

Panel: Region Regulatory Rules & Compliance

Are We Doing the Best We Can?
Is regulations key in driving this?

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Why a panel session specific on E regulations?

Stakeholder Perceptions...

SPE Organisers/members:

- Strong interest?
- anticipating more/tougher regulations?

Government:

- Is it because government-public perceive (EP) industry need to be more strictly regulated? Why? Image of big, 'dirty' industry, oil spills, big emitters of GHG?
- Performance record of EP industry good enough?
- Need to respond to global environmental concerns – Global Warming & management of GHG's.

Internal Organisation:

- Own staff perception: strong critic of environmental commitment; needing to explain more to students during recruitments
- Organisation culture



General impression on Regulations...

- Some Perception/ wish on Government Regulations:
 - ✓ needed
 - ✓ Not too bureaucratic, balance with attracting investment
 - ✓ Supported by good science basis
 - ✓ Practical & limit set in regulations are technologically achievable



Do we not have enough Regulations already?

- For now: Yes / No, but will there ever be a state of enough regulations?
- Are existing regulations clear, practical ? Y/N
- Are regulations specific to EP industry? Y/N
- Are they strictly enforced?
- Sample of country Regulations (see next slide)



OVERVIEW OF ENVIRONMENTAL RULES & REGULATIONS FOR EP, MALAYSIA

OFFSHORE



Exclusive Economic Zone Act 1984 - applicable beyond 12 nm out to 200 nm

- Sect 9-15: Protection & Preservation of the Marine Environment - **Prohibition of discharge Oil, OIW > 100 ppm & pollutants (DOE)**

- Sect 21(1) & 22 - PTI/PTO (MDTCA)
 - **EIA Report to be prepared and submitted to DOE for approval prior to PTI/PTO approval (Administrative arrangement between MDTCA & DOE)**

Merchant Shipping Ordinance, 1952 - applicable in Malaysian Waters within 12 nm out to 200 nm (Marine Department)

- **Prevention & control of marine pollution from ships; MARPOL requirement thru IOPP (Oil Prevention Pollution Prevention)**

Certificate

ONSHORE



EQ Act 1974 & Subsidiary Legislations - applicable onshore & offshore out to 12 nm (DOE)

- Sect 10-17 - **Prescribed Premises (Offsite SW disposal & treatment facilities) Licensing**
- Sect 22-25 - **Restriction of pollution to atmosphere, noise, soil & inland waters**
- Sect 27 & 29 - **Prohibition of discharge of OIW > 100 ppm & wastes into Malaysian Waters**
- Sect 34A - **EIA Report Approvals & compliance of EIA approvals conditions for prescribed activities (MANDATORY);**
- EQ (Clean Air) Reg., 1978 - **Emission Std, Dark Smoke limit, FBE Approvals**
- EQ (Sewage & Industrial Effluents) Reg., 1979 - **ETP Approvals, Discharge Std (inland waters) & Contravention License**
- EQ (Scheduled Wastes) Reg., 2005 - **Management, handling & disposal of listed SW**
- EQ (Halon Management) Reg., 1999 - **Prohibition of use Halon in fire protection system**

Natural Resources & Environment Ordinance 1994 - EIA for onshore prescribed activities (NREB Sarawak)

Environment Protection Enactment 2002 - EIA for onshore prescribed activities (DEP Sabah)

AEL Act 1984 - **Licensing, management, handling & disposal of TENORM (AELB)**

OSH Act 1994 - Occupational Health & Safety issues & management (DOSH)

OVERVIEW OF ENVIRONMENTAL RULES & REGULATIONS FOR EP, NEW ZEALAND

OFFSHORE



Maritime Transportation Act 1994 - applicable beyond 12 nm out to 200 nm (Maritime New Zealand)

- **Marine Protection Rules Part 200 (Offshore Installations - Discharges) 2006:**
 - **Prevention & control of discharges of oil, other harmful substances & garbage**
 - **Gives effect to provision of MARPOL & OPRC**
 - **Requirement for a Discharge Management Plan**
 - **Discharge quality std**
 - **Offshore OSCP**

ONSHORE



Resource Management Act 1991 - applicable onshore & offshore out to 12 nm (MfE & DOC)

- **Requirements for a District/Regional/Coastal Plan**
- **Categorization of activities under the Plans**
- **Resource Consent Requirements**
- **Conditions for Resource Consent (Assessment of Environmental Effects)**
- **Resource Management (Marine Pollution) Reg., 1998** - Regulate the dumping of waste & discharge of liquid wastes

Hazardous Substances & New Organism (HSNO) Act 1996 - protect the environment, and the health and safety of communities, by preventing or managing the adverse effects of hazardous substances and new organisms. (ERMA)

Do we wait for regulations to drive positive environmental behaviors?

- NO! – many other tools/ avenues: Environmental Target Setting & Performance Monitoring and reporting; environmental award schemes, voluntary recognition/assurance via International certification standards (ISO, EMAS), etc, etc.
- Internal ‘regulations’/ commitments: Internal Minimum Standards (Shell, PETRONAS, etc)

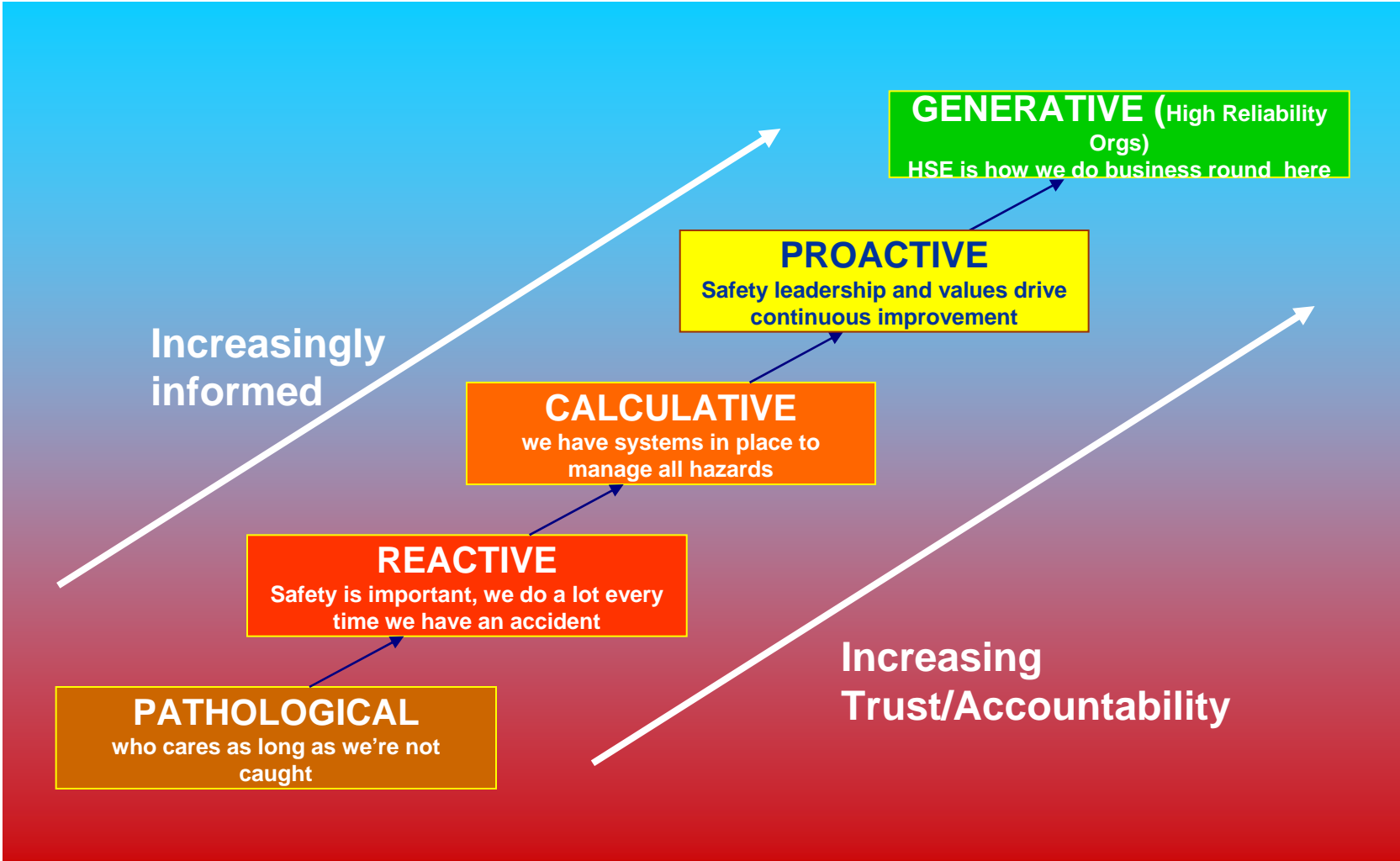


What regulations can be expected in the future.....

- 'Traditional' rules governing 'end-of-pipe' type limits e.g. water discharge, air pollutant emissions, waste disposal, chemical management, etc will continue to tighten;
- Rules on EIA or IA or ESHIA will become more prominent & quality of assessments will become more critical;
- (HS)E Management System/ HSE Cases will maintain/ probably even increase in importance;
- Emerging regulations on decommissioning as facilities gets older.
- Rules/ incentives/ discentives around GHG/CO2 management will become more prominent!!! Venting, flaring, energy efficiency → CDM, CER, carbon cost as part of project evaluation → workstyle, airtravel, etc.



Hearts & Mind : HSE Culture Ladder



HSE Culture Ladder

GENERATIVE

chronic unease
safety seen as a profit centre
new ideas are welcomed

PROACTIVE

resources are available to fix things before an accident
management is open but still obsessed with statistics
procedures are “owned” by the workforce

CALCULATIVE

we cracked it!
lots and lots of audits
HSE advisers chasing statistics

REACTIVE

we are serious, but why don't they do what they're told?
endless discussions to re-classify accidents
You have to consider the condition under which we

PATHOLOGICAL

are working
the lawyers/regulator said it was OK
of course we have accidents, it's a dangerous business
sack the idiot who had the accident



In summary...

Are We Doing the Best We Can?

Is regulations key in driving this?

- Regulations are important 'must-do's' but look beyond regulatory compliance.. Also look at other tools, avenues..
- ... and move up the culture ladder.

