



BRCT submission on 2015 Petroleum Block Offer

4 December 2014

Maria Iannou

Dunedin City Council, PO Box 5045, Moray Place, Dunedin 9058, Attention: Petroleum Block Offer 2014

Submitters' Names: Blueskin Resilient Communities Trust (attention: Scott Willis)

Address: 31 Hill Street, RD2 Waitati, 9085 Dunedin District

Phone (day): 03 4822048

Phone (evening): 03 4822249

Email: office@brct.org.nz

Table of Contents

BRCT submission on 2015 Petroleum Block Offer	1
Table of Contents	1
Executive Summary	1
1. New Zealand's commitment to tackling Climate Change	3
2. Economic Cost	3
3. Social Wellbeing	4
4. Other Issues	5
6. Recommendations	5

Executive Summary

BRCT appreciates the opportunity to submit on the **2015 Petroleum Block Offer** and the opportunity provided by council for a community perspective to be included in its submission. BRCT is a registered charitable trust formed in 2008 to support local sustainability and transition initiatives in a planned and structured way. Our current core activity is supporting the development of a resilient energy system in Blueskin Bay and we provide services for people and community groups in our area and in Dunedin. Jeanette Fitzsimons is our patron.

We understand that Climate Change is presenting as a huge responsibility and burden for local government. We have already contributed our perspective on the 2014 Petroleum Block Offer and we stand by that appraisal of the issues.

In addition, we recognise that local government around New Zealand is currently bearing the brunt of managing Climate Change and we are deeply concerned both at the issue of equity and the apparent lack of national strategy.

Since the 2014 Petroleum Block Offer consultation, the world has moved. The 5th IPCC Report has been released, itemizing with the most succinct detail yet, the current state of knowledge on Climate Change. The UN Secretary General Ban Ki-Moon has urged leaders to take meaningful action on Climate Change. China and the US, both the world's largest carbon emitters, have taken action. New Zealand now appears to be a laggard, back-tracking on earlier commitments and looking to miss earlier unconditional emissions targets by an astonishingly large margin. It is in this context that opinion on the exploration of oil and gas off the Otago Coast is sought.

Meanwhile, in the Blueskin settlements, many residents are understandably concerned about Climate Change, sea-level rise, flooding, and new hazard mapping and risk management plans. We now know that stable coast lines are a thing of the past, and that we must adapt to a more dynamic environment and landscape, but we don't yet know the extent of adaptation required, or the full extent of sea-level rise. We only know that if we continue to emit carbon from fossil fuels, the future will be very bleak.

We require local and national government strategy and action to rapidly reduce (not increase) carbon emissions, and point us towards a low carbon pathway. We are doing our best at a community level (and with some success) to promote low carbon development, but we cannot do it all alone.

The monumental risks we face need to be shared by all, and decisions need to be made in such a way as to safeguard our environment and society for future generations.

There is still a chance to make sure "Dunedin is one of the world's great small cities", but we risk losing that opportunity if we do not turn our focus fully towards low carbon development. We request you consider Climate Change, Economic Cost, Social Wellbeing, as well as all the other issues we raised in our submission on the 2014 Petroleum Block Offer, in your response to New Zealand Petroleum and Minerals, within the Ministry of Business, Innovation and Employment (MBIE).

We conclude our submission with FIVE recommendations (FOUR of which come from our previous submission) that we hope Council will take on board as it makes it's submission to MBIE on the **2015 Petroleum Block Offer**.

1. New Zealand's commitment to tackling Climate Change

The US and China agreed a long term policy to reduce carbon emissions in international climate negotiations, just prior to the G20 meeting in Australia in November 2014. The Chinese agreement to cap its emissions in 2030 is the first time the country, which has low per capita emissions, has committed to anything more to lowering the carbon intensity of its emissions, and the US is aiming to cut emissions by 26-28% on 2005 levels by 2025, which is up from its current target of 17% by 2020.

This commitment from the world's two biggest carbon emitters now requires action from all other countries. *"Emissions in New Zealand have increased since 1990 and continue to rise. New Zealand has gazetted an emissions reduction target of 50% below 1990 levels by 2050. However, we are off track in transitioning to a low carbon future, and there is increasing international pressure to reduce emissions"*¹. This quote comes from the government's own 'Natural Resources Sector 2014 Briefing to the Incoming Ministers'. New Zealand is already way off track to delivering a low carbon future, and the enabling of petroleum companies to bid for exploration rights to New Zealand's oil and gas resources is further sign of the inconsistency between words and actions.

The fifth IPCC report clearly sets out the existential risks to our society and civilisation of continuing down a carbon intensive pathway. Enabling Petroleum companies to explore for new desposits of fossil fuels, when the IPCC has warned of the danger of even using the already discovered fossil fuels, is grossly irresponsible. Under current policy settings, New Zealand's emissions are set to rise rapidly – probably increasing more than 50% above 1990 levels. Already we know that we will experience at least a 30cm sea-level rise by 2050². Can we continue to ignore the solid evidence of the results of our carbon intensive actions and fossil fuel support packages?

New Zealand cannot afford to be considered a rogue member of the international community. A carbon intensive pathway has negative implications for our 'brand', for our economy, for our cities and communities. A responsible action for Government to take would be to create a fossil fuel reserve in all territorial waters, which explicitly bans exploration and exploitation of fossil fuels within it, with an exception for existing production fields only.

2. Economic Cost

BRCT is a member of the Otago Chamber of Commerce. We are active proponents of 'Green Growth' within the Chamber and in our community where we have catalysed jobs in the low carbon economy. Transition to a low carbon economy is an exciting

¹ <http://nrs.mfe.govt.nz/sites/default/files/nrs-bim-final.pdf>, pp.9

² <http://www.pce.parliament.nz/assets/Uploads/Changing-Climate-and-Rising-Seas-Web.pdf>

challenge, and one we engage in with enthusiasm. However our work is made much more difficult when economic and government resource is directed, not at low carbon development, but at carbon intensive development. The resources of government (in particular, the Ministry of Business, Innovation and Employment) could be spent productively developing a low carbon pathway, however at present they appear to be a heavy cost to the taxpayer. Firstly, attention is directed at useless activity (exploration for fossil fuels that cannot in all conscience be burnt). Secondly, resources that could be made available to promote low carbon development are instead aimed at carbon intensive development. Thirdly, business and community participation is wasted in participating in discussion about and contributions to redundant activity – the exploration for what will soon be stranded assets. Fourthly, if resources continue to be spent on enabling petroleum companies to explore our territorial waters for fossil fuels, our brand will suffer further. It goes without saying, that any resource spent enabling or promoting the use of fossil fuels is resource NOT spent in productive activity to build up low carbon activity.

There is another cost that is worth highlighting here. Our community is already facing the challenge of a managed retreat from low-lying, flood prone land that is also very susceptible to any change in sea-levels. As a community, we have no resource to manage this at present, even at the small scale we face now. In 35 years, the problem will be even more severe, and it will be a case of serious mismanagement by our government, and failure of public duty if, instead of caring for its citizens, the government actively contributes to increasing public deprivation through increasing carbon emissions leading to more extreme climate change effects.

The enabling of oil and gas exploration presents an enormous, long-term and irreversible economic cost to New Zealand, rather than any benefit.

3. Social Wellbeing

Proponents of enabling oil and gas exploration often talk of potential jobs. Proponents of low carbon economic development are able to refer to real jobs, clean technology, and positive environmental outcomes, leading to greater social wellbeing.

The 5th IPCC Report is explicit that our social wellbeing will be seriously reduced as climate change impacts become more pronounced. The exploration for oil and gas off the Otago Coast is for the express purpose of exploiting fossil fuels, and intensifying carbon emissions.

For this reason (decrease in social wellbeing due to increase in carbon emissions), we cannot support enabling the exploration for oil and gas off the Otago coast.

4. Other Issues

Our 2013 submission on the 2014 Petroleum Block Offer additionally talks of:

- The Importance of Engaging the Community
- Economic Potential
- Social Wellbeing
- Green Growth
- Risk and Disaster Management and our outstanding natural environment.

We stand by and refer you to this earlier submission as well.

6. Recommendations

We make the following FIVE recommendations:

1. Council requests a policy change, from enabling exploration for oil and gas off the Otago Coast to banning exploration for oil and gas off the Otago Coast and establishment of a fossil fuel reserve, where fossil fuel reserves are assumed to exist (even without evidence) and are therefore protected as preserved, unburnable carbon assets.
2. Council requests a thorough NZ Risk Assessment³ to take into account the links between climate change, fossil fuel exploitation and use, the economy and our life support systems, before enabling exploration for oil and gas off the Otago Coast.
3. Council suggests to NZP&M that it is inappropriate to seek to attract companies to prospect for, explore and mine petroleum without first undertaking a full, comprehensive public process of community engagement in this area of significant community interest with a timetable that provides for increased democratic input.
4. Council proposes additional conditions to be attached to any offer, namely “Permit holders are required to report on their community engagement activity”; and “Permit holders are required to hold comprehensive insurance providing extensive cover against worst case scenarios⁴”
5. Council recommends that if any invitation of bids for petroleum exploration permits in the New Zealand Petroleum Exploration Permit Round 2015 (**Block Offer 2015**) are made, then a Carbon Tax⁵ is applied to all prospecting, exploration and mining activity.

³ See the ‘Wise Response’ appeal for example: wiseresponse.org.nz/ Accessed 23/10/2013 at 5.07pm.

⁴ See, for example and for lack of any other comprehensive risk assessment, the NZ Oil Spill Report (<http://www.greenpeace.org/new-zealand/en/reports/New-Zealand-Oil-Spill-Report/> Accessed at 2.40pm, on the 23/10/2013.)

⁵ For further information and detail on the Carbon Tax proposal and existing legislation, see A). <http://www.carbontax.org/who-supports/scientists-and-economists/> Accessed 24/10/13 at 10.26am; and B). <http://www.worldwatch.org/node/5962> Accessed 24/10/13 at 10.30am. We agree with Council that revenue from fossil fuel prospecting, exploration and mining should support efforts to adapt to, and



Doctors Point cut off by flood-waters in 2006

mitigate climate change and can be accessed by local authorities and their partners, and whose communities face challenging impacts (i.e. Dunedin and its climate change 'hot-spots' of South Dunedin, Waitati, Long Beach, etc.).