



Economic Development, Science and Innovation Committee
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Crown Minerals Amendment Bill Submission

WWF-New Zealand appreciates the opportunity to provide feedback on the Crown Minerals Amendment Bill. The Bill amends the Crown Minerals Act 1991 to remove the ban on new petroleum exploration permits beyond onshore Taranaki.

As one of the leading environmental Non-Governmental Organisations (eNGOs) in Aotearoa New Zealand, World Wide Fund for Nature – New Zealand (WWF) supports science-based, pragmatic solutions that can deliver a future where humanity lives in harmony with nature.

WWF strongly opposes this Bill and provides detail on our position, along with our recommendations, in this submission.

There is no scientific basis supporting a repeal of offshore oil and gas exploration ban at this point in the climate crisis

International scientific consensus is that the use of fossil fuels for energy consumption is the leading cause of climate change, responsible for more than three-quarters of global greenhouse gas emissions.^{1,2} The climate crisis we are now facing is evidenced through the observed impacts on our indigenous biodiversity and local communities, including an increase in the frequency and severity of storms, the reduction of global ice sheets, increases in sea levels, and greater droughts and forest fires.^{3,4}

A 2023 report from the United Nations Intergovernmental Panel on Climate Change (IPCC) makes plain that the world is unlikely to meet global targets unless urgent action is taken, with both the U.N. Secretary General and the IPCC calling for the world to phase out coal, oil and gas.^{1,2} The International Energy Agency (IEA) has also concluded that new oil, gas and coal development is the opposite of what needs to happen, as have multiple peer reviewed papers.⁵

¹ IPCC, "Summary for Policymakers," Climate Change 2023: Synthesis Report, Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. Geneva, Switzerland, 2023, doi: 10.59327/IPCC/AR69789291691647.001, p. 19

² Kaplan, Sahra. World is on brink of catastrophic warming, UN climate change report says. *Washington Post* 20. 2023. <https://www.washingtonpost.com/documents/Catastrophic-warming-will-claim-lives-without-action.pdf>

³ Levine, M.D.; Steele, R.V. Climate change: What we know and what is to be done. *Wiley Interdiscip. Rev. Energy Environ.* 2021, 10, e388.

⁴ Güneş, Hakan, et al. Global Energy Transformation and the Impacts of Systematic Energy Change Policy on Climate Change Mitigation. *Sustainability* 15.19. 2023: 14298.

⁵ IEA (2021), Net Zero by 2050, IEA, Paris <https://www.iea.org/reports/net-zero-by-2050>, Licence: CC BY 4.0

The science is unequivocal: in order to limit global warming to 1.5°C, fossil fuels need to stay in the ground. The continuation of fossil fuel exploration and extraction are entirely incompatible with the urgent need to limit global warming.

Domestically, lifting New Zealand's offshore exploration ban and allowing contingent oil and gas reserves to be added to the supply forecast is expected to increase CO₂ emissions through to 2035 (1.6 million tonnes for 30% of contingent reserves or 2.4 million tonnes for 60%).⁶ The New Zealand Government has a target to reach net zero emissions by 2050 enshrined in law, and has Nationally Determined Contributions it is required to meet under the Paris Agreement. Reopening the door to offshore oil and gas exploration is at complete odds with these commitments.

Repealing the ban on offshore oil and gas exploration will not improve New Zealand's energy security – unless the Government intends to subsidise fossil fuel developers itself

Resources Minister Shane Jones has previously cited New Zealand's energy security needs as the primary reason to reverse the ban on offshore oil and gas exploration. However, a report from the Ministry of Business, Innovation and Employment (MBIE) released this year indicates that coupled with the development of more renewable energy sources, there is enough existing supply of oil and gas to meet New Zealand's current and future energy needs.⁷

New Zealand is well placed to decarbonise our energy system with green innovation, renewable energy, and a circular economy, which would yield a wide range of financial and environmental benefits. There are also a host of demand and supply-side options still available for the government to explore to address our energy security needs – all of which stand to offer significant benefits to New Zealanders. These include incentivising the development of small-scale solar power and supporting Kiwis to better insulate their homes.

It is also worth highlighting that fossil fuel development is now widely considered a sunset industry, and few – if any – lenders will underwrite exploration of new offshore oil and gas reserves. In the 6-12 years it would take to locate and develop new offshore oil and gas deposits, the reality that fossil fuel development is now entirely uneconomic will be even more entrenched. Unless the Government is planning to subsidise fossil fuel developers itself – potentially exposing the New Zealand public to a risk of the Government being saddled with stranded assets in future – reversing the ban will not help to address New Zealand's energy security needs.

In short, reversing the ban on offshore oil and gas exploration is a regressive step that makes little practical sense – and it appears instead to be a policy informed purely by partisan politics.

The Government appears uninterested in considering public views or upholding good process

Allowing four working days' time for public submissions is unacceptable and undemocratic. This is an insufficient amount of time for New Zealanders to meaningfully engage on a legislative amendment, especially one relating to a policy shift of this magnitude. This approach clearly demonstrates that the Government is not genuinely interested in receiving or considering input from the public or key stakeholders. Our view remains that this is a clear breach of democratic process.

⁶ OIA1982. MBIE Crown Minerals Amendment Bill modelling.

⁷ Ministry of Business, Innovation and Employment (MBIE). 2024. Electricity Demand and Generation Scenarios: Results summary

The Bill poses significant economic and reputational risk for Aotearoa New Zealand

Repealing the ban on offshore oil and gas exploration – especially if the Government decides to directly subsidise new offshore exploration and development – will increase the risk of New Zealand not meeting its international and domestic climate commitments and will undermine our global reputation as a responsible trading partner. There are both reputational and substantive repercussions from violating these commitments.

We note that legal advice from the Ministry of Foreign Affairs and Trade (MFAT) states that repealing the ban on offshore oil and gas exploration will likely breach New Zealand’s obligations in its Free Trade Agreements with the European Union (EU) and United Kingdom (UK) – agreements that are of significant value to our economy.

These Free Trade Agreements include clear provisions that New Zealand must not weaken its environmental laws to boost trade or investment, and the EU Free Trade Agreement establishes a sanctionable commitment for both Parties to “effectively implement” their 2030 targets under the Paris Agreement.

The Bill will also undermine our standing and mana within the Pacific regional community and internationally. Our Pacific neighbours are experiencing the most severe impacts of climate change despite having had almost no role in causing it. New Zealand should support the resilience of the Pacific by leading on climate action, not take steps backwards and isolate itself internationally.

It bears noting that MFAT legal advice also warns that the Bill presents risks to New Zealand’s relationships with its global and Pacific Island partners. Australia is likely to host the 2026 UN climate conference, COP31, in partnership with the Pacific (including countries that have called for a “Fossil-free Pacific”). Aotearoa New Zealand will face significant international scrutiny and admonishment if it backslides on this issue, and a repeal will adversely impact key regional relationships in the coming years.

Finally, we consider this Bill will further taint New Zealand's 'clean, green image', to the particular detriment of our primary sector and tourism industries. Global consumers are increasingly prioritising sustainability, and this Bill risks putting our primary producers at a competitive disadvantage.

Conclusion and recommendations

The case for repealing New Zealand’s ban on offshore oil and gas exploration is not supported by science, which is clear that in order to limit global warming to 1.5C, we need to be transitioning away from fossil fuels and prioritising renewable energy development.

It is obvious, too, that fossil fuel production is now a sunset industry and no responsible lender will underwrite exploration of new offshore oil and gas reserves. The Bill increases the risk of New Zealand not meeting its international or domestic climate commitments. There is therefore a risk of violating recent Free Trade Agreements, undermining our reputation and standing in the Pacific and globally, and damaging our ‘clean green image’. This would negatively impact our primary sector, tourism industry and trade – all of which are significant to the New Zealand economy.

WWF-New Zealand recommends:

- The Crown Minerals Amendment Bill is abandoned.
- That the Government undertakes to develop a credible plan, supported by evidence, for addressing New Zealand’s energy security needs in a manner consistent with meeting our

international and domestic climate targets, including achieving gross emissions reductions.

- In the alternative, that responsible Ministers clarify how the Government's proposal to reverse the ban on offshore oil and gas exploration will not prevent Aotearoa from meeting our international and domestic climate and biodiversity commitments.
- That the Government commits to prioritise deep and rapid gross emissions reductions by 2030 to avoid locking in emissions-intensive choices with subsequent economic regrets.
- That Government explores ways to incentivise investment in alternative technologies and renewable energy sources that are proven and commercially viable today rather than solely depending on fossil fuel development.

We would like to request to appear in front of the Committee and speak to our recommendations in this submission.