Additional Item: Block Offer 2018

On 9 April 2018, Cabinet:

1. noted under the Crown Minerals Act 1991, the Minister for Energy and Resources (the Minister) is responsible for selecting the areas available for petroleum exploration under the Block Offer tender process;

2. noted that it is the Minister’s intention to limit the area available for Block Offer 2018 to onshore blocks in the Taranaki Basin;

3. noted that subject to the Minister’s direction to limit available blocks to onshore in the Taranaki Basin, the Ministry of Business, Innovation and Employment has selected the consultation areas for Block Offer 2018 based on geology, prospectivity, commercial interest, statutory obligations and policy considerations;

4. noted that the Minister will direct the Ministry of Business, Innovation and Employment to consult on the Block Offer 2018 consultation blocks with iwi and hapū;

5. noted the Minister will also direct the Ministry of Business, Innovation and Employment to inform local authorities on the Block Offer 2018 consultation blocks;

6. noted that the Minister intends to announce the Block Offer 2018 areas for consultation on Thursday, 12 April 2018;

7. noted that in addition to excluding offshore blocks from Block Offer 2018, it is also the Minister’s intention to announce that there will be no offshore blocks offered in future Block Offers or through an alternative process;

8. noted that the Minister’s intention in announcing this policy is to provide certainty to the market around the Block Offer 2018 process, but that formal decisions on future Block Offers will need to be made at the time in accordance with the Crown Minerals Act 1991;

9. noted it is also the Minister’s intention that this policy will not affect the rights of current permit holders to continue production or exploration activities under existing permits, including, for the avoidance of doubt, the right of existing exploration permit holders to apply for subsequent mining permits should they discover commercial quantities of petroleum offshore;
noted that the Minister intends to submit a paper to Cabinet in the near future setting out the full details of this new policy, including clarification around the rights of existing permit holders as well as the fiscal and legislative implications.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:
Prime Minister
Deputy Prime Minister
Minister of Energy and Resources