



PROACTIVE RELEASE COVERSHEET

Minister	Hon Simon Watts	Portfolio	Climate Change
Name of package	Carbon capture, utilisation and storage policy briefings	Date to be published	17 December 2025

List of documents that have been proactively released

Date	Title	Author
5 June 2025	Briefing – Advice on progressing the regulation of Carbon Capture, Utilisation and Storage	Ministry for the Environment
28 August 2025	Briefing – Further advice on enabling Carbon Capture, Utilisation and Storage	Ministry for the Environment

Information redacted **YES** NO

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld from *Briefing – Advice on progressing the regulation of Carbon Capture, Utilisation and Storage* under Section 9(2)(a), 9(2)(f)(iv), 9(2)(g)(i), and 9(2)(h) of the Official Information Act for privacy, active consideration, free and frank and legal privilege reasons.

Some information has been withheld from *Briefing – Further advice on enabling Carbon Capture, Utilisation and Storage* under Section 9(2)(a), 9(2)(f)(iv), 9(2)(g)(i), and 9(2)(h) of the Official Information Act for privacy, active consideration, free and frank and legal privilege reasons.



Briefing: Advice on progressing the regulation of Carbon Capture Utilisation and Storage

Date submitted: 5 June 2025

Tracking number: MfE: BRF-6274 MBIE: BRIEFING-REQ-0015240

Security level: In-Confidence

Priority: Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Chris BISHOP Minister Responsible for RMA Reform Hon Simon WATTS Minister of Climate Change Minister for Energy Hon Penny SIMMONDS Minister for the Environment	Indicate your preferred approach to progress enablement of Carbon Capture Use and Storage (CCUS) Consider the key decisions required to progress the regulation of CCUS.	17 June 2025

Actions for Minister's office staff
Return the signed briefing to the Ministry for the Environment (ema.pct@mfe.govt.nz) and (advice@mfe.govt.nz). Forward a copy of this briefing to the Hon Shane Jones, Minister for Resources.

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
Principal Author	Ryan McLean	9(2)(a)	✓
General Manager	Jo Gascoigne		

Key contacts at Ministry of Business, Innovation and Employment			
Position	Name	Cell phone	First contact
Principal Author	Hidde Mebus	9(2)(a)	✓
Policy Director	Sharon Corbett		

We have proactively released content related to policy decisions. Some information has been withheld under 9(2)(f)(iv), as much of this material pertains to the legislative design for the regime, and final decisions have not yet been made.


Minister's comments

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Advice on progressing the regulation of Carbon Capture Utilisation and Storage

Key messages


9(2)(f)(iv)



Recommendations

We recommend that you:

9(2)(f)(iv)



9(2)(f)(iv)

Key decisions required now to progress the regulation of CCUS

d. 9(2)(g)(i)

e. **agree** that post consent expiry and site decommissioning a CCUS operator will not be held liable for any future environmental damage that may occur due to events outside of their control (eg, an earthquake or natural changes in the geological structures holding the carbon) and/or the actions of others (eg, a subsequent operator disturbing the geological structure releasing carbon)

Yes | No

f. **agree** that an operator may be held liable for damage caused as a consequence of matters within their control, such as improperly capping the well

Yes | No

g. **agree** that activity by third parties that may disturb a geological structure containing carbon be prohibited

Yes | No

h. **agree** that the Environmental Protection Authority (EPA) Board be designated as the decision-maker for all CCUS-related consents, including consents within the territorial sea and on land that relate to an operator's CCUS activities within the exclusive economic zone

Yes | No

i. **agree** officials to issue drafting instructions on amendments and additions to the Climate Change Response Act 2002 (CCRA) and supporting regulations, as set out in Table 1 of this briefing, including:

- the CCRA itself;
- the Climate Change (Stationary Energy and Industrial Processes) Regulations 2009;
- the Climate Change (Other Removal Activities) Regulations 2009;
- the Climate Change (Unique Emissions Factors) Regulations 2009;
- any consequential amendments in line with the policy decisions approved in this briefing

Yes | No

j. 9(2)(f)(iv)

k. **agree** officials to work with PCO to determine any technical matters required to give effect to Ministers decisions in respect of the proposals in this paper

I. 9(2)(f)(iv)

Signatures



Jo Gascoigne
General Manager
Resource Management System
5 June 2025



Sharon Corbett
Policy Director, Energy Markets
Building, Resources and Markets, MBIE
5 June 2025

Hon Chris BISHOP
Minister Responsible for RMA Reform
Date:

Hon Simon WATTS
Minister of Climate Change
Minister for Energy
Date:

Hon Penny SIMMONDS
Minister for the Environment
Date:

Advice on progressing the regulation of Carbon Capture Utilisation and Storage

Purpose

1. This briefing provides you with advice on the most efficient and effective approach to enabling the regulation and reward of geological carbon storage. It consists of four sections:

9(2)(f)(iv)

- iii. Part 3 covers design features related to financial incentive/reward in the New Zealand Emissions Trading Scheme (NZ ETS).
 - iv. Part 4 deals with amendments required to the Climate Change Response Act 2002 (CCRA) 9(2)(f)(iv)

2. 9(2)(f)(iv)


Background

3. On 21 October 2024, following the outcome of public consultation, Cabinet agreed to an enabling framework for CCUS [CAB-24-MIN-0403 refers]. At a high-level, it was decided that the regulatory regime would:
 - apply to all forms of storage that are countable against New Zealand's international climate change targets
 - provide a financial incentive (the NZ ETS) for storage operators
 - contain an assessment and monitoring function
 - provide a long-term liability framework.
4. Subsequently, on 16 December 2024, Cabinet agreed to a more detailed policy approach for the above framework and that the overall approach would be guided by the following principles [CAB-24-MIN-0504 refers]:
 - that the CCUS regime is one of high integrity
 - that processes for applicants and CCUS proponents will be streamlined as much as possible
 - that decision-making processes and criteria are clear and are workable from the viewpoint of both scheme proponents and decision-makers

- that the regulatory requirements for CCUS scheme design should not be overly prescriptive and are fit for purpose in a New Zealand context.
5. Cabinet agreed that the regime would likely consist of the following key features:
- The regulator must consider the suitability of a storage site and associated operations for activities.
 - Consistent with normal NZ ETS arrangements, reporting of results from activities should be on a self-reported basis, augmented by a strong monitoring, verification, audit and penalty regime. Monitoring of the site will continue post-closure.
 - A system will be put in place to ensure that closure of the site is performed adequately.
 - Decommissioning costs will be met by the operator.
 - Following the closure of the storage site, liabilities will remain with the operator. Ministers may agree to remove the NZ ETS surrender obligations for the leakage of stored carbon if certain conditions are met, and after a period no shorter than 15 years post-closure.
6. Cabinet also authorised the Minister for Energy, Minister of Climate Change, and the Minister Responsible for RMA Reform (responsible Ministers), along with the Minister for the Environment, to make further decisions and issue drafting instructions needed to give effect to the decisions made under ECO-24-MIN-0305.

Ministerial decisions on a legislative approach for CCUS

7. In late March 2025, responsible Ministers received advice on a legislative approach to CCUS that would enable the detailed design of the CCUS regime to be completed. [BRIEFING-REQ-0011392 / BRF-5837 refers].
8. This advice noted that a financial incentive for CCUS, which consists of a NZ ETS reward under the CCRA, could be readily progressed through small, self-contained amendments to the CCRA consistent with previous Cabinet decisions.
9. However, it was noted that additional decisions on the legislative vehicle for the upfront approval and ongoing monitoring were required to complete detailed design work, and to allow for drafting instructions for a CCUS Bill to be issued.

10. 9(2)(f)(iv)
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11. 9(2)(f)(iv) [Redacted]

9(2)(f)(iv) [Redacted]

9(2)(f)(iv) [Redacted]

9(2)(f)(iv) 9(2)(f)(iv), 9(2)(g)(i) [Redacted]

9(2)(f)(iv) [Redacted]

9(2)(g)(i), 9(2)(h) [Redacted]

9(2)(f)(iv)

9(2)(f)(iv)

15. 9(2)(b), 9(2)(ba)(i)

16. 9(2)(b), 9(2)(ba)(i)

Officials had estimated that the deployment of CCUS could result in approximately one million tonnes of abatement in each of emissions budgets 2 and 3.

17. 9(2)(g)(i)

9(2)(f)(iv)

9(2)(f)(iv), 9(2)(g)(i)

18. 9(2)(f)(iv), 9(2)(g)(i)

19.

9(2)(f)(iv), 9(2)(g)(i)

21. A well storing carbon will likely be located hundreds of metres or several kilometres underground. However, property rights are not constrained to the surface of land, as such. Where a well may move horizontally and cut across property boundaries, this presents issues in respect of land access.

22. 9(2)(g)(i)

9(2)(f)(iv)

Responsibility and liability post consent expiry

23. 9(2)(f)(iv)

24. Carbon stored in geological formations can take many decades to fully mineralise.

9(2)(f)(iv)

25. We consider the risk of environmental harm is mitigated by ensuring that the geological formation that will hold the carbon is appropriate, that the carbon is injected into the well safely, that the well is capped properly once full, and that the geological formation is monitored for the life of the consent. These are all matters the decision-maker will provide assurance over through conditions on consents.

26. 9(2)(f)(iv)

27. Post consent expiry there are several scenarios that could result in a significant leak. For example:

- a natural event, such as an earthquake, could disturb the geological storage releasing the carbon. Consideration of the proximity of the storage site to known active fault lines would be a consideration in determining the appropriateness of the geological formation for storage
- the geological structure containing the carbon could naturally alter
- the well cap could degrade, releasing carbon before it has been mineralised

- a future operator may disturb the geological formation, releasing the carbon.
28. However, given the formation will be hundreds of metres, if not several kilometres, underground, any operation that disturbs the formation would likely be significant. Therefore, it is reasonable to assume that such an operation would have conducted due diligence before commencing and would be aware, via public records, of the carbon stored in the geological formation.
29. Officials consider the risk of a major carbon leak and associated environmental harm is mitigated to less than minor by the proposed consenting and monitoring approach. Where carbon may leak because of natural events, degradation of the cap, or actions of others outside the operator's control, officials do not consider the operator should be held responsible or liable for any residual risk post consent expiry.
30. However, we do consider that any future human activity that may result in the geological formation being disturbed should be made prohibited 9(2)(f)(iv) [REDACTED]
31. We also consider that where harm occurs as a consequence of operator negligence (for example, improperly capping the well) the operator should be held liable for any consequential damage.

A single decision-maker

32. Ministers have previously decided that there would be a single decision-maker for CCUS consent applications [BRIEFING-REQ-0011392 /BRF-5837 refers]. However, decisions regarding how the decision maker would assess and decide applications have not yet been taken. At the time, officials advised that this function could be performed by either:
- a Minister-appointed Board of Inquiry (supported by the EPA), or
 - the EPA.
33. 9(2)(f)(iv) [REDACTED] officials consider a Board of Inquiry process supported by the EPA is not warranted. Following consultation with the EPA, we consider providing for the EPA Board to be the designated decision-maker would be the most appropriate approach. Under the Crown Entities Act 2004, the Board could then appoint a decision-making committee with specialist experts to decide the CCUS application. The Crown Entities Act 2004 provides the decision-making committee must include one board member.
34. Such an approach would be less costly than a Board of Inquiry and enable specialist expertise to inform decision making. We expect the approach would be similar in cost to what an applicant would face if the consent application was decided by local council, who would also likely need to involve specialist experts.
35. We have considered the EPA Board delegating decision-making to staff, as this would be even less costly than a decision-making committee; however, the EPA notes that they do not have a standing expertise to enable an assessment of applications, and

given the small volume of applications expected, it is not financially feasible to hold such expertise on staff.

Integrating cross-boundary decision-making

36. Operations in the exclusive economic zone (EEZ) may have infrastructure (eg, pipes) connecting them back to facilities on land. Officials have considered Ministers' objectives for all CCUS activities to be overseen by a single decision-maker to provide efficiencies and certainty for operators. Consequently, we are proposing that any decisions associated with consents required for CCUS activities within the EEZ, territorial sea, and on land can be determined by the EPA, 9(2)(f)(iv)

9(2)(f)(iv)

37. 9(2)(f)(iv)

38. 9(2)(f)(iv)

39. Cabinet noted that the information required from the operator to enable the regulator to assess the above tests will likely include:

- Site Geology and Characterisation
- Site Operations Plan
- Monitoring, Reporting and Verification Plan
- Closure and Post-Closure Plans.

40. 9(2)(g)(i)

41. 9(2)(f)(iv)

Part 3 – Design features related to financial incentive/reward in the NZ ETS

NZ ETS reward and liability

42. For rewarding (and incentivising) carbon storage activities, Cabinet agreed [CAB-24-MIN-0403 and CAB-24-MIN-0504 refer]:

- to amend legislative and regulatory settings under the CCRA to permit those with existing NZ ETS obligations to claim value from carbon storage activities against their existing NZ ETS liabilities²
- that the number of units payable (or equivalent reduction in NZ ETS obligation) if carbon storage occurs, or repayable if there is leakage from a site, is equivalent to the tonnes of CO₂ that are either sequestered or leak from a CCUS site
- that CO₂ produced by a third party is permitted to enter the storage facility³
- that the CCRA include provision for carbon storage to receive New Zealand Units (NZUs) as a separate removal activity.

Provision already exists under CCRA for carbon storage activities

43. Schedule 4 Part 2 Subpart 2 ('Other removal activities') of the CCRA already includes provisions for carbon storage to be recognised under the NZ ETS. In addition, natural gas miners, such as Kapuni, are currently in the NZ ETS for natural gas mining emissions as a participant under Schedule 3 Part 3 Subpart 1 ('Stationary energy') of the CCRA.
44. Existing gas producers provide emissions returns to the EPA on emissions resulting from their natural gas activity as part of the standard annual reporting cycle. In future, these operators will also include total CO₂ reinjected into the gas well if they choose to engage in carbon storage activities. For carbon storage-only operators, they will only need to report the CO₂ reinjected.
45. Using these provisions for rewarding carbon storage via the NZ ETS will also create a corresponding NZ ETS liability, and this can be operationalised via supporting regulations.

How carbon storage activities will be rewarded

46. For existing gas producers, the surrender obligation (ie, emissions from extraction activities) will be netted against NZUs earned for any CO₂ reinjected. Carbon storage-only operators will earn NZUs for CO₂ reinjected. The operator will surrender or receive the difference in NZUs, depending on the net value.

Changes to CCRA and associated regulations are required

47. The provisions enabling and governing the NZ ETS are set out entirely through the CCRA and its supporting regulations. This is therefore the appropriate home for any new or amended provisions relating to CCUS, and the technical and operational detail for putting in place the reward and corresponding NZ ETS liability.

² The Cabinet papers also set out the intention of the Minister to enable CCUS to be available to operators who were not existing NZ ETS participants, but who joined the scheme as storage-only participants.

³ The legislative and regulatory responsibilities (including any post-operation liabilities) for the CCUS activity remains with the company undertaking the storage activity.

48. The specific amendments recommended for your approval are included in Table 1 below.
49. The CCRA includes engagement obligations for changes to certain regulations, including with impacted individuals and with iwi and Māori. Officials are continuing to carry out targeted engagement with key oil and gas operators, as well as connecting with broader NZ ETS engagement with the National Iwi Chairs Forum, to meet these obligations and ensure that the technical details in the regulations are accurate and fit for purpose.

EPA Register freeze impact on NZ ETS reward

50. Much of the NZ ETS operates through the NZ ETS Register (“the Register”). This includes both elements of emissions reporting and the holding accounts for NZUs.
51. The Register’s software is ageing and implementing changes to the Register (such as those resulting from policy decisions) could impact on its stability. As such, the Registrar has implemented a freeze, which will continue in 2025. Only minor technical changes to support security or stability will be considered on a case-by-case basis. When the Register is replaced, CCUS-specific functionality can be integrated into the new system.

52. 9(2)(f)(iv)

53. The NZ ETS regulations for CCUS should be developed alongside the rest of the regime regardless, to set out the emissions and removals reporting requirements, to establish certainty for operators over time, and to inform decisions made around the design of a replacement Register so that it can be fit for purpose for CCUS.

Conditional removal of NZ ETS repayment obligations

54. In December 2024, Cabinet agreed that the regime would enable the Minister of Climate Change and Minister of Finance to remove NZ ETS repayment liability no sooner than 15 years after the start of the site’s post-closure period and only if subsequent CO₂ leaks are not due to negligence of the operator.
55. Cabinet also agreed that before deciding to remove an operator’s NZ ETS repayment liability, the Minister of Climate Change must:
 - consider whether injected CO₂ is behaving as predicted
 - be reasonably confident that there is no significant risk that CO₂ will have a significant adverse impact on the integrity of the storage formation, the environment, or on human health or safety
 - commission an independent study and consider the recommendations (with the costs of the independent study to be covered by the operator) [ECO-24-0305 refers].
56. We recommend this involves an assessment of the risk of CO₂ leakage from the site. The assessment must consider the behaviour of the stored CO₂ in the 15 years since the site has been decommissioned, the integrity of the storage formation, and the future risk of CO₂ leakage.

- 57. This will require amendment to the CCRA to outline this test and considerations in primary legislation and to enable the NZ ETS liability to be removed (ie, for any repayment obligation not to apply if there is a leak in future not due to negligence).
- 58. We also recommend that the operator continues to monitor (or is responsible for monitoring) the site for up to 30 years after the NZ ETS liability is removed and that this is a condition of the Minister of Climate Change's decision to remove an NZ ETS liability.

59. 9(2)(f)(iv)

- 60. To clarify, this only relates to the removal of an NZ ETS repayment liability. Other liabilities associated with any other environmental impacts from any CO₂ leaks would remain for the operator.

Financial implications

- 61. In December 2024, Cabinet noted that the decision for the Crown (if taken) to remove the NZ ETS repayment liability for a CCUS operator, if certain conditions are met, may have fiscal implications if the CO₂ were to subsequently leak.
- 62. Officials advised that, in light of the long timeframes and levels of uncertainty regarding whether this risk would be realised, this would be best reported as an unquantified/unquantifiable specific fiscal risk (SFR). The Ministry for the Environment regularly reports a variety of SFRs through to Treasury on a bi-annual basis, including uncertainties surrounding NZ ETS settings. 9(2)(f)(iv)

Part 4 – Amendments are required to the CCRA 9(2)(f)(iv)

63. 9(2)(f)(iv)

CCRA amendments

- 64. To enable operators to access the NZ ETS, several amendments are required to the CCRA and supporting regulations, as set out below:

Table 1: Proposed amendments to the Climate Change Response Act 2002

Issue	Implication	Amendment required
<p>The activity definition for CCUS exists in the CCRA but is tied to existing participation in the NZ ETS.</p>	<p>Storage-only operators cannot access reward.</p> <p>The language of the current provision creates risk of double counting.</p>	<p>9(2)(f)(iv) [redacted]</p> <p>enable storage-only participants to be rewarded for CCUS, and to mitigate the risk of double counting.</p>
<p>There are no provisions setting out how CCUS operators can access the NZ ETS other than the activity definition.</p>	<p>Operationalising CCUS (ie, via regulations) would be insufficient on its own. The lack of provisions in the CCRA on what CCUS operators are required to prove before being rewarded means that matters like obtaining consent and site suitability are not considered as part of providing a reward for stored carbon.</p>	<p>Amend the CCRA to include requirements for accessing the NZ ETS as outlined in this briefing, 9(2)(f)(iv) [redacted]</p>
<p>CCUS reward should be netted off any existing NZ ETS surrender obligation.</p>	<p>Without specific provisions to enable this, CCUS operators with existing surrender obligations would both be required to surrender units and be entitled to receive units, adding complexity for the participant and the regulator.</p>	<p>Amend the CCRA to include netting off surrender obligations and reward entitlement for NZ ETS participants with both.</p> <p>Include the calculations for this in supporting regulations.</p>
<p>CCUS repayment obligations for leaked CO₂ should have a process for being removed after a minimum of 15 years.</p>	<p>Without specific provisions to enable this, CCUS operators would remain liable for any leaked carbon indefinitely, counter to the objectives of this regime.</p>	<p>Amend the CCRA to include requirements for assessing removal of NZ ETS repayment obligations as outlined in this briefing, 9(2)(f)(iv) [redacted]</p> <p>Require the CCUS operator to remain an NZ ETS participant for reporting purposes after the removal</p>


Issue	Implication	Amendment required
		<p>of their repayment obligation.</p> <p>Include the calculations for this in supporting regulations.</p>
<p>Regulation-making powers need to be able to allow the right kind of regulations to be made to operationalise the NZ ETS elements of the CCUS regime.</p>	<p>Most of the CCUS regime can be operationalised under existing regulation-making powers. However, these may need to be expanded for unique elements of the CCUS regime.</p>	<p>Amend the NZ ETS regulation-making powers in the CCRA to cover unique matters to CCUS, including measurement, reporting, monitoring, and verification for CCUS.</p>
<p>Additions and amendments to supporting NZ ETS regulations</p>		
<p>Regulations are needed to account for CCUS by existing natural gas participants.</p>	<p>(Re)injected carbon dioxide is currently 'invisible' to the NZ ETS under existing regulations, because natural gas that is not used or sold by the operator is not reported as an emission. This data needs to be reported to give the regulator an accurate picture of the CCUS activities being undertaken by the operator in order to calculate any NZ ETS repayment obligation if CO₂ leaks. Definitions, criteria, formulae, and other technical matters need specifying to operationalise this.</p>	<p>Amend the Climate Change (Stationary Energy and Industrial Processes) Regulations 2009 to capture matters relating to separating and (re)injecting carbon by existing natural gas mining participants in the NZ ETS, and to ensure that any reward for CCUS aligns with other requirements on the same operator.</p>
<p>Regulations are needed to calculate the reward and any liabilities for CCUS.</p>	<p>Though CCUS is defined in primary legislation, regulations are not in place to practically report and reward CCUS under the</p>	<p>Amend the Climate Change (Other Removal Activities) Regulations 2009 to allow CCUS rewards and liabilities to be calculated, including</p>

Issue	Implication	Amendment required
	<p>current regulations if an operator were to submit a return for carbon stored. Nor could the operator be held liable for any leaked carbon. Definitions, criteria, formulae, and other technical matters need specifying to operationalise this.</p>	<p>under different stages of the CCUS project lifecycle (eg, during injection, post-injection, and post-removal of repayment obligation).</p>
<p>Regulations are needed to allow verification of CCUS for purposes specific to the NZ ETS.</p>	<p>Verification regulations for the NZ ETS do not currently cover all matters that need to be considered for CCUS, and verification elements of the wider CCUS regime will not be NZ ETS-specific. Matters relating to CCUS will therefore not be able to be verified from an NZ ETS/climate change perspective.</p>	<p>Amend the Climate Change (Unique Emissions Factors) Regulations 2009 to include CCUS-specific needs for verifiers.</p>
<p>Ancillary/consequential amendments</p>		
<p>Maintaining consistency and accuracy across the CCRA and supporting regulations.</p>	<p>The CCRA and supporting regulations include numerous interrelated sections and cross-references, which may not be accurate or appropriate following the inclusion of CCUS amendments.</p>	<p>Amend the CCRA and supporting regulations where necessary to ensure that all sections and cross-references remain consistent and accurate once the new CCUS elements are included.</p>

9(2)(f)(iv)

65. 9(2)(f)(iv)

9(2)(f)(iv)



9(2)(f)(iv)

Te Tiriti analysis

66. A Treaty Impact Analysis has not been prepared relating to proposals in this paper.

9(2)(f)(iv)

It is also worth noting that CCUS decisions will be subject to consideration of the EPA's Māori Advisory Committee.

Other considerations

Consultation and engagement


67. This paper has been prepared jointly with the Ministry of Business, Innovation and Employment.
68. Consultation has also occurred with the EPA in respect of their role as the decision maker and PCO in respect of drafting and timing implications. Treasury was also provided the opportunity to comment in respect of ETS proposals, however, was unable to respond within the timeframe provided.

Risks and mitigations

69. There is a risk that legislation and secondary instruments may not be in place to meet industry timeframes to undertake activities.
70. However, industry have previously indicated they are unlikely to be ready to progress CCUS prior to 2027. Recent media coverage has also seen industry questioning the viability of CCUS progressing in New Zealand. Therefore, we consider the risk any delay to be minor.

Legal issues

71. 9(2)(h)




Financial, regulatory and legislative implications

72. Before CCUS can progress primary and secondary legislation must be changed/made.

73. There are potential costs associated with the consenting and monitoring, verification, and reporting aspects of the regime. Some of these may initially need to be paid for by the Regulator. However, costs of this nature have already been agreed by Cabinet to be fully cost-recoverable.


74. Other changes are being made to the CCRA and supporting regulations in parallel to the CCUS policy project, including the CCRA Amendment Bill and the NZ ETS Settings and Annual Regulatory Updates processes. Officials are connecting across these projects to ensure efficiencies and alignment are achieved at the working level.

75. 9(2)(f)(iv)




Next steps

76. 9(2)(f)(iv)



77. 9(2)(f)(iv)





Briefing: Further advice on enabling Carbon Capture, Utilisation and Storage

Date submitted: 28 August 2025

Tracking number: BRF-6708

Security level: In-Confidence

MfE priority: Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
Hon Chris BISHOP Minister Responsible for RMA Reform Hon Simon WATTS Minister of Climate Change Minister for Energy Hon Penny SIMMONDS Minister for the Environment	Agree to the proposed package of remaining policy decisions to enable Carbon Capture Utilisation and Storage Agree the approach to creating and amending relevant legislative provisions	29 August 2025
CC: Simon Court Parliamentary Under-Secretary to the Minister Responsible for RMA Reform	For information only	

Actions for Minister's office staff
Forward this briefing to Hon Shane Jones, Minister for Resources. Return the signed briefing to the Ministry for the Environment (advice@mfe.govt.nz and ema.pct@mfe.govt.nz).

Appendices and attachments
Appendix 1: Carbon Capture Utilisation and Storage Policy design advice and recommendations

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
Principal Authors	Ameera Clayton Ryan McLean		
General Manager	Hayden Johnston	9(2)(a)	✓

We have proactively released content related to policy decisions. Some information has been withheld under 9(2)(f)(iv), as much of this material pertains to the legislative design for the regime, and final decisions have not yet been made.


Minister's comments

Further advice on enabling Carbon Capture, Utilisation and Storage



Key messages

1. We seek your agreement to:
 - i the remaining policy decisions needed to create a regime to enable carbon capture, utilisation and storage (CCUS), set out in **Appendix 1**, and
 - ii the approach for amending the relevant legislation.
2. CCUS is the process of capturing carbon dioxide and either using it or permanently storing it to prevent it from entering the atmosphere. Permanent storage involves injecting and sealing carbon dioxide into geological formations such as depleted oil and gas wells. This can be land-based or offshore.
3. Enabling CCUS in New Zealand supports economic growth, energy security, and achieving New Zealand's climate mitigation budgets and targets. This was an action in the Government's second emissions reduction plan. The Government also announced in February 2025 that it is progressing work to enable CCUS in New Zealand, and expects to introduce legislation this year.
4. In 2024, Cabinet agreed to enable and incentivise permanent storage of carbon dioxide by rewarding CCUS through the emissions trading scheme (ETS) and clarifying the approach to approval, monitoring, verification, and liability for CCUS. Cabinet agreed the high-level settings for the regulatory regime and delegated authority to key Ministers to take decisions on detailed design [CAB-24-MIN 0403 and CAB-24-MIN-0504 refer].

We seek your decision on the remaining policy matters

5. Earlier this year, the delegated Ministers agreed to the detailed policy design ^{9(2)(f)}
(iv) 
6. There are several residual policy matters relating to the provision for liability and financial securities, long-term access to private land, the need to clarify arrangements for transitioning oil/gas operations to CCUS operations and ongoing monitoring. We seek your agreement to a package of policy proposals that address these remaining elements.

Legislative vehicle and timing

7. Creating a CCUS regime requires amendments ^{9(2)(f)(iv)} 
 to the Climate Change Response Act 2002 (CCRA) to enable the ETS aspects of the regime. Some consequential amendments may also be required to the Crown Minerals Act 1991.

8. 9(2)(f)(iv)

9.

10. 9(2)(f)(iv), 9(2)(g)(i)

11.

12.

13.

14.

15. 9(2)(f)(iv)

Legal advice – [legally privileged]

16. 9(2)(h)

9(2)(h)



Recommendations

We recommend that you:

a. **note** that **Appendix 1** sets out our recommendations for your decision on several residual policy matters necessary to progress the carbon capture, utilisation and storage regime

b. 9(2)(f)(iv) [Redacted]

c. **note** that your decisions on further detailed policy in recommendation a) are needed to finalise the design of the proposed CCUS regime and demonstrate progress to key CCUS stakeholders; 9(2)(f)(iv) [Redacted]

d. **note** that MBIE will seek agreement from the Minister for Energy and Minister for Resources should drafting identify amendments are required to the Crown Minerals Act

e. 9(2)(f)(iv) [Redacted]

f. 9(2)(f)(iv) [Redacted]

Yes | No

g. 9(2)(f)(iv) [Redacted]

h. **agree** to forward this briefing to the Minister for Resources.

Yes | No

Signatures



Hayden Johnston
General Manager
Natural Environment
28 August 2025

Hon Chris BISHOP
Minister Responsible for RMA Reform
Date:

Hon Simon WATTS
Minister of Climate Change
Minister for Energy
Date:

Hon Penny SIMMONDS
Minister for Environment
Date:

Appendix 1: Carbon Capture Utilisation and Storage Policy design advice and recommendations

Overview: 9(2)(f)(iv), 9(2)(g)(i)

, in line with Cabinet decisions, there will be additional requirements specific to both land-based and offshore CCUS. The advice in this table deals with the remaining detailed policy decisions of this nature.

9(2)(f)(iv)

9(2)(f)(iv)

Topic	Context, including previous decisions	Advice	Recommendation/s
A Consent applications and decision making	In June 2025, Ministers agreed that the Environmental Protection Authority (EPA) would be the decision maker for all CCUS approvals in the EEZ, coastal marine area and on land (BRF-6274).	<p><u>Funding the application assessment process</u> - Cabinet has already agreed that the costs associated with assessing and approval of an application and subsequent costs (eg, associated with monitoring) will be met by the applicant [CAB-MIN-24-0305 refers]. We will reflect this in the functions of the EPA that are able to be cost recovered under 9(2)(f)(iv)</p> <p>We propose 9(2)(f)(iv)</p> <p>set additional matters the EPA must consider when making consent decisions. We will also 9(2)(f)(iv) out the parties to be notified and may also set out any minimum conditions, for example, post-decommissioning monitoring and remediation requirements (should a leak occur).</p>	<p>1. agree to 9(2)(f)(iv) to set additional matters the EPA must consider when deciding consent applications Yes No</p> <p>2. agree to 9(2)(f)(iv) to set out the notification status of activities, and where appropriate, minimum consent conditions Yes No</p>
	<p>Requirements for CCUS consents</p> <p>Prior to commencing, operators will be required to gain the necessary consents from the EPA, these will need to ensure the well is:</p> <ul style="list-style-type: none"> suitable for long-term carbon storage, and able to be safely injected with carbon. <p>The consenting process will also provide assurance that the consent holder is able to meet the costs of decommissioning (activities that occur after injection ceases) at the conclusion of the CCUS operation.</p> <p>Cabinet has noted [ECO-24-MIN-0305 refers] the information the EPA will require from the applicant includes:</p>	<p><u>Detailed application information requirements</u></p> <p>We propose to 9(2)(f)(iv) to set out what applications must contain.</p> <p><u>We propose the EPA has a general power to require information</u> - The EPA should also have the power to require the provision of any other information the EPA considers necessary to enable them to make an informed decision in relation to issuing a consent and monitor the consent holder to ensure they are meeting their operational, decommissioning and post-decommissioning responsibilities.</p> <p><u>We propose the EPA undertake a financial capability assessment</u> – The costs of decommissioning may be significant. It will be important that the EPA is able to assess the applicant's financial capability, and the financial capability of any parent company, to meet the full actual and potential cost</p>	<p>3. agree to 9(2)(f)(iv) to set out the detail on what applications must contain. Yes No</p> <p>4. agree that the EPA will have the power to request, from the applicant, any other information it considers necessary to enable an assessment of an application and consent monitoring Yes No</p> <p>5. agree that the EPA will be required to undertake a financial capability assessment of the applicant and any parent company Yes No</p>

Topic	Context, including previous decisions	Advice	Recommendation/s
	<ul style="list-style-type: none"> Site Geology and Characterisation Site Operations Plan Monitoring, Reporting and Verification Plan, and Closure and Post-Closure Plans. 	<p>associated with decommissioning the carbon storage operation. The EPA will need to remain assured of the applicant, and parent's, financial capability throughout the life of the CCUS operation.</p>	
<p>B</p> <p>Decommissioning and financial securities</p>	<p>Decommissioning CCUS activities</p> <p>Cabinet has agreed operators must fund the full costs of decommissioning a CCUS operation [ECO-24-MIN-0305 refers].</p> <p>Decommissioning a CCUS operation relates to taking CCUS infrastructure or a field (which could contain multiple wells) out of service. Decommissioning includes:</p> <ul style="list-style-type: none"> removing CCUS infrastructure undertaking site restoration when relevant activities cease. <p>Under 89E(2) of the Crown Minerals Act 1991 operators are required to 'totally remove' petroleum infrastructure as part of decommissioning, unless they have an exemption or another instrument sets the approach (eg, a decommissioning plan in the EEZ). However, some existing petroleum infrastructure may be required to be used to support CCUS activities. Section 89Z of the Crown Minerals Act 1991 (see Annex 1) sets out the criteria the Minister must apply when assessing an exemption.</p> <p>A field may contain multiple wells and in the course of an operation wells may be capped and abandoned.</p>	<p>Once injection ceases, operators will need to meet decommissioning requirements, including any relevant permits and consents. This will ensure the well is:</p> <ul style="list-style-type: none"> properly capped once full/abandoned and associated site operations are properly decommissioned appropriately monitored post-decommissioning remediated, along with any extenuating impacts on the environment and surrounding property, should there be a leak. <p>We intend for these requirements to be set out 9(2)(f)(iv) [redacted]</p> <p>As part of the consent application the applicant will need to provide the EPA with a decommissioning plan for the whole operation. The plan will be necessary to enable the EPA to understand the expected costs of decommissioning for the purposes of setting financial security arrangements. It will also provide insight into expected environmental effects and mitigations and inform any conditions on consents associated with capping individual wells.</p> <p>Towards the end of the life of the operation, the consent holder will be required to re-submit an updated decommissioning plan for approval. The plan will update the cost estimates provided at the time of application and cover off the expected environmental effects and mitigations associated with practicable decommissioning options (based on the existing decommissioning plan process under the EEZ Act).</p> <p>We propose to 9(2)(f)(iv) [redacted] for the operator to provide the EPA a decommissioning plan for approval to the EPA at the end of the life of the CCUS operation.</p> <p>We proposed to 9(2)(f)(iv) [redacted] to set out matters the decommissioning plan must cover. 9(2)(f)(iv) [redacted].</p> <p>For the avoidance of doubt, we only expect the operator to provide a decommissioning plan to support the closure of the whole operation, or where infrastructure servicing the well is to be removed. A decommissioning plan would not be required where one well may be capped and abandoned during the life of the operation. Such activities will be governed by conditions on consents with compliance monitored by the local council.</p>	<p>6. agree that where an operator is to decommission a CCUS operation, they must provide the EPA a decommissioning plan as part of their application for consent</p> <p style="text-align: right;">Yes No</p> <p>7. agree that prior to decommissioning, the consent holder must re-submit an updated decommissioning plan based on the existing decommissioning plan process for the EPA's approval</p> <p style="text-align: right;">Yes No</p>


Topic	Context, including previous decisions	Advice	Recommendation/s
	<p><u>Financial securities to meet decommissioning costs</u> It will be important to ensure the operator has the funds available to pay 100 per cent of the costs of decommissioning when the time arrives. The Crown Minerals Act 1991 provides that the operator can be required to have adequate financial securities in place to ensure the costs of decommissioning an oil/gas operation are fully funded.</p>	<p>We propose that the amendments require a CCUS consent holder to hold financial securities to cover the costs of decommissioning of a type and level approved by the EPA.</p> <p>In addition, we propose that, where new financial securities arrangements for CCUS decommissioning are to be provided, the operator can build up to meeting these over time. This is consistent with the approach proposed in the Offshore Renewable Energy Bill (ORE Bill) and may assist to incentivise industry to embark on CCUS. Like the Crown Minerals Act 1991 and ORE Bill, the operator would propose financial securities arrangements as part of their application to the EPA.</p> <p>However, we also note that CCUS is an emerging industry, and to date, in other jurisdictions operations have not always 'gone the expected distance' with wells either being abandoned or filled sooner than expected. There is, therefore, a risk that an operation may cease and the consent holder may not be in a position to fund decommissioning if the EPA approves the ability to build up financial securities over too long a timeframe. For this reason, we propose 9(2)(f)(iv) [redacted] to cap the timeframe the EPA may agree that financial securities can be built up within.</p>	<p>8. agree that applicant must provide financial securities and provide the EPA the ability to determine the appropriate level of financial securities to meet decommissioning costs Yes No</p> <p>9. agree that, where new financial securities arrangements for CCUS decommissioning are to be provided, the operator can build up to meeting these over time Yes No</p> <p>10. agree 9(2)(f)(iv) [redacted] to cap the timeframe over which financial securities may be built up. Yes No</p>
<p>C</p> <p>Transitioning from oil and gas to CCUS</p>	<p><u>Requirements for repurposing wells from oil/gas activities to CCUS activities</u></p> <p>At least in the medium term, carbon storage in New Zealand will occur via the re-purposing of empty oil and/or gas wells and their associated installations and infrastructure.</p> <p>Injection of carbon into a well may be undertaken during the oil/gas production phase. To enable this to occur, the operator will have received a discharge or dumping consent from council or the EPA, which should have required an assessment of the geological formation and its ability to hold carbon over the long-term.</p> <p><u>Transfer of consents</u> 9(2)(f)(iv) [redacted]. The EEZ Act allows consents to be transferred, provided they remain with the same site. Transfers require written notice to the consent authority.</p>	<p>Where an existing consent for carbon injection exists, and the EPA is satisfied that, in gaining the consent, the matters 9(2)(f)(iv) [redacted] occurred, we propose the EPA be required to accept the consent as sufficient for CCUS purposes.</p> <p>We also propose that existing petroleum installations transitioning to CCUS need to provide a Repurposing Plan to the EPA. This plan will describe all of the infrastructure associated with an installation, and identify what items will be reused, repurposed, removed, or left in situ. For items that will be left in situ in the EEZ, the operator will need to demonstrate that this is the best practicable environmental option until a final decommissioning approach is determined by the decommissioning plan process that occurs at the end of the installation's life.</p> <p>It will be important that the Crown Minerals Act 1991 permit holder is not released from their liabilities, in full or in part, before the EPA has approved consents to enable their CCUS operation. We will work with the Parliamentary Counsel Office (PCO) to determine what, if any, amendments may be required to the Crown Minerals Act 1991 to ensure decision making is sequenced to protect the Crown from liability.</p> <p>We propose that consents may only be transferred with EPA approval. 9(2)(f)(iv) [redacted].</p> <p>Before any transfer, the receiving party should demonstrate technical and financial capability to meet any consent or permit conditions. We propose that the outgoing consent holder be required to provide a financial guarantee. Under the Crown Minerals Act 1991 (section 411) responsible Ministers can give notice to require outgoing guarantees of this nature. We propose that that for the CCUS regime this is a process requirement, with no notice from Ministers, to ensure decommissioning costs are covered by parties other than the Crown.</p>	<p>11. agree that where a well is being repurposed from oil or gas activities: a. the EPA must consider whether existing consents held by the operator, relating to their oil or gas production activities, are adequate to address the matters the EPA must consider in regards to CCUS operations b. the applicant must provide a re-purposing plan as part of their application Yes No</p> <p>12. agree that, before a consent can be transferred, the EPA assess the financial and technical capability of the party to receive the consent, and approve the transfer Yes No</p> <p>13. agree that the outgoing consent holder must be required to provide a guarantee Yes No</p>

Topic	Context, including previous decisions	Advice	Recommendation/s
	<p>Transferring financial securities Should an operator decide to repurpose a well, and to the extent financial securities are already in place under the Crown Minerals Act 1991, it will be important that the financial securities associated with the CCUS well are not duplicated.</p>	<p>9(2)(f)(iv)</p> <p>We propose that prior to the responsible Minister for the Crown Minerals Act 1991 releasing the permit holder from their obligation to retain financial securities over the well in question, the EPA will need to have approved the CCUS operation and set the financial securities requirements for that well.</p>	<p>14. agree that where an operator decides to repurpose an existing oil/gas well, and to the extent financial securities are already in place, legislation recognises that existing financial securities under the Crown Minerals Act 1991 should not be removed until such time as new financial securities arrangements have been put in place by the EPA Yes No</p>
<p>D</p> <p>Liability for decommissioning and post-decommissioning</p>	<p>Cabinet agreed that obligations on a CCUS operator extend beyond the cessation of a CCUS activity, in order to provide for ongoing monitoring and management of a CCUS storage site following closure [ECO-24-MIN-0305 refers]. This includes any monitoring and/or remediation required to the site, the well or surrounding environment or properties that might be impacted by a leak in the well. This means creating new liabilities/obligations for inclusion in the CCUS regime for any environmental or property damage costs associated with CO₂ leakage. For the avoidance of doubt, 'remediation' includes the potential for financial compensation or loss that cannot be put right.</p> <p>Cabinet agreed to a process and conditions by which the Minister of Climate Change may release the operator from their Emissions Trading Scheme (ETS) surrender obligations.</p> <p>Under the Crown Minerals Act 1991, liability to undertake and fund decommissioning and post-decommissioning activities is in perpetuity. However, the responsible Minister may exempt the operator in limited circumstances.</p>	<p>Providing for liability arrangements that mirror those in the Crown Minerals Act 1991 would ensure consistency, particularly where operators are transitioning from oil/gas to CCUS. However, we consider that perpetual liability without the ability to release the operator is likely to be seen as a deterrent to industry progressing CCUS.</p> <p>We therefore propose to enable that decommissioning and post-decommissioning liability mirror those agreed by Cabinet in relation to ETS liabilities, that:</p> <ul style="list-style-type: none"> • the regime should provide for the possible removal of liability associated with a CCUS activity, no sooner than 15 years after the start of the post-closure period; • the Minister for the Environment has responsibility for decisions regarding the removal of liability; • the Minister for the Environment must gain the approval of the Minister of Finance before a decision is made to remove liability; • when deciding whether to remove the liability associated with any CO₂ leakage, the Minister for the Environment must consider whether injected CO₂ is: <ul style="list-style-type: none"> ○ behaving as predicted, and ○ that there is no significant risk that CO₂ will have a significant adverse impact on the integrity of the storage formation, the environment, or on human health or safety; • the Minister for the Environment must seek advice from the EPA of the risk of CO₂ leakage from a site prior to making a decision to remove liability from an operator; • the operator covers the EPA's cost of the advice referred to above. <p>In recognition of the significance the natural environment has for iwi/Māori, we propose the additional requirement that the Minister for the Environment should consult with relevant Māori groups in the course of determining whether to remove liability.</p> <p>The decision for the Crown (if taken) to remove these obligations for a CCUS operator, if certain conditions are met, may have fiscal implications if the CO₂ were to subsequently leak. We will work with Treasury on any associated fiscal treatment 9(2)(f)(iv)</p> <p>This matter will be the subject of future advice to the responsible Ministers.</p>	<p>15. agree that the regime provide for the possibility of post closure liabilities/obligations associated with CCUS to be removed by the Minister for the Environment in line with the approach agreed to for removal of ETS obligations. Yes No</p> <p>16. agree to the additional criteria that, the Minister for the Environment must consult with relevant Māori groups in making a decision on the removal of liability. Yes No</p>

Topic	Context, including previous decisions	Advice	Recommendation/s
	<p>Trailing liability</p> <p>Trailing liability regimes provide that certain people can remain/be responsible for decommissioning costs in the event that the person with the primary obligation (ie, the consent holder) fails to meet their decommissioning obligations. This can protect new landowners and the Crown from decommissioning costs.</p> <p>There are various approaches to trailing liability across New Zealand legislation and in other jurisdictions. For example:</p> <ul style="list-style-type: none"> • The Crown Minerals Act 1991 enables the Minister for Resources to require outgoing persons (eg, exiting permit holders or parent companies who have sold their interest in the permit holder, and related parties) to provide a guarantee that they will meet relevant decommissioning costs in the event the primary permit holder does not meet their obligations and financial securities are insufficient. This regime is tied to the regulatory approval of permit transfers and changes of control of permit holders. • The ORE Bill provides that former permit holders continue to be liable for decommissioning costs of relevant infrastructure, until released by the Minister once the incoming person's financial security has reached 100%. • In other jurisdictions (eg, Australia and the UK) Ministers have a broad power to impose trailing liability at the point of default. 	<p>Where petroleum infrastructure or wells are repurposed for CCUS, that particular infrastructure/well will be subject to both:</p> <ul style="list-style-type: none"> • the post-decommissioning liability proposed for CCUS (see above) to the extent that the post-decommissioning issue relates to monitoring and remediating carbon leaks (e.g. ensuring the well is properly capped and remediating, or compensating for, damage to the environment or property). • the post-decommissioning liability under the Crown Minerals Act 1991, to the extent that the post-decommissioning issue relates to monitoring or remediating oil or gas leaks. This is in place indefinitely unless an exemption under the Crown Minerals Act 1991 is granted. <p>Unlike the Crown Minerals Act 1991 and ORE regimes, there is an ongoing environmental risk associated with the long-lived life of carbon (i.e. hundreds or even thousands of years). We, therefore, consider it appropriate that liability should not be limited only to the current consent holder/parent or those immediately prior.</p> <p>We propose to apply the 'polluter pays' principle and replicate trailing liability arrangements like those operating for CCUS in Australia. This would see the Crown able to hold any party who significantly benefited from, or who were in a position of influence over the CCUS operation, to be held liable. This scope would be broad enough to potentially include joint venture partners and financiers who may have benefited from the CCUS operation.</p> <p>We propose parties would be subject to trailing liability for any residual decommissioning and post-decommissioning costs, including the costs of remediation if necessary.</p> <p>We propose a hierarchy of liability as follows:</p> <ol style="list-style-type: none"> 1. First and foremost, the current consent holder, any parent company, and any other party who has benefited from, or influenced, the operation alongside the current consent holder are liable. 2. Subsequently the previous consent holders, parent company and any party who benefited from, or influenced the operation while the consent was held are liable, in reverse chronological order. 	<p>17. agree that trailing liability arrangements enable the Crown to hold any party who has significantly benefited from, or who has had influenced, a CCUS operation liable for decommissioning and post-decommissioning costs</p> <p style="text-align: right;">Yes No</p>
<p>E</p> <p>Long-term land access</p>	<p>There will be instances where a geological formation will cut across property boundaries.</p> <p>Geological formations will be hundreds of metres, and in many cases several kilometres, beneath the surface. However, it is important to note that property rights are not constrained to the surface of the land but extend beyond the surface (effectively to the earth's core).</p> <p>Consequently, where a party wishes to use a geological formation to store carbon, and that formation cuts across</p>	<p>Initially, carbon storage will use existing wells, meaning operators already have land access agreements and relationships in place. Where updates to those agreements are needed, we consider this manageable and more efficient than starting a new land acquisition process.</p> <p>However, as per Cabinet's directive, the CCUS regulatory regime must contemplate scenarios where existing wells are not re-purposed but the initial activity is CCUS.</p>	<p>18. agree to provide for arrangements to facilitate long-term access to the well where it may cross property boundaries</p> <p style="text-align: right;">Yes No</p>

Topic	Context, including previous decisions	Advice	Recommendation/s
	<p>private property boundaries, there are implications for private property rights.</p> <p>This includes where, for example, a leak from a well results in land acidification which may prejudice current and future land use resulting in a drop in the value of the property.</p> <p>There will also be the need for continuous monitoring of the well, which may require access to private property.</p> <p>In assessing various options, we have considered the following:</p> <ul style="list-style-type: none"> • long-term operational certainty for carbon storage operators (operators) • protections for current and future owners' property rights • limiting the involvement, and fiscal risk, of the Crown • maximising the value of the land. 	<p>We recommend 9(2)(f)(iv) a compulsory right to access sub-surface land in perpetuity, similar to that in section 57 of the Crown Minerals Act 1991. Section 57 provides a right of access to sub-surface land so long as it:</p> <ul style="list-style-type: none"> • (a) will not or is not likely to cause any damage to the surface of the land or any loss or damage to the owner or occupier of the land; or • (b) will not or is not likely to have any prejudicial effect in respect of the use and enjoyment of the land by the owner or occupier of the land; or • (c) will not or is not likely to have any prejudicial effect in respect of any possible future use of the surface of the land. <p>For cases where the activity does not meet this test, we propose 9(2)(f)(iv) a fair and timely arbitration process to balance landowner rights with operator needs, similar to that contained in the Crown Minerals Act 1991.</p> <p>Carbon storage occurs deep underground, and environmental effects can be well managed. However, compulsory access still affects private property rights.</p> <p>We are also proposing protections for Māori landowners, similar to those contained in the Crown Minerals Act 1991.</p>	<p>19. agree to provide for access to private property for the purposes of monitoring and/or remediation associated with CCUS</p> <p style="text-align: right;">Yes No</p>
<p>F</p>	<p>Monitoring</p> <p>Ministers agreed that the EPA Board will be the decision-maker for all CCUS-related consents, including consents within the territorial sea and on land that relate to an operator's CCUS activities within the EEZ (BRF-6274).</p>	<p>Monitoring consent compliance – once a consent of national significance is decided, responsibility for compliance monitoring is handed back to the relevant council. We propose that the same approach is taken and once a CCUS consent is decided compliance monitoring is undertaken by the relevant council. Activities in the territorial sea will be monitored by the regional council, and those in the EEZ will be monitored by the EPA.</p> <p>Monitoring requirements of emissions and removals under the CCRA, from an ETS perspective, will also apply.</p> <p>The EPA's effectiveness as a decision maker will be monitored by the MfE as part of its Crown Entity monitoring role 9(2)(f)(iv)</p>	<p>20. agree that responsibility for monitoring and enforcement of land-based and coastal marine CCUS consents will sit with relevant councils</p> <p style="text-align: right;">Yes No</p>

9(2)(f)(iv)

Topic	Context, including previous decisions	Advice	Recommendation/s
9(2)(f)(iv)			
H			

Annex 1 to Appendix 1: Legislative provisions mentioned in table

Topic B: Crown Minerals Act 1991, section 89Z

89Z Criteria for granting exemption

- (1) Before granting an exemption under [section 89Y](#), the Minister must—
 - (a) be satisfied—
 - (i) that the requirements are unreasonable or inappropriate in the particular case; or
 - (ii) that events have occurred that make the requirements unnecessary or inappropriate in the particular case;
or
 - (b) be satisfied that the petroleum infrastructure or well in question will be used for a purpose other than exploration for, or mining of, petroleum by the person to be granted the exemption.
- (2) For the purposes of applying subsection (1)(b), the Minister may consider the following matters:
 - (a) the ownership of the petroleum infrastructure or well in question;
 - (b) any prescribed criteria;
 - (c) any other matter the Minister considers relevant.

Topic C: Crown Minerals Act 1991, section 41I

41I Requirement to provide outgoing guarantee

- (1) The Ministers may require an outgoing guarantee by giving notice to an outgoing person.
- (2) The Ministers may specify in the notice the nature and extent of the outgoing guarantee (for example, who the guarantee must be provided by, or the amount or proportion payable under the guarantee).

Topic E: Crown Minerals Act 1991, section 57

57 Meaning of entry on land

For the purposes of [sections 53 to 54A](#), prospecting, exploration, or mining carried out below the surface of any land shall not constitute prospecting, exploration, or mining on or in land if it—

- (a) will not or is not likely to cause any damage to the surface of the land or any loss or damage to the owner or occupier of the land; or
- (b) will not or is not likely to have any prejudicial effect in respect of the use and enjoyment of the land by the owner or occupier of the land; or
- (c) will not or is not likely to have any prejudicial effect in respect of any possible future use of the surface of the land.

9(2)(f)(iv)

