



16 October 2018

Committee Secretariat
Environment Committee
Parliament Buildings
Wellington

via: en@parliament.govt.nz

Dear Sir/Madam,

Crown Minerals (Petroleum) Amendment Bill

Thank you for the opportunity to make a submission on the Crown Minerals (Petroleum) Amendment Bill. Although the very limited window to make submissions to the select committee recently closed, we wish to write in support of the submission by Business NZ and oppose this Bill.

Through our three membership brands, Business Central, the Wellington Chamber of Commerce and ExportNZ, our organisation represents around 3,000 businesses across the central and lower North Island. Our organisation is one of the four regional organisations that make up the Business New Zealand family and is also accredited through the New Zealand Chambers of Commerce network.

Business Central represents employers and provides employment, health and safety, and human resources advice, and advocates policies that reflect the interest of the business community. We are a carboNZero certified organisation.

As a member of Business NZ, we support their submission on this Bill and wish to draw out a few highlights.

The Bill, and the 12 April 2018 policy decision to ban new offshore oil and gas exploration it seeks to give effect to, are counterproductive to the overall goal of reducing New Zealand's emissions. Achieving large greenhouse gas emissions reductions relies on transitioning New Zealand's economy. Such a transition will be made harder if sectors and businesses no longer feel they have the ability to make long term investments based on policy certainty or, if policy has to change, a fair policy process. This runs counter to the Zero Carbon Bill currently in development, which is deliberately going through a lengthy development process in order to provide policy certainty for New Zealanders.

By making this significant policy change in the way proposed, the government is damaging investor confidence in New Zealand and increasing the international perception of sovereign risk here. This will unfold over a number of years, yet there still appears to be an immediate impact on business

confidence domestically. For the people and businesses of Taranaki, many of who we represent, this declining confidence and investment activity will lower their regional economic growth. Limited growth means lost opportunities for locals to grow their businesses, employ more people, or export overseas.

Future higher gas prices resulting from supply shortages will affect companies who either export or compete with imported products. Any resulting loss of competitiveness to trade-exposed producers will negatively impact on New Zealand jobs and tax revenue, while doing nothing to address global greenhouse gas emissions. Higher gas prices will also hit household consumers looking to heat their homes at a time when high petrol prices are already impacting on family budgets.

As stated above, we commend the Business NZ submission to you and look forward to further engagement on this Bill. We do not wish to appear before the select committee regarding this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Milford', with a stylized flourish at the end.

John Milford
Chief Executive
Business Central