

9 April 2015

Committee Secretariat
Local Government and Environment Select Committee
Parliament Buildings
WELLINGTON 6011

Dear Sir/Madam

Submission on the Exclusive Economic Zone and Continental Shelf (Environmental Effects) (Transitional Provisions) Amendment Bill

Details

This submission on the *Exclusive Economic Zone and Continental Shelf (Environmental Effects) (Transitional Provisions) Amendment Bill* ("the Bill") is from the Petroleum Exploration and Production Association of New Zealand (PEPANZ).

We wish to appear before the Committee to speak to our submission.

I can be contacted at 04 494 8974 and email (andrew.saunders@pepanz.com).

PEPANZ represents private sector companies holding petroleum exploration and mining permits, service companies and individuals working in the industry. PEPANZ members include the operators of all existing offshore producing fields.

Submission

PEPANZ supports the Bill.

The current situation whereby any of the existing offshore producing fields will need to be effectively re-consented (with any appeals resolved) before the original end-date of their mining permit/licence creates unnecessary investment uncertainty for mature and important assets. It is also uncertain how far in advance of that date an application would need to be made. This is because whilst the duration for processing a consent is relatively predictable, possible appeals could extend the timeline substantially.

Requiring instead, as provided for in the Bill, that a marine consent must be applied for prior to a mining permit/licence expiring, but allowing operations to continue until this is resolved, is a practical and sensible approach. This also allows more flexibility in ensuring that matters to do with the potential extension of a mining permit/licence can be considered at the most appropriate time. Otherwise it might for example be necessary to apply for a marine consent for continuing operations before any extension of a mining permit/licence itself was resolved.

Because the marine consent regime did not exist at the time these existing offshore facilities were established, those consents required to be sought under the *Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012* in future are akin to a re-consent of these facilities. In other transitional situations under the Act (e.g. sections 21-22 and section 74 applying to the expiry of a marine consent) existing activities are allowed to continue whilst a marine consent application is being considered. We also note the similarity of the provisions in the Bill to section 124 of the *Resource Management Act 1991*. The Bill would align section 162 of the Act with the intent of these existing provisions.

PEPANZ appreciates the opportunity to make this submission and is able to provide further information if required.

Yours faithfully

Andrew Saunders
Policy Manager