



Protecting our Beaches from Oil Spills

Green Party election priority

Cleaner Environment
Fairer Society
Smarter Economy

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Introduction

We love our New Zealand beaches. Whether it's the black sands of Taranaki, the blue-green water of Waimarama in the Hawke's Bay or the majestic dunes of Sandfly Bay in Dunedin, we have beaches to be proud of.

Thousands of New Zealanders flock to our beaches in the summer to picnic, BBQ, and swim. Catching a wave, catching a fish or building a sandcastle on a beach is a Kiwi birthright, but it is at risk from the National Government's deep sea drilling agenda.

This Government likes to pretend that an oil spill couldn't happen to us in Aotearoa New Zealand, but they can't guarantee it won't happen.

I remember being horrified in 2010 as the Deepwater Horizon rig in the Gulf of Mexico exploded and sank, spilling 600,000 tonnes of oil into the ocean. I only experienced the Deepwater Horizon disaster by watching it unfold on TV, but when the container ship *Rena* ran aground on the Astrolabe reef off the coast of Tauranga, suddenly oil on our beaches was a reality.

Watching people in hazmat suits cleaning up oil on Mount Maunganui beach, dead birds washing up along the Bay of Plenty coast, seeing shops closed on Papamoa Beach Road, wasn't something you just saw on TV, it was here and it was real. This wasn't an American horror story. It was a New Zealand horror story. And it isn't over.

Some of the wreckage of the *Rena* is still on the reef and on the seafloor. The *Rena's* owners are trying to get permission to leave the debris in place, forcing local iwi to use legal means to try to get the entire wreck removed.¹

This is a failure of the 'polluter pays' principle. When a corporation pollutes our oceans, locals shouldn't have to go to the Waitangi Tribunal or fight in court to get the mess cleaned up.

Unfortunately, not only has National done almost nothing to protect New Zealand from another shipping accident like the *Rena*, it has made an oil spill in New Zealand more likely by opening up most of New Zealand's coastline to the risks of deep sea drilling.

There are smarter, greener ways of creating jobs here in New Zealand.

New Zealanders want our **beaches** open for swimming, family time, collecting kaimoana, and recreational fishing, not closed for **oil spills**.

We can protect our environment, economy, climate, and reputation – for this and future generations – by saying NO to deep sea drilling and YES to a clean energy future.



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Summary

In order to protect our beaches from oil spills, the Green Party will:

1. Prohibit deep sea oil drilling;
2. Implement compulsory shipping lanes for coastal shipping;
3. Build Maritime New Zealand's oil spill response capability; and
4. Introduce a stronger legal framework so that when accidents do happen, the New Zealand taxpayer does not have to pay for the clean-up.

Together, these measures will make oil spills less likely to happen and less damaging when they do.

Situation

Petroleum development is a key plank of the National Party's economic agenda, but it is the wrong focus for the New Zealand economy.

With deep sea drilling the Government is pursuing a failed economic agenda that runs totally counter to our real economic advantages and opportunities.

We can create a smart economy that delivers real prosperity for everyone while protecting the environment.

As the Pure Advantage group of leading New Zealand business people has noted, we have a natural advantage in geothermal energy production and the production of bio-fuels from forestry.²

Research has shown that the greener the industry, the faster the job growth³, yet the National Government is carving up New Zealand's waters for deep sea drilling permits. Since November 2008, the National Government has awarded 198,967 square kilometres of petroleum prospecting permits and 33,745 square kilometres of petroleum exploration permits in deep water off the New Zealand coast – an area bigger than the South Island.⁴

And the National Government is planning on opening up even more deep water to drilling. It has proposed drilling in a further 396,000 square kilometres of our ocean, of which 91 percent is in deep water.⁵

Deep sea drilling isn't like the drilling that has happened for decades off the coast of Taranaki. This is a whole different level of environmental and economic risk. It's a well-established fact that when it comes to offshore drilling, the deeper you go, the greater the risk.

When we look to the Gulf of Mexico, we see that for shallow water oil drilling one in 272 wells has had a spill. That number increases to one in 35 wells for deep sea drilling and to one in 19 wells for ultra-deep sea drilling.⁶

Deep sea drilling is a high-risk economic activity, yet we aren't prepared for a spill.

National is expanding its risky deep sea drilling programme despite knowing that New Zealand does not have the equipment to deal with an underwater leak.

According to papers released to the Green Party under the Official Information Act, Maritime New Zealand, "does not have a subsea response capability".⁷

Most of the response equipment that we have is designed for **near-shore** sheltered conditions and ***really there isn't available internationally any*** equipment specifically designed to operate in the rough kind of conditions offshore that we have in New Zealand.

- Dane Maxwell, Maritime New Zealand's oil spill response planning officer

National and Labour both like to downplay the risk of oil on our beaches by saying that there is equipment that can be flown to Aotearoa New Zealand in the event of a spill. But the truth is that the equipment would likely take weeks to arrive⁸, and even then it might not work in the rough New Zealand seas. An employee at Maritime New Zealand has admitted that no equipment exists in the world that is designed for New Zealand conditions.⁹

Even the industry itself admits that oil on our beaches is a likely outcome if there were a leak from a deep sea well. In a particularly candid moment, the former executive officer of the Petroleum Exploration and Production Association of New Zealand, John Pfahlert, said that there is no absolute guarantee that disasters won't happen

here, and that the only response to spills such as the Gulf of Mexico disaster would be a beach clean-up.¹⁰

Deep sea drilling is not worth the risk. While there are some short-term economic benefits to deep sea drilling, they don't justify risking a huge spill that could cost us billions.

Claims of economic boom don't add up. Our 'government take' – that is royalties and taxes – for oil is the fourth lowest in the world.¹¹

90 percent of profits will go offshore, as predicted by a report commissioned by the National Government in 2012.¹² This is a case of New Zealanders taking the risk while foreign companies take the gains.

Deep sea drilling will create very few jobs for New Zealanders. The entire oil and gas industry is estimated to employ 7,000 people, including indirect jobs.¹³ Deep sea drilling won't add significantly to that number, while putting vastly more jobs at risk.

Imagine the cost to the tourism, fishing, and agricultural industries of oil washing up on 90 Mile Beach, Piha, Raglan, or another of our world famous New Zealand beaches.



Cleaning Papamoa Beach after the Rena oil spill. Image: NZ Defence Force.

Our fisheries, dairy industry, and other food producing industries employ 250,000 people.¹⁴ But an oil spill will destroy our clean, green image upon which many of these jobs rely.

The loss of recreational opportunities from a deep sea oil spill would also be devastating. Auckland's west coast beaches are postcard New Zealand. It's where Kiwi families come to swim, fish and holiday. Yet, the Government is putting these beaches at risk of an oil spill from deep sea drilling.

And what are we taking the risk for? It's not like the oil found in New Zealand's deep seas will be used to fuel our cars and industries. Virtually all of the crude oil that is produced in New Zealand is exported, while the oil that New Zealanders use is imported. This is because New Zealand's only refinery is set up to refine a different type of oil than we produce here.¹⁵

The deep sea oil in New Zealand will further destabilise our climate, and every dollar that continues to be invested in deep sea drilling is another dollar that's not invested in clean, green, renewable alternatives.

The Green Party wouldn't risk our environment, economy, climate, and way of life for the sake of deep sea drilling. We would create a clean, green economy which benefits everyone, now and into the future.

Solution

1. Prohibit deep sea drilling

In order to protect New Zealand beaches from oil spills, the Green Party will prohibit deep sea drilling in New Zealand waters. Deep sea drilling is not worth the risk. We have an alternative plan to deliver high paying jobs that don't cost the earth.¹⁶

There are no deep sea wells in New Zealand, so now is the time to prohibit the practice.

2. Implement compulsory shipping lanes for coastal shipping

A clean economy will still rely on coastal shipping, which is why the Green Party will take steps to reduce the risk of future spills from accidents and better prepare for when accidents do happen.

Since the shipping vessel *Rena* ran aground on the Astrolabe reef off the coast of Tauranga in 2011, there have been 35 'near miss' incidents, including seven container ships, 12 other cargo vessels, and seven tankers.¹⁷ The term 'near miss' refers to any incident where a crash was avoided by luck or recovery. That is a disconcerting number of close calls that could have resulted in oil on our beaches.

The Green Party will, in consultation with industry, unions and experts, introduce compulsory shipping lanes – a cheap, effective solution to help avoid *Rena*-like disasters.

Compulsory shipping lanes are designated channels in the oceans in which ships are allowed to sail. Compulsory shipping lanes have been created in a number of countries including, the UK¹⁸, Norway¹⁹ and Canada.²⁰ The *Rena* captain himself said that compulsory shipping lanes may have prevented the *Rena* disaster.²¹

3. Build Maritime New Zealand's oil spill response capability

The slowness of response to the *Rena* grounding highlights the necessity of investing in greater levels of personnel and equipment to deal with oil spills and their aftermath. The Green Party will make a greater investment in our oil pollution response capability and pay for it by increasing the Oil Pollution Levy on the industry it serves.

The Oil Pollution Levy is recovered from the maritime and offshore oil industries to pay for the operational costs of maintaining New Zealand's marine oil spill preparedness and response capabilities and to maintain the Oil Pollution Fund, which is used in the event of an oil spill emergency. The fund stood at \$12 million in 2001,²² but has now been drawn down to only \$1.7 million.²³ This draw down happened as successive governments allowed yearly operational costs for Maritime New Zealand's oil spill preparedness to be more than Maritime New Zealand was recovering from industry through the oil pollution levy.

In 2013, the National Government increased the Oil Pollution Levy to reverse its \$1 million per year overspend, but not enough to boost our oil spill response capability or build up the Oil Pollution Fund.

The Green Party will increase the Oil Pollution Levy enough to increase the operational budget of Maritime New Zealand by \$1 million per year and restore the Oil Pollution Fund to its previous level of \$12 million, by 2017.

4. Introduce a stronger legal framework so that when accidents do happen, the New Zealand taxpayer does not have to pay for the clean-up

New Zealanders should not have to pay when corporations damage our beautiful country. To help ensure that the polluter pays, we will:

1) Build up the Oil Pollution Fund reserves which can be used in the event that the polluter cannot pay for all the damage caused by an oil spill.

As discussed in the previous section, this will be paid for by the industries which create the risk of an oil spill in New Zealand waters, for example the shipping and drilling industries.

2) Sign up to the International Oil Pollution Compensation Fund's *Supplementary Fund Convention*, which would allow us to access \$1.392 billion for tanker spill clean-up and compensation costs.

Following calls from the Green Party in 2011, the Government has proposed signing New Zealand up to the Supplementary Fund Convention.²⁴ However, the National Government has yet to actually sign up. The Green Party in Government will.

3) Amend Part 102 of the Marine Protection Rules to require new shallow water offshore oil wells to hold insurance to cover a worst-case scenario spill, and to raise the minimum insurance requirement of existing shallow water offshore oil wells from \$26 million to \$300 million.

The National Government has proposed – but has not implemented – raising the minimum insurance requirements of all offshore oil wells to \$300 million.²⁵ The Green Party supports this minimum insurance requirement for existing wells, but we will put even greater requirements on new shallow water wells.

The United Kingdom has a system with requirements for insurance that range from NZ\$300 to over NZ\$800 million.²⁶ Australia is moving to a regime where insurance requirements are commensurate with the risk posed by the well.²⁷

New Zealand taxpayers should not bear the risk of having to pay for a catastrophic oil spill on our shores. The Green Party will require new offshore wells to have enough insurance to cover a modelled worst-case scenario spill.

Benefits

The Green Party's oil spill protection plan will keep our beaches open for swimming, not closed for oil spills. Not only that, our oil spill protection plan will safeguard our economy, our climate, our national identity, and our way of life.

New Zealanders are proud of our clean, green reputation and the outdoor lifestyles that our beautiful country offers. We love a summer day at the beach building sandcastles or swimming in the sea.

Our environment is at the heart of our national identity. Just as our clean, green image is at the heart of our economy.



We love our beaches and have beaches to be proud of.

An oil spill could have catastrophic consequences. Not only would it kill precious wildlife, it would tarnish our clean, green reputation upon which our export economy is built.

Protecting Aotearoa New Zealand from oil spills is an investment in our clean, green image, and the export revenue that our reputation generates. According to PriceWaterhouseCoopers, 70 percent of our export revenue is linked to New Zealand's clean green reputation.²⁸

But perhaps more importantly, the Green Party's oil spill protection plan helps avoid catastrophic climate change. The International Energy Agency says two-thirds of known fossil fuels must stay in the ground if we're to keep climate change to a 'safe' increase of 2° Celsius.²⁹

The oil that might lie beneath deep water off the coast of New Zealand has not even factored into this equation.

We need to keep most of what has already been found in the ground and stop looking for more. Those that continue to pursue fossil fuels risk having stranded assets in the near future.

Considering the growing movement of universities, churches, local authorities and individuals who are divesting from fossil fuels, National is backing the wrong horse. Global capital is moving towards clean investment.

We can protect our **environment**, economy, climate, and reputation – for this and future generations – by saying NO to **deep sea drilling** and YES to a **clean energy** future.

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