



Submission to

New Zealand Petroleum and Minerals,  
Ministry of Business, Innovation and Employment

on

**Block Offer 2017 – Proposal for Petroleum  
Exploration Permit Round**

10 November 2016

## **Mihi**

*Ka mihi ake ai ki ngā maunga here kōrero,*

*ki ngā pari whakarongo tai,*

*ki ngā awa tuku kiri o ōna manawhenua,*

*ōna mana ā-iwi taketake mai, tauiwi atu.*

*Tāmaki – makau a te rau, murau a te tini, wenerau a te mano.*

*Kāhore tō rite i te ao.*

*I greet the mountains, repository of all that has been said of this place,*

*there I greet the cliffs that have heard the ebb and flow of the tides of time,*

*and the rivers that cleansed the forebears of all who came those born of this land*

*and the newcomers among us all.*

*Auckland – beloved of hundreds, famed among the multitude, envy of thousands.*

*You are unique in the world.*

## **Introduction**

1. This is the Auckland Council's submission on the Block Offer 2017 consultation round.
2. This submission on Block Offer 2017 has been approved by the Governing Body at its meeting on 10 November 2016.
3. Please direct any enquiries to Jim Quinn, Chief of Strategy – phone 027 592 6002 or email [jim.quinn@aucklandcouncil.govt.nz](mailto:jim.quinn@aucklandcouncil.govt.nz)
4. Auckland Council appreciates the opportunity to make a submission on the Block Offer 2017 proposals and acknowledges that New Zealand Petroleum and Minerals (NZP&M) have chosen to consult local authorities although its statutory requirements are limited to consulting iwi and hapu.
5. Auckland Council is the unitary authority for Auckland, a region containing a third of New Zealand's population. Auckland Council is responsible, under the Resource Management Act 1991 (RMA), for managing the region's significant (~11,000 km<sup>2</sup>) and highly valued coastal marine area (CMA).
6. Auckland Council's decision-making is carried out by a governing body, which considers regional matters and is made up of the mayor and 20 councillors, and 21 Local Boards made up of 149 members who consider local community matters.

7. Given the recent body local elections, council staff have not had time to seek input from local iwi or hapu for this Block Offer round. Similarly, staff have not had time to seek Local Board input into the council submission.
8. Nevertheless, in preparing this submission, input was received from the Waitakere Ranges Local Board (see Attachment 1), which provides additional detail of the sensitivities and values in the areas potentially at risk from oil spill effects.

### **Main Changes Sought to Block Offer 2017 by Auckland Council**

9. Auckland Council seeks the following three changes to Block Offer 2017:
  - 1) in recognition of the vulnerability of the remaining critically endangered Maui's dolphin population and the uncertainties over the potential impacts of oil and gas exploration and production on its maintenance or enhancement that:
    - the government apply a precautionary approach and remove any overlap of proposed Block Offer release areas 17TAR-R1 and 17TAR-R3 with the North Island West Coast Marine Mammal Sanctuary to avoid potential impacts on Maui's dolphins and on their essential habitat encompassed by the sanctuary.
  - 2) in recognition of the sensitivity of potentially impacted areas the government take action to ensure that risks of oil spills and other discharges are minimised, particularly in areas close to the coast, by:
    - applying the highest international operational standards and,
    - giving weight in tender assessments in favour of those who have a track record of minimising oil spills and other discharges.
  - 3) that government support integration with council Resource Management Act (RMA) processes by continuing to keep iwi and local authorities informed of the permitting process and where appropriate, sharing analysis and data between the Crown Minerals Act and RMA processes.

### **Previous Auckland Council submissions**

10. Auckland Council has made submissions on previous tender rounds (Block Offer 2014, 2015, and 2016) that reflect similar concerns to the three points above (para 9). Several Local Boards have previously opposed the Block Offers in principle, because of concerns over the risks of any oil and gas exploration off the North Island west coast.

### **Auckland Council's Position on Block Offer 2017**

11. Auckland Council acknowledges and appreciates the changes that have helped to address some of the matters requested in the council's previous submissions. However, we still consider that a more precautionary approach is required to

protecting the important and vulnerable values and uses of the North Island's west coast, including the West Coast North Island Marine Mammal Sanctuary. Consequently, various avoidance and mitigation measures requested in our previous submissions are considered to also apply to the current Block Offer proposed areas.

12. Further background to the council's concerns follows.

### **General comments**

13. Auckland Council understands that there are potential oil and gas reservoirs within and adjacent to Auckland's west coast CMA. The offshore Northland (Reinga - New Caledonia) and Taranaki basins cover much of the Exclusive Economic Zone (EEZ) and CMA to the west of our region.

14. Exploration and production of these resources has potential to bring economic benefits to Auckland.

15. There are, however, significant risks from offshore oil and gas exploration, particularly during well drilling operations. While the likelihood is low, the consequence of any blowout from exploratory drilling activities could have significant adverse impacts on extensive areas of the EEZ and the coastal marine area. Any blowout would have large and ongoing clean-up costs. In addition to the more obvious environmental implications, such an event would also have reputational consequences. Auckland welcomes 72% of all visitors to the country, and has a strategy to grow the value of the visitor economy to \$7.23 billion by 2021. A blowout event would damage our international reputation as an urban destination with ready access to unspoiled natural environments, and undermine achieving this aspirational target. Exploration activities also have lower level risks such as disturbance of seabed sediments, effects on marine mammals, and water quality impacts from discharges.

16. It is important that the Block Offer areas be defined and managed so that the risks are avoided and minimised.

### **Key issues**

17. Auckland Council has four areas of concern regarding the Block Offer proposals:

- 1) effects on climate change
- 2) effects on Maui's dolphins
- 3) other environmental risks, particularly oil spill risks
- 4) integration with council RMA processes.

### **Contribution to Climate Change**

18. Successful oil and gas exploration results in production and use of non-renewable fossil fuels. This would contribute to global greenhouse gas emissions and to any

associated impacts on climate change, including sea level rise and ocean acidification. Importantly, such contributions to climate change would remain even if all other associated risks, such as well blowout, were adequately managed.

19. Auckland Council is signatory to several non-legally binding international agreements and pledges, such as the Paris Pledge for Action, the Compact of Mayors and the C40 Cities Climate Leadership Group. Council signed these in recognition of the significant role Auckland has in ensuring New Zealand meets its legal obligation as enshrined in the recent United Nation's global climate change agreement (the Paris Agreement).
20. These place a moral and reputational obligation on the council to reduce greenhouse gas emissions and be adaptive and build greater resilience to the impacts of climate change.
21. Auckland Council and its CCOs have a range of strategic documents and plans that guide and ensure our actions contribute towards this environmental outcome. This includes the Auckland Plan target of reducing greenhouse gas emissions by 40 per cent by 2040.
22. In 2014 Auckland Council endorsed the 'Low Carbon Auckland Action Plan'. The plan establishes a 30 year pathway to transform Auckland towards a greener, more prosperous, liveable, low carbon city, powered by efficient, affordable, clean energy and using resources sustainably. Amongst many contributing actions the plan seeks to wean Auckland off its high dependence on fossil fuels, specifically in the Transport sector.

### **Effects on Maui's dolphins**

23. The council's serious concerns over oil and gas exploration activities that could threaten the critically endangered Maui's dolphin have been explained in detail in our previous submissions on recent Block Offers. The main points are reiterated here.
24. The council is primarily concerned over potential inclusion of Maui's dolphin habitat within the block offer areas. This sub-species is on the verge of extinction and full prudence is needed over the long period required for the population to rebuild.
25. We support the exclusion of much of the Maui's dolphin habitat from the proposed Block Offer areas where these do not extend within 12 nautical miles of the shore, but seek that this apply at least throughout the entire North Island West Coast Marine Mammal Sanctuary (the Sanctuary).
26. We are concerned about the potential impacts of seismic surveys on Maui's dolphins which use echolocation to navigate, communicate and find their food. The impact of the noise levels of seismic survey can have effects over a potential 20nm radius. For these reasons we seek exclusion of the Sanctuary from the Block Offer process and

that compliance with the 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations should be required for any activities granted exploration permits within 20nm of the Sanctuary boundary.

### **Other environmental risks, particularly oil spill risks**

27. It is important that environmental concerns are taken into account in finalising the block offer areas and in assessing exploration proposals. The environmental effects of exploration activities are principally managed under the RMA (by councils) or the EEZ Act (by the EPA). Decisions made regarding the extent and location of exploration permits however, can limit the options open to the environmental agencies and applicants in subsequent exploration applications. The Block Offer documents note that activities within certain areas can be subject to additional requirements and that capability to meet environmental requirements is taken into account in the tender process.
28. A blowout at an offshore exploratory drilling operation is of low likelihood, but very high consequence in terms of environmental risks.
29. The Rena grounding has demonstrated the difficulties and costs in managing large scale offshore oil spills. NZP&M must also ensure that the applicants' technical capability to ensure well integrity is a high priority in assessing block offer tenders.
30. The risks of a blowout are further justification for excluding exploration from the Maui's dolphin habitat.
31. Irrespective of the consideration of a major well blowout, exploration activities have potential for a wide range of less extreme environmental effects. These include oil spills, sediment disturbance, dumping of waste, disruption to wildlife, discharges to air, discharges of drilling chemicals, and loss of natural character.
32. Auckland's west coast and harbours are sensitive environments with many environmental values. This significance and sensitivity is expanded upon in the feedback received from Local Boards when previously provided the opportunity to contribute to this Auckland Council's submission. Additional matters raised by the Waitakere Ranges Local Board are appended to this submission as Attachment 1.
33. Maui's dolphins are found along the coast. The Kaipara Harbour is nursery to an estimated 95% of West Coast (SNA8) snapper stock. The SNA8 fishery has a total allowable commercial catch of 1300 tonnes and an export value of approximately \$10m. The Kaipara and Manukau harbours are important for shellfish gathering and contain habitats for local and international shorebird species.
34. There are outstanding and high natural character values along the west coast and harbours. The west coast beaches are also important recreational assets for our communities and support the tourism industry.

35. There is a direct relationship between environmental sensitivity and level of risk, with closer proximity to the coast resulting in a higher degree of risk. Extreme care must be taken to avoid the indirect consequences of an oil spill or other contaminant release that travels and is transported to sensitive areas. We are looking for an increasing level of duty placed on activities the closer they are to sensitive areas along the coast.

### **Integration with council processes under the RMA**

36. Previous council submissions have outlined how the council classifies petroleum exploration and extraction activities. The Proposed Auckland Unitary Plan (decisions version August 2016) has a more restrictive management regime for petroleum exploration than the notified Plan (September 2013) and the operative Auckland Regional Plan: Coastal. Disturbance associated with 'petroleum prospecting' is a permitted activity within specified size and area controls. Well drilling activities as part of 'petroleum exploration' or 'petroleum extraction' are now a discretionary activity in the General Coastal Marine Zone outside of an overlay area<sup>1</sup>. Previously they were a restricted discretionary activity. Construction and occupation by an oil or gas well structure, along with any associated discharges, would be a discretionary activity<sup>2</sup>. The PAUP classifies petroleum exploration and extraction as a non-complying or prohibited activity where it is in high value overlay area (for ecological, landscape or natural character values). The PAUP policies require that a precautionary approach be adopted for petroleum exploration and extraction<sup>3</sup>.
37. As noted in the Block Offer proposals, there is some overlap in considerations under the RMA and Crown Minerals Act. We seek ongoing integration and information sharing with iwi and councils so that processes can be aligned and any duplication or conflicting decisions minimised. There is no benefit to an applicant if the Block Offer process allows them to undertake exploration in an area that a subsequent RMA process finds is too sensitive for such activities or which places onerous restrictions on operations.

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<sup>1</sup> Proposed Auckland Unitary Plan (decisions version 19 August 2016) chapter F2, F2.19.4 rows (A29) to (A31).

<sup>2</sup> Proposed Auckland Unitary Plan (decisions version 19 August 2016) chapter F2, F2.19.10 row (121).

<sup>3</sup> Proposed Auckland Unitary Plan (decisions version 19 August 2016) chapter F2, F2.6.3 policy (2).

**Attachment 1:** Input on council submission received from Waitakere Ranges Local Board.

1 November 2016

**Waitakere Ranges Local Board submission on Block Offer 2017 – Proposal for Petroleum Exploration Permit Round**

1. The Waitakere Ranges Local Board of Auckland Council wishes to submit in opposition to the Block Offer 2017 – Proposal for Petroleum Exploration Permit Round.
2. Waitakere Ranges Local Board area covers the western coastline of Auckland from Te Henga / Bethells to Whatipu, and the northern edge of the Manukau Harbour edge from Whatipu to Titirangi / French Bay. The rural coastal areas are in the parliamentary seat of Helensville.
3. We have heard significant concern in our communities about the prospect of oil exploration off the coast and the risks posed.
4. To put it simply the Waitakere Ranges Local Board does not support any form of oil exploration off the west coast of Auckland because of the risks associated with it, and asks that the precautionary principle be adopted to protect the coastline of the Waitakere Ranges Heritage Area, and the surrounding coastal marine area. This is a strongly held community view.
5. Our main concern is that if an oil spill occurred on Auckland's west coast, it would affect a highly sensitive ecological area that has high landscape, recreational and cultural values. This coast has breeding areas for several seabird species and is home to the endangered Maui's dolphin and New Zealand fairy tern. The importance of the area is recognised in the Waitakere Ranges Heritage Area Act 2008.
6. All the main planning instruments available to the Council give this coastline the highest possible protection. The Unitary Plan designates almost the entire coastline as Outstanding Natural Landscapes. Specific features are designated as Outstanding Natural Character Areas and Outstanding Natural Features.
7. The coastal marine area is designated as either Significant Ecological Areas Marine 1 or Marine 2. The Whatipu Sand Accretion is a Scientific Reserve with a unique landscape of dune lakes and wetland vegetation and is home to a number of endangered birds.
8. The surf breaks of the area are considered to be regionally significant and are protected in the Unitary Plan. The vast majority of the land area on the West Coast is the Tasman Sea border of the Waitakere Ranges Regional Park. Considerable

parts of the Manukau Harbour coast are also part of the regional park. The core of this parkland was created in 1941 by Act of Parliament as the Auckland Centennial Memorial Park, chosen by the people of Auckland as their centenary project for the founding of Auckland City.

9. As previously mentioned the coastal marine area is home to the “critically endangered” Maui’s dolphin of which it is thought there are only 55 remaining. A Marine Mammal Sanctuary has been created on the coast to try and protect the dolphin in the hope it may come back from the brink, though this is estimated that this will take 300 years even with the best conditions for the mammal.
10. Maui’s dolphins are highly sensitive to seismic noise such as the noise that would be produced by drilling and their range offshore is not well understood.
11. The snapper fishery on this Coast is in a poor state through over-fishing and, at 8% of virgin biomass, is considered to be in a state of collapse. The Kaipara Harbour contains important snapper breeding grounds. As a result of over-harvesting, shellfish beds on the Coast are in a poor state, with a permanent ban on the taking of toheroa.
12. The West Coast is home to a number of seabirds, particularly the Australasian gannet which forms dense colonies at Otakamiro Point and Oaia Island at Muriwai. Also breeding on the coast are the vulnerable northern penguin, grey-faced petrel, endangered black-billed gull, flesh footed shearwater, the common diving petrel, vulnerable white fronted tern and the critically endangered fairy tern (papakanui spit).
13. The West and Manukau Harbour coasts are a huge recreational resource for Aucklanders, and to visitors from further afield, for boating, fishing, tramping, swimming, and surfing. Auckland derives considerable economic benefit from these activities, with national and international surfing competitions regularly held at Piha, film companies using the areas as film settings for feature films and commercials, and tourism companies able to offer tours of the areas scenic beauty and wildlife. The iconic Hillary Trail has been included in the Lonely Planet and is a popular draw card for overseas visitors.
14. What all these activities depend on is a pristine environment with spectacular unspoiled natural beauty and the sense that visitors are far away from industrial and city life. This is what is at risk from oil drilling off the coast. The risks may be small but the consequences would be enormous and potentially irreversible.
15. We wish to draw your attention to another risk which we appreciate through our knowledge of the area. As much of the area is regional parkland, there is very limited access to the coast. There are many places where beaches and rocky platforms are reachable only on foot or not at all. The cliffs on the West Coast are the highest in the Auckland region, and there are equally challenging access issues along much of the Manukau Coast.
16. The high energy coast means launching boats is impossible much of the year, and

the coast is not approachable by sea. Some techniques that are used to attempt to deal with oil spills would be useless on this coast.

17. This would make dealing with any oil spill hugely problematic if not impossible. Any clean-up programme or bird rescue operation after an oil spill would be dangerous and difficult in the extreme.
18. We ask you not to risk the catastrophe that an oil spill would create by issuing exploration permits. Auckland has invested too much in protecting this coast to see it put at risk by petroleum drilling.
19. To achieve climate change targets, there is a strong case for leaving many identified deposits of fossil fuels in the ground. Recent petroleum prices suggest that the appetite for drilling in this area will be subdued and the overall economic benefit, if there ever was one for New Zealand, will be limited. We believe that rather than encourage further oil exploration, efforts should be put toward developing low-carbon energy sources.
20. This submission reiterates our position in submitting in opposition to the Block Offers over the past three years.

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