

25 November 2016

Josh Adams
New Zealand Petroleum and Minerals
Ministry of Business, Innovation and Employment
PO Box 1473
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via email to: blockoffer2017@mbie.govt.nz

Tenā koe Mr Adams

COMMENTS ON PROPOSED BLOCK OFFER 2017

Thank you for the opportunity to provide comments on the proposed Block Offer 2017 ('BO2017').

You had invited comments on a number of specific matters. Those comments are provided on page 2.

Naku noa, na



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1. This is the Hawke's Bay Regional Council's (HBRC) submission on the Proposed Block Offer 2017 (the BO2017). For the reasons outlined below, HBRC requests that all acreage currently proposed for inclusion within the 12 nautical mile limit of 17PEC- R1 block be excluded from the offer.

About Hawke's Bay Regional Council

2. Hawke's Bay Regional Council is responsible, under the Resource Management Act (RMA), for a total land area of approx. 14200 square kilometres, including mountain ranges to the north and west, an unique and diverse coastline, and productive plains and hill country.
3. HBRC has a strong regional leadership mandate for representing Tangata Whenua and Kaitiakitanga in relation to natural resource management policy issues in the Hawke's Bay region. Hawke's Bay Regional Planning Committee (RPC) is a permanent Committee of the Regional Council that has been established by Government legislation as part of Treaty of Waitangi settlement negotiations. The committee reflects the binding commitment to the Treaty relationship and is made up of 20 members, half of which are representatives from large groupings of Treaty Claimant Groups or Post Settlement Entities, the other half are appointed Regional Councillors. The RPC has two Co-chairs, Mr Rex Graham (Council Chairman), and Mr Toro Waaka (Ngāti Pahauwera).
4. These treaty settlements have significance beyond the operation of the RPC, and reflect the broader context of relationships based on trust, partnership and mutual respect between the Crown and Māori.

General comment

5. Oil and gas exploration has clearly emerged over recent years as a hot topic in terms of public opinion in our region. We are conscious that the issue of oil and gas exploration is one in which there is significant public interest, and there is much debate within our community around the environmental issues and risks associated with these activities, both on and offshore. Specific issues include:
 - a. Protection of our environmentally significant coastal marine area from oil exploration
 - b. Protection of the highly culturally valued Mahia Peninsula at the northern end of Hawke Bay
 - c. Maintaining environmental guardianship of our highly valued coastal marine area, coastal margins and the water of the bay
 - d. Safeguarding the mauri, the life sustaining force of natural and physical resources in the coastal water and environments
 - e. Supporting tangata whenua in their role as kaitiaki of the region's coastal waters and resources
 - f. In keeping with the global trend, the gradual shift towards reducing carbon emissions from fossil fuels and greater usage of environmentally sustainable energy sources.
6. Our coastal marine environment stretches 353km from Mahia Peninsula and Mahanga in the north, to slightly south of Porangahau beach. Along these 353km, the coastline supports a diverse range of habitats underpinned by the unique geological history of the area.
7. This is reflected in our Regional Coastal Environment Plan, which lists a number of Significant Conservation Areas (SCAs) located within the marine coastal area. These set out a range of important criteria including tangata whenua values, the presence of protected areas, ecosystems and habitats for a range of species, mammals, fish stocks and birds. These SCAs are set out in Figure 1:

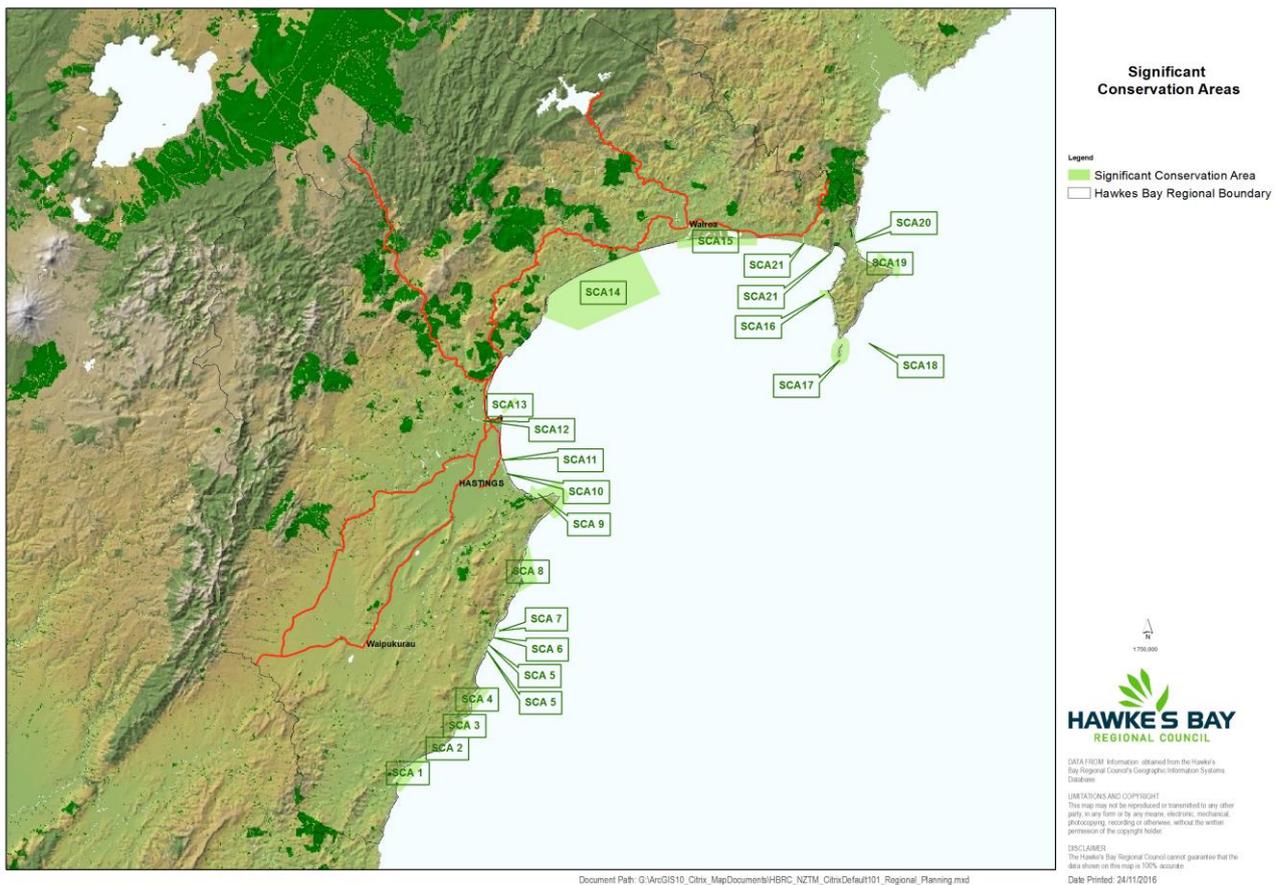


Figure 1: Significant Conservation Areas

8. It is noted that all of these SCAs are located within the 12 nautical mile limit, and are therefore included in the proposed acreage for 17PEC-R1 block.

Council activities with regards to Oil & Gas exploration activities

9. In our 2015-25 Long Term Plan, Council undertook to complete a review on the effectiveness of our regional planning documents in relation to managing oil and gas exploration activities, and to report back to the RPC. As a result of this review, RPC has initiated preparation of a regional plan change which will prohibit all petroleum exploration activities within the region's productive aquifers, aquifer recharge zones and surface water bodies.
10. Council has previously submitted on past block offer proposals. In those submissions Council indicated opposition to any offer made across the region's productive aquifers, and as a result of this aquifers have been excluded from previous rounds. That decision was warmly welcomed.

Main changes sought by HBRC

11. The area of concern for HBRC relates to the 17PEC-R1 block. Based on the map provided, we note that the proposed area includes acreage inside the 12 nautical mile limit of Hawke Bay, which falls under the jurisdiction of the HBRC.

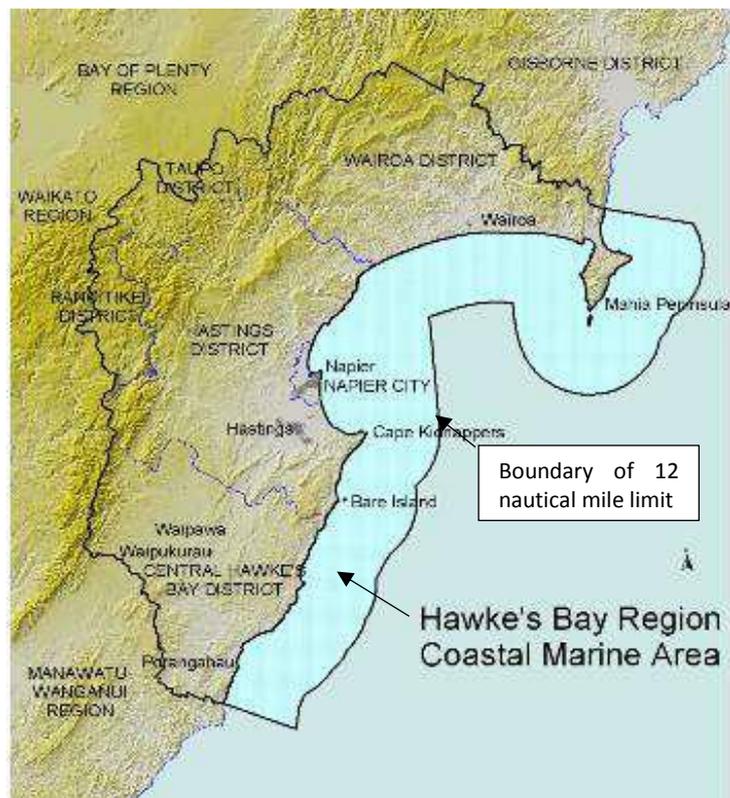


Figure 2: Hawke's Bay Region Coastal Marine Area

12. We attach a copy of our submission on the proposed Block Offer 2016 (refer to Attachment 1). That submission presented an indicative summary of rules in the Regional Coastal Environment Plan (RCEP) which are likely to apply to oil and gas exploration activities within the Hawke's Bay coastal marine area. You should note that the vast majority of the 2014 RCEP's provisions pre-dated the 2010 NZ Coastal Policy Statement (NZCPS) coming into effect. HBRC has some work to do in the next few years to prepare plan changes to give full effect to the 2010NZCPS, some of which might very well involve developing a stronger regulatory approach to manage (or even prohibit) oil and gas activities in the coastal marine area. However, much of our immediate policy work programme is prioritised and focussed on freshwater management improvements.
13. Given that, we therefore submit that for the proposed 17PEC-R1 Block, the acreage included in the 12 nautical mile limit (as shown in Figure 2) within Hawke Bay be excluded from the block offer.
14. HBRC also requests that NZP&M responds in full to this submission, and if it is the decision of NZP&M to decline HBRC's request clear reasons are provided for doing so.
15. For further enquires please contact:

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