

New Zealand Herald opinion piece

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Petroleum Mining needs new rules

by Gary Taylor

New Zealand needs to manage risks better. Our economy couldn't stand another disaster.

Community concern about the dangers of petroleum exploration in New Zealand's Exclusive Economic Zone is well-justified. Exploration activities taking place there are not subject to adequate environmental regulation. Exploratory drilling in the Raukumara Basin off East Cape will be in much deeper water than the Gulf of Mexico. That disaster cost the US economy billions of dollars. New Zealand needs to learn that very expensive lesson and make sure a spill doesn't happen here.

A research paper published last week by the Environmental Defence Society compared New Zealand's environmental and safety regulations in the EEZ with other countries. We rate badly. For example, we have just one person responsible for inspecting all offshore and onshore petroleum wells - the worst ratio by far of all the countries surveyed in another recent study commissioned by the Ministry of Economic Development. Our system is just not safe.

On the environmental side, it's no better. There is a lack of integrated decision-making over the EEZ with a plethora of agencies and no statutory environmental assessment process. As things stand, we are running huge risks in allowing oil, gas and potentially minerals exploration and mining activity in our EEZ. If we are to contemplate those activities in our waters, we need to put effective environmental controls in place first.

Our oceans are enormous and rich in both minerals and wildlife. The combination of our territorial sea (to 12 nautical miles), our EEZ (to 200 nautical miles) and our extended continental shelf (over which we have some seabed jurisdiction) is 20 times bigger than our land mass. Our oceans cover 5.8 million square kilometres – a huge area for a small country to manage.

New Zealand's oceans cover 30 degrees of latitude. The intersection of subtropical and subantarctic waters has created a highly diverse and productive environment. As much as 80% of our biodiversity lives in the sea. We are marine mammals hotspot with at least 38 species of dolphin and whale found here – nearly half the world's total.

New Zealand is called the seabird capital of the world with 84 species breeding in our waters, more than in any other country. We have an extensive and expanding onshore and offshore fishery which contributes substantially to our economic welfare.

An oil spill in these waters could have catastrophic economic and environmental consequences far bigger than cosmetic despoiling of some beaches. We are not opposed to drilling but we need to do it safely.

The Government has acknowledged that there's an urgent need for legislative reform which has been promised later this year. The petroleum industry itself has agreed with EDS that we need a proper regulatory framework for resource extraction in our oceans. In our view this needs to be robust and not simply green-wash: if the environmental and safety risks are too great for a particular project then consents should be refused.

But the problem with our oceans is much bigger than lack of regulation in the EEZ: the broad suite of laws covering our oceans is outdated, ineffective and well behind international best practice. New

Zealand, which used to be leader in oceans governance, is now well behind the times. We do not have the tools to protect our oceans environment.

Other countries have developed marine spatial planning as a key tool to manage conflicting uses in their oceans and we need to go there too. The Environmental Protection Authority should have an expanded role in our EEZ.

Our conservation laws are also hopelessly outdated. For example, we are seeing the New Zealand Sealion population spiralling towards extinction, with management agencies seemingly powerless to intervene: the tools are just not there.

EDS is calling for a fundamental review of oceans governance, a major shake-up akin to the one that led to the environmental reforms over land in the late 1980s. Ideally we need a Royal Commission on Oceans Policy, an independent expert panel to review best practice internationally and to provide robust recommendations on how to make New Zealand a world leader once again in managing its oceans.

Meantime, the Government needs to get on with the immediate task of putting some proper controls over oil, gas and minerals activities in our EEZ. There is no time to lose.

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