vision statement was “in an environmentally and socially responsible way”. Although some of these submitters felt that clarity was needed around what “environmentally and socially responsible” actually meant.
16. A majority of industry participants and research institutes who commented on the vision broadly supported it, but some, as with those who opposed, felt that “delivers value” was too vague and should be clearly articulated in the document. Some suggested incorporating the energy trilemma in the vision statement, or emphasising the importance of security and affordability of resources.
17. Some submitters emphasised the important contribution the minerals and petroleum sectors make to the overall wellbeing of New Zealanders, and that the sectors had an important role to play in the provision of essential minerals and in enabling a successful transition to a carbon neutral economy.

## Objectives

### Responsibly delivers value for New Zealand:

- a) **Supporting a productive, sustainable and inclusive economy**
- b) **Supporting New Zealand’s transition to a low emissions economy**

18. This action area generated support from 57% of submitters, with 15% neither agreeing nor disagreeing. The majority of submitters supported this objective because they considered it to be important that we transition to a low emissions economy. Some submitters stated specifically that supporting a transition to a low emissions economy was more important than supporting a productive, sustainable and inclusive economy. A number of submitters mentioned climate change and the need to transition away from oil and gas.
19. A number of submitters mentioned that a successful transition to a low emissions economy requires the minerals and petroleum sector. These submitters emphasised that a number of the technologies necessary for a successful transition require minerals, and gas is important in ensuring we have a secure and affordable supply of electricity.
20. A majority of the submitters who disagreed with the objective emphasised that we should be transitioning away from the extraction of oil and gas. Several commented that the aim of being carbon neutral was insufficient and we should be aiming to be carbon negative. Others, alongside the majority of those who neither agreed nor disagreed with the objective, supported Part B of the objective but were opposed to Part A, primarily because fossil fuels are not sustainable or we should be transitioning away from them.

## Is productive and innovative

21. This was the least supported of the objectives with 43% either strongly agreeing or agreeing, while 25% neither agreed nor disagreed. A majority of those who supported this objective emphasised that innovation was essential in order to be able to successfully transition to a carbon neutral economy.
22. Submitters that neither agreed nor disagreed with the objective, did so largely because they opposed the productive element of the objective, or wanted to see oil

and gas extraction phased out. Again, submitters commented that they wanted to see innovation towards alternatives to oil and gas.

23. Comments from those who disagreed with the objective were predominantly around phasing out oil and gas, emphasising that we should be transitioning away from it, or not making the sector more productive. Others wanted the focus to be on renewable resources and reusing and recycling waste products.

### **Is efficiently and effectively regulated**

24. This objective was strongly supported by submitters with 66% strongly agreeing and 15% agreeing. These submitters made a range of comments around the importance of having a well-regulated minerals and petroleum sector. Some considered that effective regulation was essential to a successful transition to a carbon neutral economy. Others wanted the petroleum sector and/or minerals sector regulated out of existence. A number of submitters considered that the petroleum and minerals sector was currently not effectively regulated and stronger regulation was required.
25. A number of submitters disagreed with this objective. Comments ranged from considering the petroleum industry to be largely self-regulated, stating that effective regulation of the petroleum industry is impossible, that regulators are captured by industry, and others questioning who would actually do the regulation.

### **Suggestions for objectives**

26. Proposed objectives primarily centred around phasing out fossil fuels, shifting to renewables, encouraging recycling so that less raw materials are used, or ending the extraction of petroleum and minerals in New Zealand altogether.

### **Principles**

27. Most of the principles were generally well received by submitters, with only a few attracting general disagreement. In many cases, submitters provided their own caveat to their agreement or wished to clarify some aspects of what was intended.
28. By far the most commonly received submission from individuals was to elevate the importance of climate change in relation to other principles, requesting that changes are made to reflect climate change objectives or to couch it within the climate change response. Themes also emerged across principles where individual submitters emphasized the importance of a phasing out of fossil fuels (primarily targeting petroleum, but also including coal and natural gas), sustainability (both on local environmental impacts or climate change considerations), the importance of renewable energy, and support for community engagement and redeployment of affected fossil fuel workers.
29. Submissions from interest groups and membership organisations differed depending upon their area of interest. In general, environmental NGOs also submitted on the primacy of climate change for these principles, the concerns of environmental impacts of these industries (for example, on the rights of existing permit holders) and a need to ensure a swift transition to a net zero carbon economy (while pushing for a quicker timeframe).
30. Industry submissions raised concerns with the lack of specific targets for, and unclear interaction between, principles.
31. Industry submissions also discussed and emphasised the role that the industry could have in the transition (for example the role of clean-tech minerals for the net zero carbon economy principle), as well as economic contributions. There was generally

wide support around environmental and social responsibility (for example environmental effects; iwi and community engagement and compliance) but with a caveat that this needs to be proportional to the effects.

### Specific principles

32. The three principles with the least support will be covered below

#### The Crown honours the rights of current permit holders to continue production or exploration activities under existing permits

33. This principle had the least agreement of any principle with approximately 70% either disagreeing or strongly disagreeing with the principle. The graph below shows the average rating of the principle by the group the submitters most identified with.



34. The minerals and oil and gas sector were most supportive of this principle, with emphasis on the significant investment made by current permit holders into their projects. A couple of submitters mentioned they wanted the principle to be clear that this also included subsequent rights.

35. Individuals and groups whom classified themselves as Environment and Non-Government Organisations disagree the most with this principle. Primarily, submitters were concerned regarding the climate change implications, sustainability and the net-zero carbon by 2050 target.

36. Within these, there was a range of views expressed as to what to do with current permits, from those who suggested that permits should be reviewed in line with climate change (particularly the Net Zero Carbon Bill); those that suggested renegotiating and phasing down fossil fuel production; through to those that demanded that permits be revoked immediately, with no compensation. Some also submitted that the petroleum companies should be paying compensation for the effects of their products. Overall, these submissions reflected a desire to end petroleum exploration and production as swiftly as possible.

#### The Crown receives a fair financial return for its minerals and petroleum

37. 45% of submitters agreed or strongly agreed, while 31% neither agreed nor disagreed, and 23% disagreed or strongly disagreed. Comments included concern that there was no amount of financial compensation that would be fair, because of the negative effects associated with their use (although there was likely some conflation between fossil fuels and other minerals, based upon submissions). There was also concern that the financial return would create undesirable incentives for their continued use.
38. Those that agreed commented that the return is being used for the benefit of New Zealand, and that this could be used to pay for the transition out of fossil fuels into renewables.

**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**

39. 51% of submitters strongly agreed or agreed with this principle. 32% disagreed nor strongly disagreed. Those that agreed generally cited a need to phase out fossil fuels, reduce carbon emissions and sustainably manage their natural environment. Those that neither agreed or disagreed, or disagreed generally quoted past poor practice on the above to achieve these outcomes.

**Suggestions for principles**

40. Feedback within suggested principles generally reflected feedback on the primacy of climate change, the need to sustainably manage the natural environment and to phase out fossil fuels.
41. Several submitters requested a specific principle on “investing and developing renewables”.

**Action Areas**

**Modernising the Crown Minerals Act**

42. This action area was strongly supported by submitters with over half (58%) of those who responded to this action area strongly agreeing, and 23% agreeing, with the need to review the Crown Minerals Act.
43. Those who agreed emphasised the need for the Act to keep pace with climate change awareness and research. In particular, submitters noted their desire for the Crown Minerals Act to consider environmental impacts and contribute to reducing fossil fuels. A number of submissions also referenced a ‘climate crisis.’
44. Submitters that disagreed with this action area predominantly came from individual industry participants, arguing the current legislation is sufficient. Other individuals from the public opposed a review of the Act on the grounds that mining should cease altogether. There were also a number of references to the No New Mines on Conservation Land policy, and the desire to abandon this.

**Securing affordable resources to meet our minerals and energy needs**

45. This action area generated support from 57% of submitters. Submitters that agreed with the entire action area recognised the need of resources to meet energy demands, and/or help transition to a lower emissions economy. A number of responses highlighted the desire for these resources to be renewable and sustainable.

46. Although most opposing submitters acknowledged the need for affordable resources, they disagreed with the notion of deriving these resources from mining activities. A large proportion of these responses also pointed to the potential for renewables in helping secure sustainable resources to help phase out fossil fuels.

### **Improving Treaty partnership**

47. This was the most strongly supported action area with 82% of respondents either agreeing or strongly agreeing. These supporters made a range of comments in regards to upholding the Crown's obligations to the Treaty of Waitangi, utilising Māori knowledge and experience, or empowering Māori to play a greater role in the decision making. There were a couple of comments made which mentioned poor past engagements, with many future actions emphasising the need for more quality engagement with Māori.
48. The handful of submissions that disagreed with improving the Treaty partnership did so on the basis that the Treaty partnership should not be 'improved,' but rather given effect to. Similarly, other disagreement stemmed from the view that the Strategy minimises or reduces Te Tiriti, appearing as 'tokenistic' or 'reductionist.'
49. A couple of submissions disagreed with this action area as they do not see a place for the Treaty partnership in the petroleum and minerals sectors.

### **Improving stakeholder and community engagement**

50. This action area was also widely supported with 83% of submitters supporting the intention to improve stakeholder and community engagement. Many submissions pointed to the social, environmental and economic impacts of mining that affect communities, highlighting the need for engagement. Some submitters criticised past engagement efforts, emphasising the need for more quality collaboration with communities.
51. A number of recommendations in this action area focused on local development, including sharing benefits with communities, developing necessary infrastructure to help the transition away from fossil fuels, and being transparent about the activities in the sector.
52. A number of industry submitters who disagreed with this action area on the basis that they believe current engagements are adequate. While others disagreed based on the perception that public engagement has little impact on sector decisions and outcomes.

### **Improving industry compliance**

53. A majority of submitters (87%) supported improving industry compliance. Much of this support stemmed from the views that the industry must reduce environmental impacts from activities, and act in a way that is consistent with reducing our reliance on fossil fuels. A number of submissions argued that the industry has acted with poor compliance in the past and stricter enforcement must occur.
54. Submissions opposing this action area did so largely on the basis that the industry should be phased out, and so there is no need for 'compliance.' Accordingly, a significant number of submissions recommended future action to include phasing out industry altogether, if not having stricter enforcement of non-compliance.

55. A handful of submissions who opposed this action area, primarily from industry participants, stated that the industry already has strong compliance, or that the legislation is adequate.

### **Research and investment in better mining and resource use**

56. This action area generated support from 50% of submitters. However, it is important to note that among all submitters; nearly all held the similar view of research and investing in alternative resources, namely renewables, to contribute to a circular economy.
57. Supporting submissions can be broadly split into two groups. One large group of submitters supported this area in order to develop the means to help transition to a low emissions economy. The other smaller group supported on the grounds that better mining and resource use will have improved social and environmental outcomes. A number of submissions also pointed to the need for greater education on mining, potentially coming from independent research groups
58. 19% of submitters neither agreed nor disagreed with this action area. A majority of these comments argued that investment should be made into ending extractives and phasing out fossil fuels. A majority of the 21% that opposed this action area also held this view.
59. A small percentage of submissions highlighted the importance of these resources in the transition away from fossil fuels, or in society more broadly. Among these, and others, there was emphasis on researching and understanding New Zealand's resources.

### **Suggestions for action areas**

60. As was the theme with other action areas, proposed action areas primarily centred around phasing out fossil fuels, shifting to renewables, creating a circular economy, or ending extractives altogether.
61. There was mention of improving Crown transparency or accountability. Within this included greater engagement with the public and Treaty partners, local development through sharing royalties, and improving understanding of the sector and its activities through information sharing and education. Industry submissions also emphasised the need for greater education of the public, to highlight the benefits of the sector.
62. A number of comments focused on the Māori-Crown relationship, in particular incorporating Māori knowledge into the Strategy, or empowering Māori to enable them to play a more significant role in the sector. Others referred to the Treaty partnership and improving engagement more generally.

## Annex Four: Summary of submissions via submitter group

	Treaty partners	Environmental Groups	Oil and gas sector	Council / Research Institutes/Union	Minerals and Quarrying sector
<b>General views on the Strategy</b>	<ul style="list-style-type: none"> <li>Overall positive attitudes towards the Strategy.</li> <li>Supported the Strategy being framed in the context of climate change, while acknowledging the role the sector has to play in the transition.</li> </ul>	<ul style="list-style-type: none"> <li>Support the framing of the Strategy around the need to address climate change.</li> <li>Believe the Strategy fails to grasp the scale of changes required to our energy system in order to meet the climate challenge. It also leaves the door open to continued fossil fuel exploration. This represents a failure to take account of the latest scientific evidence.</li> </ul>	<ul style="list-style-type: none"> <li>In general support a strategic approach to petroleum and minerals management in New Zealand.</li> <li>Resource Strategy does not sufficiently communicate the importance of natural gas to New Zealand.</li> <li>Domestic production should be preferred to imports.</li> </ul>	<ul style="list-style-type: none"> <li>Overall positive attitudes towards the Strategy.</li> <li>WCRC submit that the proposed Strategy is unclear on how conflicting national policy will be reconciled.</li> <li>Support the rolling review of the Strategy.</li> <li>E tū strongly believes that the 5 pillars (unions, iwi, community, government and business) must form the core of this Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Industry have indicated overall support for the Strategy, and the recognition of the Industry's contribution towards New Zealand's economic, social and environmental growth.</li> </ul>
<b>Vision</b>	<ul style="list-style-type: none"> <li>Overall support expressed for the vision.</li> <li>Some comments around the need to include 'cultural' also.</li> </ul>	<ul style="list-style-type: none"> <li>In general disagree with the vision as it allows for petroleum extraction and the extraction of new minerals to continue.</li> <li>Suggests that the vision should prioritise a carbon neutral economy.</li> </ul>	<ul style="list-style-type: none"> <li>Do not consider that the vision gives appropriate certainty to industry.</li> <li>Should better define value.</li> <li>Should make explicit reference to economic benefits, provision of essential minerals, and energy security, or the energy trilemma.</li> </ul>	<ul style="list-style-type: none"> <li>Overall express support for vision.</li> <li>Consider that to be world-leading; the New Zealand minerals sector needs to have a framework of greater certainty and transparency of minerals access and development within which to operate.</li> </ul>	<ul style="list-style-type: none"> <li>General support with the view that sourcing aggregates safely and sustainably is fundamental to New Zealand's future.</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>Ngāruahine proposed an objective to measure that the sector is "culturally competent and responsible."</li> <li>No other comments made.</li> </ul>	<ul style="list-style-type: none"> <li>Strongly agree that the sector needs to be effectively regulated but the Strategy misses the point that this has not been the case.</li> <li>Innovation should be focused on recovery, reuse and recycling of resources rather than continued extraction.</li> </ul>	<ul style="list-style-type: none"> <li>Objectives, fail to address critical issues or challenges.</li> <li>A Strategy that targets the sector being phased out over time does not create a productive and innovative petroleum sector.</li> </ul>	<ul style="list-style-type: none"> <li>Overall express support for objectives.</li> </ul>	<ul style="list-style-type: none"> <li>General agreement on the objectives.</li> </ul>
<b>Guiding Principles</b>	<ul style="list-style-type: none"> <li>Overall support for the guiding principles.</li> <li>Make words more inclusive rather than split Crown and Industry from others.</li> </ul>	<ul style="list-style-type: none"> <li>The Crown should not honour the rights of current permit holders, as it conflicts with the latest scientific evidence.</li> <li>This Strategy should clearly signal an expectation that industry will pursue a circular economy future generations'</li> <li>The environment, ecosystems, and biodiversity are should be protected rather than respected.</li> </ul>	<ul style="list-style-type: none"> <li>Largely supportive of guiding principles</li> <li>Recommend that "where practicable" should be added to the end of the recycling principle to recognise that there can be limits to recycling and reuse.</li> <li>Support the Crown making decisions on the best evidence available.</li> </ul>	<ul style="list-style-type: none"> <li>Overall express support for principles.</li> <li>E tū encourages the NZ Government to support a move towards a worldwide standard for sustainable and ethically produced minerals, with protections for workers at the core of the standard.</li> </ul>	<ul style="list-style-type: none"> <li>Overall support or strong support.</li> <li>There were comments made in relation to a circular economy – and that this depends on the users of the finished goods rather than the providers.</li> <li>The need for the Crown to honour the rights of existing permits was an important principle for Industry.</li> </ul>
<b>Action Area 1: Modernise the CMA</b>	<ul style="list-style-type: none"> <li>Support in this action area, particularly to view it in the context of other interconnected legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Support the decision to review the CMA.</li> <li>In particular purpose of the Act should not be to promote prospecting, exploration and mining. Instead, it should refer to Treaty rights as well as</li> </ul>	<ul style="list-style-type: none"> <li>The No New Mines on Conservation Land 'policy' should be abandoned.</li> <li>The tranche 2 TOR being published first contradicts the core purpose of the Resource Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>AusIMM NZ branch is opposed to any significant changes to the CMA.</li> <li>WCRC submit that changes to the CMA should legislate the need to identify and protect minerals such as</li> </ul>	<ul style="list-style-type: none"> <li>Overall support to ensure the Act is fit-for-purpose, while supporting its purpose as currently described.</li> <li>There were a number of comments opposing the No New Mines of</li> </ul>

		environmental and conservation objectives.		rare earth minerals for future extraction	Conservation Land objective.
<b>Action Area 2: Understand our Strategic Resources</b>	<ul style="list-style-type: none"> <li>No comments made.</li> </ul>	<ul style="list-style-type: none"> <li>This action area should specifically address the need to rapidly phase out fossil fuel extraction.</li> <li>The Strategy needs to first look at reducing demands, then maximising ways to recover, reuse and recycle resources to meet our needs.</li> </ul>	<ul style="list-style-type: none"> <li>First Gas propose that that the energy segment become a key focus area with its own strategy.</li> <li>Consider this goal is fundamentally not supported by existing Government policies and commitments which run contrary to it.</li> </ul>	<ul style="list-style-type: none"> <li>Consider that the mining sector can derive greater value from its petroleum and mineral estate through better access to, and public provision of, relevant data and geoscience information.</li> <li>NIWA – The Strategy should support research into the minerals prospectivity and value of our EEZ/LCS and further understanding the societal drivers of attitude to sea bed mining.</li> </ul>	<ul style="list-style-type: none"> <li>Strong support.</li> <li>Emphasise of the importance of this objective in supporting safe and sustainable practices.</li> </ul>
<b>Action Area 3: Improve Treaty Partnership</b>	<ul style="list-style-type: none"> <li>Strong support for the Strategy honouring its duty to Māori as a Treaty partner and adhering to the principles of the Treaty of Waitangi.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategy should acknowledge that there is strong iwi and hapū opposition to some mining activities, in particular seabed mining and oil and gas exploration.</li> </ul>	<ul style="list-style-type: none"> <li>Broadly supports this action area. Primary obligations for improving Treaty partnerships rest with the Crown</li> </ul>	<ul style="list-style-type: none"> <li>Overall support for action area</li> </ul>	<ul style="list-style-type: none"> <li>Overall support or no comment.</li> </ul>
<b>Action Area 4: Improve Community &amp; Stakeholder Engagement</b>	<ul style="list-style-type: none"> <li>Acknowledged the resource imbalance between the public and industry which may impact engagement.</li> <li>Maniapoto highlighted the costs and benefits of mining activities on the community.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategy must aim to achieve transparency and uncomplicated public engagement with mineral and resource decisions. This is not currently the case.</li> </ul>	<ul style="list-style-type: none"> <li>Broadly support this action area.</li> </ul>	<ul style="list-style-type: none"> <li>AusIMM consider that the wording implies that industry are not already doing this.</li> </ul>	<ul style="list-style-type: none"> <li>Overall strong agreement.</li> <li>Support government initiatives to increase awareness and understanding of the value of mining and its contribution to wellbeing.</li> </ul>
<b>Action Area 5: Improve Industry Compliance</b>	<ul style="list-style-type: none"> <li>Overall support.</li> <li>It is important that mining and exploration activities are protecting, if not enhancing, environmental and cultural heritage.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategy should specify that industry must carry the risks of environmental damage and social costs that can result from mining activities. Improving industry compliance would improve environmental outcomes as well as helping with public trust of mining in New Zealand.</li> </ul>	<ul style="list-style-type: none"> <li>Todd considers that few sectors in NZ are regulated as heavily as the petroleum sector.</li> <li>Considers that petroleum companies generally have thorough processes to ensure compliance occurs at a very high level.</li> </ul>	<ul style="list-style-type: none"> <li>AusIMM consider that wording implies that industry are not already doing this.</li> </ul>	<ul style="list-style-type: none"> <li>Overall support for improving compliance, particularly through assisting permit holders rather than policing.</li> <li>Mention of other policies / regimes that may impact the sector and may need to be addressed.</li> </ul>
<b>Action Area 6: Research &amp; Investment in Better Mining &amp; Resource Use</b>	<ul style="list-style-type: none"> <li>Agreement with this action area.</li> <li>The emphasis should be on achieving a low emissions economy.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategy should acknowledge that no Government resources should be put into oil, gas and coal exploration, mining or promotion.</li> <li>Agree with improved resource use, recovery, reuse and recycling.</li> </ul>	<ul style="list-style-type: none"> <li>No comments</li> </ul>	<ul style="list-style-type: none"> <li>An area of importance to New Zealand as it moves to a net-zero carbon future is energy storage.</li> <li>Supports objectives associated with research and investment in better mining and resource use. Research and development in this space is critical for a successful transition to a zero-carbon.</li> </ul>	<ul style="list-style-type: none"> <li>Support in this action area, and in finishing the work that has been done to identify future aggregates and sand sources.</li> </ul>



<p><b>Other Comments</b></p>	<ul style="list-style-type: none"> <li>• Māori submissions welcomed enhanced communication, engagement and participation with iwi and hapū groups as the Strategy develops.</li> <li>• Wai796 should be addressed, if not considered, within the Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Gas is not a transition fuel and should not be treated as one.</li> <li>• Want to see statements about resource recovery and reuse, recycling, substitutions to renewables etc, to analysis, strategic intent, empiricism, and so on.</li> <li>• Strategy should set out a timeframe for phase out of fossil fuels.</li> </ul>	<ul style="list-style-type: none"> <li>• First Gas suggests three time horizons 10 years, 20 years and 50 years, which will better support infrastructure planning and investment decisions.</li> <li>• Do not support that the scope precludes consideration of the exploration ban.</li> <li>• Should develop a regulatory framework to regulate and enable CCS in NZ.</li> </ul>	<ul style="list-style-type: none"> <li>• Mining can only occur where the underlying geology is suitable.</li> <li>• Excessive limitations on available land affect the ability of the industry to deliver on the proposed vision.</li> <li>• Should not consider that mining and protecting the environment are mutually exclusive;</li> <li>• E tū proposes that any strategy/egislation must incorporate the ongoing requirements for both coking coal and steel manufacture in New Zealand to assist with reducing our carbon footprint.</li> </ul>	<ul style="list-style-type: none"> <li>• There were a number of comments highlighting the need for interconnected legislation to also support the objectives, principles and action areas of the Strategy.</li> <li>• OceanaGold believes there should be more discussion around the role of minerals in trade and export growth.</li> </ul>
------------------------------	---	---	---	--	--

PROACTIVELY RELEASED