

**Before the Decision-making Committee appointed by the
Environmental Protection Authority
OMV GSB Limited application for Marine Discharge Consent
(EEZ100018)**

IN THE MATTER OF

**the Exclusive Economic Zone and
Continental Shelf (Environmental
Effects) Act 2012**

AND

**An application by OMV GSB Ltd for a
marine discharge consent
to discharge trace amounts of
harmful substances from deck drains
of a Mobile Offshore Drilling Unit as
offshore processing drainage**

Submission by Climate Justice Taranaki Incorporated

27 May, 2019

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Introduction

- 1) Climate Justice Taranaki Inc. (CJT) is a community group dedicated to environmental sustainability and social justice. This includes issues of inter-generational equity, notably in relation to climate change, which will impact future generations' inalienable rights to safe water, food and shelter, crucial to sustaining livelihoods and quality of life. CJT became an incorporated society on 26 February 2015.

The OMV Great South Basin Programme — Uncertainties

- 2) Under its proposed Exploration and Appraisal Drilling (EAD) Programme in the Great South Basin (GSB) starting this year, OMV plans to drill up to three exploration wells and up to seven appraisal wells in the permit area PEP 50119 spanning 16,715 sq.km. The EAD programme could consist of more than one drilling campaign over a period to 2030, involving one or more Mobile Oil Drilling Units (MODUs). International experience has demonstrated that there can be devastating environmental and socio-economic impacts across huge areas from exploratory drilling.
- 3) OMV is seeking consent to discharge '*trace amounts of harmful substances*' through the hazardous deck drains of a MODU into the sea as offshore processing drainage (OPD) to cover the period until 2030.
- 4) The Environmental Protection Authority (EPA)¹ has highlighted the uncertainty in the application relating to the unidentified MODU and volumes of harmful substances as the two key issues associated with the application. Because the MODU(s) has/have not been identified, the quantities of harmful, ecotoxic substances that could be discharged at sea are unknown, except for a 250 ml of ecotoxic substance claimed as the worst-case scenario in OMV's Impact Assessment (IA).

Disjoint processing of related consents and cumulative effects

- 5) Under the current legislation, although OMV requires multiple consents before it can carry out exploration drilling in PEP 50119, only the discharge activity laid out in the current application is to be publicly notified and subject to public scrutiny. The public has no say in other activities associated with OMV's EAD program such as impacts on the marine environment and threatened species from the drilling and movement of the MODU(s) and from the far greater amounts of associated harmful discharges than what's the subject of the current application.
- 6) Moreover, the disjoint processing of closely related consent applications (notified and non-notified) involved in the OMV GSB EAD programme, makes comprehensive assessment of cumulative effects impossible. EEZ Act s 39(1)(d) and 59(2)(a)(i) require proper assessment of cumulative effects on the environment and existing interest.
- 7) As such, the current legislation and processing of consent applications in the EEZ-CS are irrational, undemocratic and fails to achieve the purpose of the EEZ-CS Act s10, notably safeguarding the life-supporting capacity of the environment; and avoiding, remedying, or mitigating any adverse effects of activities on the environment.
- 8) The Great South Basin and adjacent Otago coastline are of critical importance to marine mammal and seabird conservation², boasting abundant species diversity and providing habitats for endangered, threatened and endemic species. OMV's highly risky exploratory drilling³ programme threatens all these. New Zealand has the international obligation to protect and promote the recovery of threatened species under the UN Convention of Biological Diversity which is enabled by the EEZ s 11(b) and 59(2)(e).

- 9) We are particularly concerned with the impacts of cumulative effects from industrial and extractive activities, combined with rapidly changing physical, chemical and biological oceanography of the region on these and other threatened species in the area.

Non-notified consent applications and Public hearings

- 10) We are well aware that exploratory drilling for petroleum (including exploratory and appraisal wells) is classified a non-notified activity under the EEZ-CS (Environmental Effects-Non-notified activities) Regulations 2014. The regulations arose following the EEZ Amendment Act 2013 which was rushed through by way of a Supplementary Order Paper, thereby avoiding the select committee process and public submissions. The Ministry for Environment Regulatory Impact Statement⁴ argued that the amendment would reduce costs to businesses and improve incentives to invest – a classic demonstration of how business interest^{5,6} trumps public interest and democracy^{5,6}.
- 11) However, EEZ Act s 50(2) enables the EPA to conduct hearings in respect of applications for non-notified activities, even if the applicant does not request one, if the EPA considers it necessary or desirable. Schedule 2(2) allows EPA to hold a hearing for a marine consent for a non-notified activity in public or in private. In view of the scale of the drilling and discharge activities proposed by OMV and the potential impacts, we ask EPA to conduct public hearings of OMV's applications for all non-notified activities associated with the proposed EAD programme.

Climate Change & Zero Carbon Bill

- 12) New Zealand has the obligation to deliver its commitment to the Paris Agreement⁷ under the UNFCCC – keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Still, temperatures have been rising at unprecedented rates⁸, threatening our biodiversity⁹, fisheries, and the life-supporting capacity of our environment as a whole. Temperature anomalies¹⁰ several degrees above average were recorded in the three previous summers from the Tasman Sea to the GSB. The accelerating melting in Greenland and Antarctica is driving sea level rise far greater than expected^{11,12}.
- 13) The purpose¹³ of the Climate Change Response (Zero Carbon) Amendment Bill introduced on 8 May 2019 is to *'provide a framework by which New Zealand can develop and implement clear and stable climate change policies that contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels...'* The Bill must sit above and have overarching effects on other existing pieces of legislation for it to be implementable. Notably, the EEZ-CS Act must be amended to include considerations of the effects of emissions on climate change¹⁴.
- 14) Fossil fuel exploration and mining must end while just transition to more sustainable energy, agriculture, transport and economic systems begins in earnest. Natural gas is not a bridge fuel to low carbon economy¹⁵.

Decision sought

- 15) Considering the scale of the EAD programme, the uncertainty in the application, lack of comprehensive cumulative effects assessment, and the risks on marine biodiversity, integrity of marine ecosystems and processes, and New Zealand's international obligation to protect threatened species, CJT submit that the application be declined outright. Any approval of the current application, and other applications associated with the OMV GSB EAD program, would make a mockery of our climate emergency^{16,17} and the government's supposed commitments and just transition to a net zero carbon economy.

References

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- ³ Navigatus Consulting, Nov 2015. Financial Assurance Review – Integrated Damages Assessment Model. Report prepared for the Ministry of Business, Innovation and Employment and Ministry of Transport. <https://www.transport.govt.nz/assets/Uploads/Sea/Documents/71965e2e5f/2015-11-30-Financial-Assurance-Review-Main-Report.pdf>
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- ¹² Radio NZ, 22 May 2019. Climate change: Global sea level rise could be bigger than expected. <https://www.rnz.co.nz/news/world/389767/climate-change-global-sea-level-rise-could-be-bigger-than-expected>
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