

SUBMISSION

Submission from Straterra To Ministry of Business, Innovation and Employment (MBIE) Enabling Investment in Offshore Renewable Energy April 2023

Introduction

1. Straterra is the industry association representing the New Zealand minerals and mining sector. Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
2. We welcome the opportunity to make this brief submission on the discussion document [Enabling Investment in Offshore Renewable Energy](#) (the document). The document explores the regulatory settings needed to allow development of offshore renewable energy infrastructure, to potentially contribute to Aotearoa New Zealand's net-zero emissions goals and economic development.
3. It will be important to get the right regulatory regime and we welcome the consultation that the Government is doing and consideration of the issues raised in the discussion document.
4. Our brief submission makes the point that the regime must be cognisant of other uses and interests in New Zealand's territorial sea (up to 12 nautical miles) and exclusive economic zone (between 12 and 200 nautical miles) and must not favour offshore energy over these. We argue for a case-by-case basis assessment of applications for activities in these waters.

Submission

5. Straterra supports the development of offshore renewable energy generation infrastructure, including wind farms and supports the initial focus on the establishment of a regulatory regime to enable prospective developers to explore the feasibility of developing offshore energy infrastructure in our waters. The regulatory regime used for New Zealand's minerals and petroleum industry, within MBIE, is rigorous and would provide some useful guidance. We believe it is important to take a holistic approach to such regulation to include cultural, social, economic and environmental impacts.

6. As a nation of islands surrounded by water, it makes sense for New Zealand to optimise the use of the marine environment provided, of course, such use meets high environmental standards backed by sound science.
7. It also makes sense for New Zealand to diversify and grow its renewable energy portfolio and in that regard we note that the minerals sector will contribute strongly to renewable energy generation – offshore and onshore. For example there are at least 17 mined minerals in a wind turbine, including rare earth elements (REEs), vanadium, and other valuable minerals that could be mined in New Zealand – offshore and onshore.

Competing uses

8. In granting feasibility permits, we believe it will be essential for the regulator to consider the alternative uses that exist in that specific area, including prospective alternative uses.
9. There are a number of activities that use or protect New Zealand’s marine resource including conservation, recreation, shipping, fisheries, aquaculture, mineral activity, and potentially renewable energy generation. There are also environmental and iwi values and interests that must be considered.
10. We agree with the discussion on Chapter 7 of the document that offshore renewable energy developments could come into conflict with a number of these alternative uses and it will be important that the regulatory regime considers them.
11. The nature and scale of offshore wind energy infrastructure means the areas required for development will be large and wind turbines will require exclusive access of the allocated areas.
12. Consultation with other users will be important in the regulatory regime, as well as a transparent processes that can balance competing uses.

Seabed mining

13. One alternative use of importance to Straterra is seabed mining - including for critical minerals the world is demanding for the green technologies needed to pursue a low emissions future and to mitigate the impacts of climate change. Given New Zealand’s vast offshore exclusive economic zone contains significant mineral resource, we are surprised to note seabed mining is not listed on page 29 as one of the economic uses in New Zealand’s territorial sea and exclusive economic zone (although there is reference to safety zones around minerals mining infrastructure).
14. In fact, seabed mining is already occurring in several locations, mostly close to shore, where sand dredging/mining operations exist. Further offshore, mineral activity is not currently occurring but there are at least four offshore exploration and mining permits that have been allocated for activities which have yet to receive consent.
15. Seabed mining should not be overlooked as a legitimate activity within New Zealand’s marine environment as decisions are made on this consultation.
16. As mentioned, the mineral resources contained within the territorial sea and exclusive economic zone have significant potential for our economy, our contribution to new energy sources and the global supply of critical minerals.

17. Vanadium rich ironsand, some of which is off the Taranaki coast, and the seabed deposits of rock phosphate on the Chatham Rise, have a range of significant environmental, social, economic and technological benefits. As mentioned earlier many of these will be used in the area of renewable energy generation itself. There are also potentially billions of dollars of export receipts for New Zealand, and hundreds of jobs associated with seabed mining. Significant investment has been attracted to New Zealand to assess this potential and more could follow. If consents are granted for offshore seabed mining, due to the conditions imposed around mitigating environmental impacts within the regulatory regime, along with the commercial realities of mining, the footprint is likely to be tiny and the impact both minimal and temporary.
18. Our view is that applications for seabed mining, along with renewable energy investment and any other competing use must be assessed on a case-by-case basis and with an objective science-based assessment of the merits of the application.
19. The regime must treat every potential activity equally.

Regulatory objectives

20. Of the options considered in chapter 4, we favour Option 1: *Establish a feasibility permit with rights to apply*, over the alternative Option 2.
21. Investor certainty is important so we agree that permits for feasibility activities in renewable energy infrastructure should provide a sole right to apply for later permissions to construct and operate. We note this principle should equally apply for other offshore activities e.g. holders of mineral exploration permits must also be secure in their subsequent rights ie the right to gain approval to mine.

The EEZ Act

22. A regulatory regime for renewable energy infrastructure would likely require amendments to the EEZ Act and Resource Management Act (currently being reformed under the Natural and Built Environment Bill and Spatial Planning Bill) or a new Act. The EEZ Act is effects-based legislation which allows for responsible economic development of the natural resources of the EEZ using objective, science-based assessments, but recent case law has undermined this objective and in our view amendments are required to re-assert this.
23. We recommend that any reform of the EEZ Act reaffirm a regime which allows the the case-by-case assessment of the exclusive economic zone development, while meeting environmental objectives. Likewise, the Natural and Built Environment Act retains the RMA's case-by-case approach.

Conclusion

We are happy to engage in further discussions with MBIE as this work continues and reiterate our support for the development of a regulatory regime that supports New Zealand's development of offshore renewable energy infrastructure.