

Timeline of Land Ownership and Development at Marsden Point Oil Refinery

1900s

- **1956:** The New Zealand government began considering the construction of an oil refinery.
- **1961:** The government encouraged a joint venture by Shell, BP, Caltex, Europa, and Mobil to build the Marsden Point Oil Refinery. These companies were allocated 69% of the shares in the New Zealand Refining Company.
- **1962:** Construction of the Marsden Point Oil Refinery began, funded by the New Zealand government and the public. The initial budget was NZ£10 million (approximately NZ\$20 million in today's terms).
- **1964:** The refinery was officially opened on May 30, 1964, producing bitumen among other products.
- **1973:** The government approved a NZ\$160 million expansion of the refinery due to the first global oil shock.
- **1981:** Expansion began under the Think Big energy projects, including the construction of a 170-kilometer pipeline to Wiri, South Auckland. The estimated cost of expansion was \$320 million, which later increased to \$1.55 billion due to various factors.
- **1984:** The Fourth Labour Government introduced the Petroleum Sector Reform Act, deregulating the petroleum industry and transferring refinery assets to the New Zealand Refining Company Limited, a consortium of major petrol retailers. The government injected \$80 million to enable the company to adapt to the new environment.
- **1985:** The refinery shut down for five months for maintenance work on the old refinery.
- **1986:** The expansion project was completed, significantly increasing the refinery's capacity. The final cost of the expansion, including the pipeline and tank farm at Wiri, was \$1.84 billion.

1990s

- **1990:** The Patuharakeke Trust Board (PTB) was formed to look after the economic interests of the Patuharakeke hapū.

2000s

- **2003:** The refinery produced 70% of New Zealand's petrol, 90% of its diesel, and supplied bitumen for road construction.
- **2005:** Refining NZ invested in Future Fuels, which allowed the refinery to produce cleaner fuels by removing benzene from petrol and reducing the sulphur content of diesel.
- **2009:** The Point Forward project increased the capacity of the refinery's principal crude distillation unit (CDU1).
- **2015:** The Te Mahi Hou project increased petrol production by around two million barrels per annum and reduced CO2 emissions by around 120,000 tonnes per annum.

- **October 2020:** Refining NZ announced it would stop manufacturing bitumen at Marsden Point, which had accounted for 70% of New Zealand's bitumen supply.
- **2020:** Refining NZ announced that it was considering closing the Marsden Point refining operation and importing refined fuels instead. Potential options being explored included:
 - Selling the refinery assets to third parties and transferring the decommissioning liabilities [1]
 - Retaining ownership of the assets and decommissioning liabilities, but outsourcing decommissioning activities to specialist contractors [1]
 - Maintaining ownership temporarily, decommissioning the refinery over time, and selling off assets/equipment that still had value on secondary markets [2]
 - **Resource Consents Granted:** The Northland Regional Council granted a 35-year resource consent to operate both refinery and import terminal operations at Marsden Point. The consenting process included consultation with the Patuharakeke Trust Board and the local community.
 - **Environmental Assessments:** Various assessments were conducted to support the application, including air quality, marine mammal effects, landscape, and ecological effects.
 - **Conditions:** The consent approval required the site's owner to address issues such as site remediation, groundwater management, and environmental monitoring.
 - Link to NZ Herald Article - <https://www.nzherald.co.nz/business/marsden-point-refinery-receives-resource-consents/U7VDUEOWUQK3MEJL2W74Z6H6GQ/>
- **December 2020:** The Patuharakeke Trust Board signed Manawhakahono ā Rohe (MWR) agreements with the Northland Regional Council and Whangarei District Council, outlining how the Trust Board will be involved in planning and resource consent processes, and how councils will provide support through training, expertise, and funding.
 - Link to NRC Article - <https://www.nrc.govt.nz/news/2020/december/patuharakeke-councils-sign-important-resource-management-agreements/>
- **2021:** The Labour government, under Prime Minister Jacinda Ardern, did not intervene to prevent the closure of the Marsden Point refinery, despite concerns raised by some stakeholders about fuel security and resilience.
 - **Government Involvement:** The government was reassured by oil companies that New Zealand's fuel security would not be put at risk by the refinery's closure, as resilience would be enhanced by being less reliant on a single refinery.
 - **Assessments:** The Ministry of Business, Innovation and Employment (MBIE) conducted assessments and advised the government that the risks to fuel supply were low, and that the country could source fuel from multiple locations overseas.
 - **No Financial Support:** Refining NZ did not request financial support from the government to keep refining operations going.
 - Link to MBIE Aide Memoire - <https://www.mbie.govt.nz/dmsdocument/25927-aide-memoire-2122-2872-implications-of-refinerys-closure-for-fuel-security>
- **2022:** The last crude oil shipment was offloaded on March 8, 2022, marking the end of refining operations at Marsden Point. Refining NZ was renamed Channel Infrastructure and now operates as an import terminal.

- Channel Infrastructure began exploring options for decommissioning and disposing of refinery assets and equipment, including selling valuable equipment on secondary markets [2]

- **2022/2023:** The Patuharakeke Te Iwi Trust received \$1,187,000 in impact funding from Foundation North to support their environmental and cultural initiatives.

- **2024:** The coalition government, formed by the National Party and New Zealand First, committed to investigating the reopening of the Marsden Point refinery, citing concerns over fuel security and resilience.

- **Government Involvement:** Resources Minister Shane Jones, a New Zealand First MP, stated that the government would study New Zealand's fuel security requirements, establish a fuel security plan, and investigate the possibility of reopening the refinery.

- **Patuharakeke Trust Board Involvement:** The Patuharakeke Trust Board has been actively involved in consultation and resource management processes related to the refinery, including signing agreements with local councils in 2020. Their involvement in any potential reopening process is expected.

Additional Resource Consents

- **Crude Shipping Project Resource Consents (2017):** These consents (AUT.037197.01.01 – AUT.037197.13.01) were granted for capital and maintenance dredging activities, encompassing the area previously covered by the now expired consents AUT.038275.01.01-AUT.038275.01.07. They expire on 17 July 2053.

- Link to PDF - <https://www.nrc.govt.nz/media/3qggtfwt/refinery-nz-aut-008319-01-05-delegated-authority-decision.pdf>

- **35-Year Resource Consent for Refinery and Import Terminal Operations (2021):** The Northland Regional Council granted Refining NZ (now Channel Infrastructure) a 35-year resource consent in April 2021 to operate both refinery and import terminal operations at the Marsden Point site.

- Link to NZX Announcement - <https://www.nzx.com/announcements/370088>

- **Renewed Resource Consents (2021):** The renewed consents allowed ships unloading or loading oil products at the refinery jetty to discharge ballast water through the refinery treatment system before being released into the harbour.

- Link to NZ Herald Article - <https://www.nzherald.co.nz/business/marsden-point-refinery-receives-resource-consents/U7VDUEOWUQK3MEJL2W74Z6H6GQ/>

Court Cases

- **Michael John Smith v. Channel Infrastructure NZ Limited and Others (2024):** Channel Infrastructure was one of the respondents in a Supreme Court case concerning climate change and emissions. The court allowed the appeal and reinstated the appellant's claim.

- Link to PDF - <https://www.courtsofnz.govt.nz/assets/cases/2024/2024-NZSC-5.pdf>

- **Channel Infrastructure NZ Limited v. Northland Regional Council (2022):** This case involved Channel Infrastructure challenging the Northland Regional Council's decision to reclassify an area as a Significant Ecological Area (SEA).

- Link to PDF - <https://www.nrc.govt.nz/media/5q1eo34s/2022-nzenvc-132-channel-infrastructure-nz-limited-v-northland-regional-council.pdf>

- **Channel Infrastructure Faces High Court on Carbon Emissions (2022):** Channel Infrastructure, formerly known as Refining NZ, faced a High Court hearing related to carbon emissions.

- Link to BusinessDesk Article -

<https://businessdesk.co.nz/markets/announcements-generated-by-ai/channel-infrastructure-faces-high-court-on-carbon-emissions>

- **Climate Change Legal Proceedings Update (2024):** Channel Infrastructure was one of seven named defendants in proceedings related to climate change.

- Link to NZX Announcement - <https://www.nzx.com/announcements/431285>

Current Ownership

- 2022: Channel Infrastructure is the current owner of the land at Marsden Point, operating the site as an import terminal after the refinery was mothballed in 2022.

Public Disagreements by Patuharakeke Trust Board

- 2020: The Patuharakeke Trust Board publicly disagreed with the decision to close the Marsden Point refinery, citing concerns over the lack of consultation and the potential environmental impacts. They emphasized the need for effective consultation and adherence to cultural and environmental protocols.

- Link to RNZ Article - <https://www.rnz.co.nz/news/national/445414/refining-nz-yet-to-talk-to-government-about-marsden-point-s-future>

- 2021: The Patuharakeke Trust Board expressed concerns over the environmental assessments and the potential impacts on local ecosystems, particularly regarding the discharge of ballast water and the management of site remediation.

- Link to NZ Herald Article - <https://www.nzherald.co.nz/business/marsden-point-refinery-receives-resource-consents/U7VDUEOWUQK3MEJL2W74Z6H6GQ/>

Negative Effects of the Closure on New Zealand

- **Loss of Jobs and Skills:** The refinery's closure resulted in the loss of around 300 direct jobs and several hundred contractor positions in the Northland region. It also led to the loss of essential skills and expertise in refining operations, as the skilled workforce had to seek employment elsewhere.

- Link to Maritime Union Article - <https://www.munz.org.nz/2021/11/23/maritime-union-calls-for-government-review-of-marsden-point-closure/>

- **Impact on Local Economy:** The loss of jobs and economic activity from the refinery is expected to have a devastating impact on families and the local economy in Northland for years to come. For every job at the refinery, it was estimated that around eight jobs were created in the local community, leading to a potential loss of around 4,000 jobs in the region.

- Link to Teanews Article - <https://www.teanews.co.nz/2021/08/09/marsden-point-closure-devastating-for-thousands-of-northland-families/>

- **Threat to Energy Security:** The Maritime Union has raised concerns that the refinery's closure is a threat to New Zealand's energy security, as it increases reliance on international supply chains and foreign ship owners. There are concerns

about the ability to maintain fuel supply resilience, especially during disruptions or geopolitical conflicts that impact import supply chains.

- Link to Maritime Union Article - <https://www.munz.org.nz/2021/11/23/maritime-union-calls-for-government-review-of-marsden-point-closure/>

- Link to MBIE Aide Memoire - <https://www.mbie.govt.nz/dmsdocument/25927-aide-memoire-2122-2872-implications-of-refinerys-closure-for-fuel-security>

- **Loss of Domestic Fuel Distribution Network:** With the refinery's closure, New Zealand has lost the ability to distribute fuel domestically using New Zealand-flagged and crewed vessels, which were previously used to transport fuel from Marsden Point to regional ports. This domestic distribution network provided flexibility and resilience during local disruptions or emergencies, as vessels could be redirected or used as floating fuel reservoirs.

- Link to Maritime Union Article - <https://www.munz.org.nz/2021/11/23/maritime-union-calls-for-government-review-of-marsden-point-closure/>

- **Potential Impact on Fuel Prices:** Fuel suppliers have indicated that if the government requires them to increase fuel storage capacity to enhance security, the associated costs could run into hundreds of millions of dollars, potentially leading to higher fuel prices for consumers.

- Link to RNZ Article - <https://www.rnz.co.nz/news/business/457607/fuel-experts-divided-on-impact-of-marsden-point-refinery-closure>

- **Data Accuracy Concerns:** There have been concerns raised about the accuracy of fuel stockholding data reported by some industry participants, which is crucial for assessing and managing fuel supply disruptions. The maximum penalty for incorrect reporting has been deemed inadequate, raising questions about the incentive for accurate disclosure.

- Link to RNZ Article - <https://www.rnz.co.nz/news/business/457607/fuel-experts-divided-on-impact-of-marsden-point-refinery-closure>

Source Links:

1. KPMG Decommissioning Strategy PDF - <https://assets.kpmg.com/content/dam/kpmg/pdf/2016/03/decommissioning-strategy-acc.pdf>
2. Liquidity Services Article - <https://liquidityservices.com/3-steps-to-maximizing-value-and-minimizing-risk-for-decommissioned-energy-assets/>
3. Investopedia Article - <https://www.investopedia.com/terms/a/asset-disposal-plan.asp>
4. Sidekick Accounting Article - <https://www.sidekickca.co.nz/scrapping-and-writing-off-assets/>
5. Oracle Decommissioning PDF - https://www.oracle.com/webfolder/s/delivery_production/docs/FY15h1/doc8/The-importance-of-decommissioning.pdf

6. Maritime Union Article - <https://www.munz.org.nz/2021/11/23/maritime-union-calls-for-government-review-of-marsden-point-closure/>
7. Te Ao News Article - <https://www.teaonews.co.nz/2021/08/09/marsden-point-closure-devastating-for-thousands-of-northland-families/>
8. MBIE Aide Memoire - <https://www.mbie.govt.nz/dmsdocument/25927-aide-memoire-2122-2872-implications-of-refinerys-closure-for-fuel-security>
9. RNZ Article - <https://www.rnz.co.nz/news/business/457607/fuel-experts-divided-on-impact-of-marsden-point-refinery-closure>
10. Newsroom Article - <https://newsroom.co.nz/2024/02/08/nz-firsts-doomed-deal-to-reopen-marsden-point-refinery/>
11. NZ Herald Article - <https://www.nzherald.co.nz/northern-advocate/news/government-to-investigate-reopening-marsden-point-oil-refinery/6XZ5NLH5WJFSBCQ7EEZUS7EOA4/>
12. NRC Article - <https://www.nrc.govt.nz/news/2020/december/patuharakeke-councils-sign-important-resource-management-agreements/>
13. NZ Herald Article - <https://www.nzherald.co.nz/business/marsden-point-refinery-receives-resource-consents/U7VDUEOWUQK3MEJL2W74Z6H6GQ/>

Citations:

- [1] <https://patuharakeke.s3.ap-southeast-2.amazonaws.com/public/website-downloads/The-Consultation-Guidelines-2014.pdf?vid=3>
- [2] <https://pub-wdc.escribemeetings.com/FileStream.ashx?DocumentId=1703>
- [3] <https://www.wdc.govt.nz/files/assets/public/v/1/documents/council/governance/iwi-management/patuharakeke-hemp-december-2014.pdf>
- [4] <https://www.nzherald.co.nz/northern-advocate/news/ngatiwai-mandate-urgent-hearing-under-way/KVKWAMH35SYZ3XIJRYXYTGKXM4/>
- [5] https://www.tearawhiti.govt.nz/assets/Treaty-Settlements/FIND_Treaty_Settlements/Ngatiwai/Other/Ngatiwai-Trust-Board-Mandate-Submissions-Individual-submissions.pdf