



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



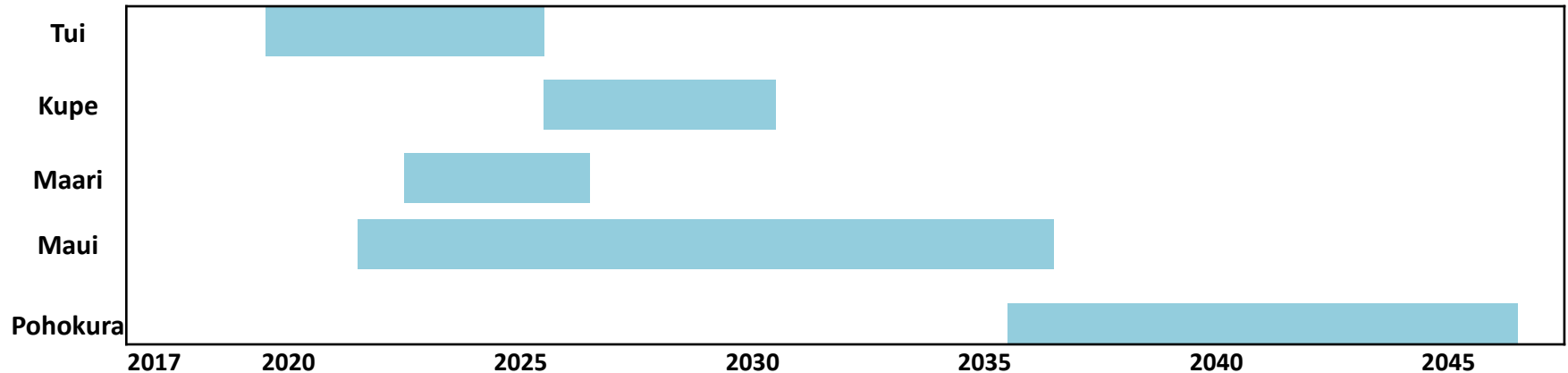
Ministry for the
Environment
Manatū Mō Te Taiao

Developing the Rules for Decommissioning New Zealand's Offshore Facilities

Craig Barry MBIE and Alastair Childs MfE

Offshore Decommissioning in New Zealand

- Five fields to decommission between 2020 and 2046
- Up to 48% of costs are borne indirectly by the Crown
- High cost and uncertain timeframes



New Zealand's International Obligations

- Geneva Convention (1985)
- UNCLOS
- IMO Guidelines and Standards (1989)
- London Convention and Protocol
- Basel Convention
- International Convention on Oil Pollution Preparedness, Response and Co-operation
- Noumea Convention
- International Convention for the Prevention of Pollution from Ships (MARPOL)

Domestic Legislation Framework



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



**NEW ZEALAND
PETROLEUM & MINERALS**



Ministry for Primary Industries
Manatū Ahu Matua



Fisheries Act 1996
Biosecurity Act 1993

Crown Minerals Act 1991
*Minerals Programme for
Petroleum 2013*
*Crown Minerals (Royalties for
Petroleum) Regulations 2013*

**Resource
Management Act
1991**



**Ministry for the
Environment**
Manatū Mo Te Taiao



**Department of
Conservation**
Te Papa Atawhai

**Conservation Act
1987**
Wildlife Act 1953
**Marine Mammals
Protection Act 1978**

**Offshore
decommissioning**

**Exclusive Economic
Zone Act 2012**
*-Decommissioning
regulations?*
*- Discharge and
dumping regulations
2015*

There is also a **collective
responsibility** across
industry



**Environmental
Protection Authority**
Te Mana Rauhi Taiao

There is a **collective
responsibility** across the
regulators and government

**Maritime Transport
Act 1994**

**Health and Safety at
Work Act 2015**
*Health and Safety at Work
(Petroleum Exploration and
Extraction) Regulations 2016*



Income Tax Act 2007



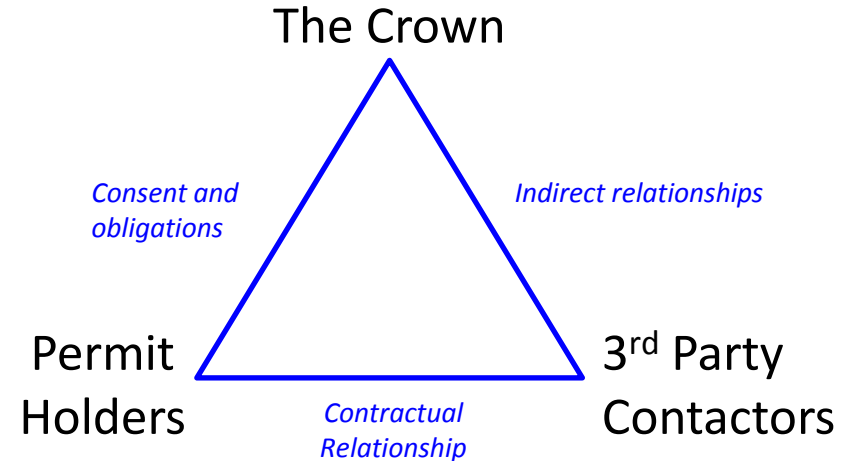
**Ministry for the
Environment**
Manatū Mo Te Taiao



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

The Crown's Approach to Developing the Rules

- Rules are in line with international obligations and best practice
- Balance environmental outcomes with economic considerations
- Encompass legacy assets and future developments
- Clear, pragmatic and enforceable
- Minimise 3rd party risks
- Prompt decommissioning of offshore facilities



*Relationships between agencies,
regulators and industry*

EEZ Act

- Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act)
- Establishes a legislative regime to manage effects on environmental and existing interests of activities in the EEZ and continental shelf
- Purpose is the sustainable management of the natural resources of the exclusive economic zone and the continental shelf
- One part of New Zealand's overall regulatory regime for offshore activities

Decommissioning under the EEZ Act

- Proposed amendments to the EEZ Act being progressed
- Includes amending how decommissioning activities are regulated
- New proposed requirements include:
 - A decommissioning plan for production facilities
 - A marine consent to abandon pipelines
 - Marine consents for new developments need to demonstrate consideration of decommissioning

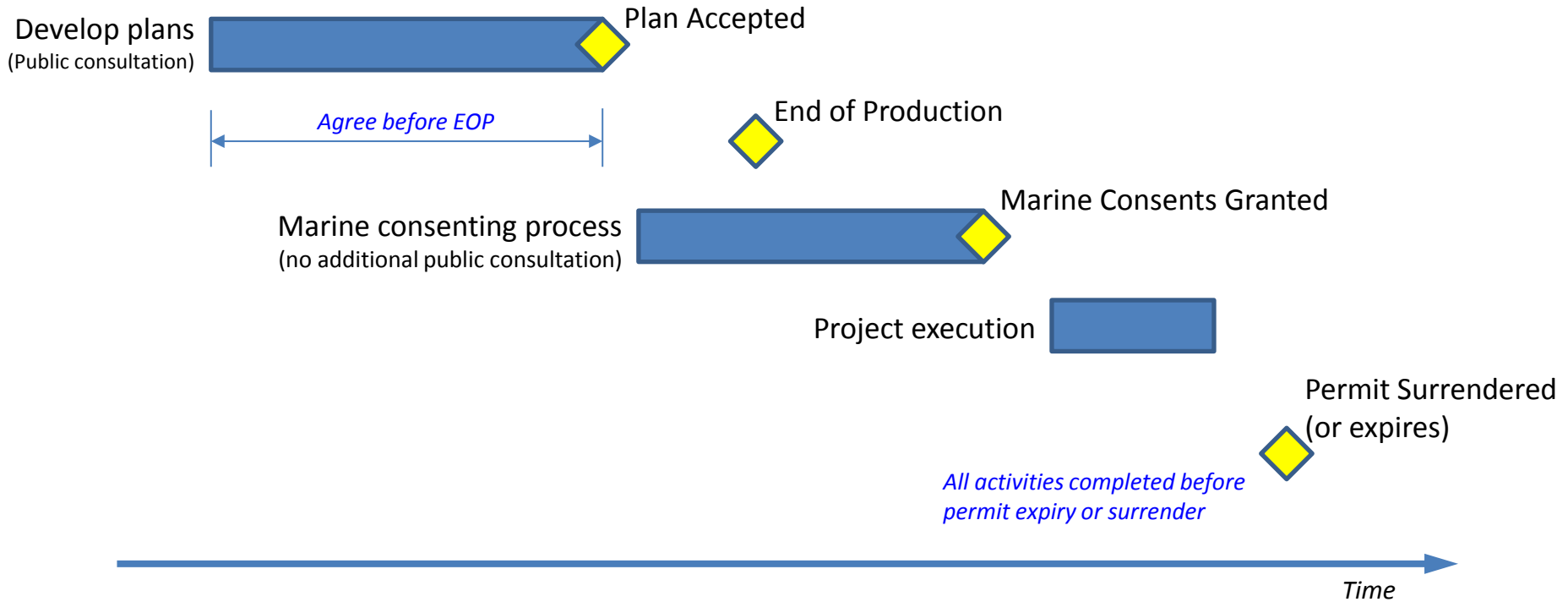
Decommissioning under the EEZ Act – the Plan

- Key aspects of the proposed decommissioning plan include:
 - Public participation in relation to the decommissioning plan
 - EPA assessment and acceptance of the decommissioning plan
 - A marine consent for decommissioning activities is still required

Decommissioning under the EEZ Act

- The proposed changes are intended to ensure that:
 - Operators engage early with agencies to plan for decommissioning of offshore infrastructure
 - Public consultation happens at the right time
 - Decommissioning is considered throughout the life of an installation

High Level Process – linking plans and consents



Developing the regulations

- It is intended that details for the decommissioning plan and process will be set out in regulations. Matters that regulations will provide further detail for will include:
 - Process for public consultation
 - Content on decommissioning plan
 - Criteria for assessing and accepting decommissioning plans