

## South Taranaki Community Panel Assessment of New Zealand Oil & Gas performance against Letter of Expectations 2015

This 'report card' assesses how New Zealand Oil & Gas has met the expectations of the South Taranaki Community Panel, as expressed in its Letter of Expectations 2015, reflecting performance over financial year 2015-16.

South Taranaki Community Panel Assessment of NZ O&G's performance against Letter of Expectations (financial year 2015-2016) [Year 1]		
The South Taranaki Community Panel expects that New Zealand Oil & Gas will:	NZ O&G Comments	South Taranaki Community Panel comments
<p><b>1. Engage positively and meaningfully</b> We expect New Zealand Oil &amp; Gas to act with respect, honesty and transparency, listen to the Panel's feedback and respond to the Panel's requests in a timely manner.</p>	<p><i>We believe we have engaged professionally, and responded to Panel enquiries quickly and clearly.</i></p> <p><i>We have actively sought feedback from the Panel on social and environmental issues relating to our activities, which will feed in to our inaugural Sustainability Report (we will respond to that feedback as part of the delivery of the report, around August 2016).</i></p> <p><i>We could improve the process for making collaborative community investment decisions.</i></p>	<p><i>We have found NZ O&amp;G excellent to engage with and very supportive of the suggestions and ideas we have put forward. Feedback and questions have always been responded to rapidly and the relationship has been very amicable and professional.</i></p> <p><i>We feel that NZ O&amp;G has undertaken the engagement aspect with goodwill.</i></p> <p><i>We were impressed by the CEO Andrew Knight visit to discuss our role as representative of the Community Panel. There has been no endeavour to influence the panels views or discussions on the oil and gas industry and its impact on the environment or on the South Taranaki Community.</i></p> <p><i>Perhaps the only area which seemed a little difficult to understand at first was the fact that we were asked to be members of the panel to help determine where financial contributions would be made in the community only to learn that a significant proportion of that funding was targeted to the Better Homes Initiative and home insulation. Until the panel could clearly see the benefits of this initiative in:</i></p> <p>1. <i>assisting lower income families in reducing costs to warm their homes</i></p>

		<ol style="list-style-type: none"> <li>2. <i>improving the health of those living in insulated homes by making them warmer</i></li> <li>3. <i>lowering energy consumption and thereby assist in reducing the impact of energy use on the environment</i></li> </ol> <p><i>the panel was left wondering how significant their role really was. Over the year through our meetings the panel has developed an understanding of its role and is beginning to feel more comfortable about its purpose. If the panels sole purpose was to be a sounding board, or a conduit, for NZ O&amp;G in its dealings with the South Taranaki Community the members would soon get disillusioned in their role as it does require a voluntary time commitment often during work hours. The members however can see a fulfilling role on the NZ O&amp;G South Taranaki Community Panel.</i></p> <p><i>Whilst the panel is slowly getting a feel on the investment decisions for community groups there is need for clarifications on this process e.g.</i></p> <ol style="list-style-type: none"> <li>1. <i>application cut off points being adhered to; and</i></li> <li>2. <i>what are suitable types of projects that might be considered under the fourth investment theme ie “other”.</i></li> </ol> <p><i>We feel that there is need for a development of having a conduit of information back to the panel so that we have up to date information e.g. a bimonthly newsletter in relation to operational situations and how NZ O&amp;G deals with new circumstances such as the discovery of blue whales in the bight in 2014 and what considerations are made in relation to new operational practices.</i></p>
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<p><b>2. Provide appropriate information</b> We expect to receive full, clear and understandable information, including making the right people available at the right time, to enable us to fully understand and represent the community perspective as effectively as possible.</p>	<p><i>NZ O&amp;G has been represented at three of the seven Panel meetings (including where requested not to attend). Our CEO and Manager External Relations attended the first formal Panel meeting. We also facilitated a representative from WISE to present to the Panel on the Warm Homes concept.</i></p> <p><i>We have provided members with 'The Wealth Beneath our Feet' for basic industry background information, ensured transparency of information via the Panel website and developed an 'activities and impacts' infographic to explain our activities. As the year has been focussed on confirming governance, processes, website and community investment (and with the decision to surrender the Kaheru permit back to the Government and therefore not undertake drilling activity), there has not been a lot of 'technical' material discussed.</i></p>	<p><i>We have found NZ O&amp;G very open and transparent about its motives for the existence of the Community Panel and we acknowledge that the visit by The CEO and Manager External Relations was very worthwhile and greatly appreciated. At that stage we had little understanding of our role as a panel and the meeting was very positive and inspirational and gave us some direction.</i></p> <p><i>We would also like to acknowledge the excellent input we have received from the Community Engagement Manager who has attended a number of our meetings and at no time has tried to influence any of decision or views but has offered guidance and information when sort.</i></p> <p><i>We see little need for improving this relationship as the Community Engagement Manager has avoided being over bearing or strongly influential over the views or wishes of the panel. She has made it clear what NZ O&amp;G needs from us as a panel representing the South Taranaki Community and has provide the information required for us to function in its role. No doubt over time there will be adjustments as the initiative matures.</i></p> <p><i>However, we wonder if there is some way of detailing the response to and the management strategies of the impacts outlined in NZ O&amp;G's list of activities.</i></p>
<p><b>3. Respond meaningfully to community perspectives</b> We expect New Zealand Oil &amp; Gas to demonstrate how it is responding to concerns or perspectives raised by the Community.</p>	<p><i>We have sought specific feedback on Community views on social and environmental issues relating to our activities (using the infographic as a starting point). As part of this process we will respond back to all feedback received, as well as using it to form the basis of our first Sustainability Report (due for release in August or September 2016).</i></p>	<p><i>NZ O&amp;G has been very proactive in seeking the views of members of the South Taranaki Community about social and environmental issues that they may be influencing in the region. This is a very refreshing approach rather than ignore the public and wait for some issue to evolve where a forced response may be required. The Panel believes that NZ O&amp;G want to avoid future issues from developing by keeping in close contact with the community through the use of the panel.</i></p>

		<p><i>A number of organisations approached for comment about the impact of NZ O&amp;G activities in South Taranaki were surprised and pleased to even be asked to provide feedback. This showed total lack of arrogance on behalf of NZ O&amp;G. If this approach is maintained there is little need for further improvement in this area. NZ O&amp;G will need to take in to account that members on the panel are there in a voluntary role and will not at all times be able to respond quickly to feedback required from a broad section of the South Taranaki Community.</i></p> <p><i>As discussed with Anna, we are interested in the response to the sustainability plan and how offsetting operational CO2 emissions are addressed.</i></p>
<p><b>4. Resource the Panel appropriately</b> We expect to be provided appropriate resources, including community funding as agreed with New Zealand Oil &amp; Gas.</p>	<p><i>In collaboration with the Panel we've developed community investment principles, criteria and information forms. We've jointly confirmed funding support for WISE Better Homes Trust delivering home insulation to families in South Taranaki (areas under-funded through other Trusts), and have agreed significant funding for two regional conservation projects (Rotokare and Bushy Park). We have also confirmed support for local community projects recommended by the Panel as delivering high community value eg START, and Whenuakura School.</i></p> <p><i>We have worked hard to establish a strong web profile and email badge for the Panel, and will look to promote the Panel as a conduit for community feedback through the website and exposure coming from community investments.</i></p> <p><i>Efforts to fill the vacant youth position on the panel have been unsuccessful to date, and should be renewed. We could also clarify with the Panel about preferred meeting frequency for the coming year.</i></p>	<p><i>NZ O&amp;G has provided the resources required for the Panel to perform its function. It has provided the Panel with an able secretary who can also give legal and professional advice and input when asked. The Panel is made up of people with a good range of skills from varied backgrounds and locations. The input of representatives of local Iwi, particularly Ngāruahine, has been greatly appreciated.</i></p> <p><i>There will never be enough in terms of funding local needs but the monies provided up till now are well received and it is great for the local community, thank you.</i></p> <p><i>It would be desirable to have another youth member on the panel and a member from the western part of South Taranaki. It would be appreciated if meetings were no more than bi-monthly.</i></p>