



## BRCT submission on 2016 Petroleum Block Offer

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Attention: Petroleum Block Offer 2016

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### Executive Summary

BRCT appreciates the opportunity to submit on the **2016 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 sustainability and transition initiatives in a planned and structured way. We work as a legal body to provide a public benefit and achieve the long-term objective of building community resilience, particularly in the context of our changing climate. Our headline work is our community wind development (the Blueskin Wind Farm) and our core activity areas are in energy (Cosy Homes), climate change action, and provision of community services. We offer support to number of community groups working in the field of sustainability. Jeanette Fitzsimons is our patron.

We appreciate the opportunity to make a submission and recognise that the incredibly short time frame for submissions is not the responsibility of the Dunedin City Council. However we do wish to register our concern about the democratic deficit evident in this consultation round for the 2016 Block Offer, and hope that the DCC will strongly convey our concerns around the democratic deficit and the short submission window to the Government.

We understand that Climate Change presents as a huge responsibility and burden for local government. We have already contributed our perspective in two previous Block Offer consultations and stand by our previous appraisal of the issues. We reiterate many of those points again here.

In addition, as we work to build renewable generation assets to achieve the Government target of 90% renewable electricity generation in New Zealand by 2025, we are very mindful of the uneven playing field we are confronted with when comparing renewable energy development with fossil fuel developments. Recently the Government announced it was boosting financial support for the oil and gas sector around New Zealand by \$10 million dollars over the next 4 years. Even ignoring the incredible subsidies provided to the oil and gas industries historically, this is simply \$10 million more dollars than is provided to the renewables sector, and appears inconsistent with targets to reduce New Zealand's emissions and increase New Zealand's renewable generation.

Indeed, 1 metre of sea-level rise is now locked in within this century (i.e. by 2100, the coastline will be 1 metre higher) as a result of historical emissions, and we do not know how long the sea-level will keep rising, or what level it will reach, but we do know that climate change is caused by greenhouse gas emissions and that fossil fuel use increases greenhouse gas emissions. The cost of a mere 1 metre sea-level rise to New Zealand's economy will dwarf the \$10 million dollar subsidy already confirmed, and for this reason alone we believe that the DCC must forcefully oppose any petroleum activity in our region. Any talk of financial returns from fossil fuel exploitation must also contain a full cost benefit analysis that considers the cost to our country of moving infrastructure and populations to higher ground, managing increased storm and drought events, biodiversity loss, damage to eco-systems, and species extinction, as well as the increased burden on our public health system. 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 2015 Petroleum Block Offer consultation, the world has moved further towards recognising the risk, and many countries including the United States and China are taking significant steps to reduce emissions. The 5<sup>th</sup> IPCC Report contains frightening scenarios and in June 2015 Pope Francis's encyclical was a strong call for action on climate change. The Divestment Movement is a popular movement that is hurting the

fossil fuel sector and despite the lack of any comparable subsidisation, renewal energy growth is spectacular. New Zealand now appears to be a laggard, with incoherent policy. It is in this context that opinion on the exploration of oil and gas off the Otago Coast is sought.

Meanwhile, in 2015 Dunedin residents were confronted with flood waters and flooded homes, something that we will see become increasingly normal over the next 75 years. Many residents are now understandably very concerned about Climate Change, sea-level rise, flooding and economic cost of pursuing a 'Brown Tech' future using fossil fuels. 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 2016 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 that we hope Council will take on board as it makes it's submission to MBIE on the **2016 Petroleum Block Offer**.

## 1. New Zealand's commitment to tackling Climate Change

The US and China have agreed a long term policy to reduce carbon emissions in international climate negotiations. Yet New Zealand's emissions continue to rise and New Zealand's pledge to reduce greenhouse gas emissions to 30% below the level of 2005 by the year 2030 has been deemed 'inadequate' by international scientists in July this year.

Can we continue to ignore the solid evidence of the results of our carbon intensive actions and fossil fuel support packages?

New Zealand appears increasingly 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 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 focussed on exacerbating the climate risk and pushing ever greater costs and damage onto future generations.

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 5<sup>th</sup> 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, which leads directly to a reduction in social wellbeing.

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

We are disappointed with the lack of transparency and limited timeframe for community discussion on this Block Offer. We value community participation and

engagement in this incredibly important question. We are disappointed that the economic cost of fossil fuel subsidies and exploration does not appear to have been considered. We are concerned that there is very little thought given to risk and disaster management and for the protection of nature services and our outstanding natural environment.

We refer you to our submissions on the 2014 and 2015 Block Offers 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 Assessment<sup>1</sup> 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 scenarios<sup>2</sup>”
5. Council recommends that if any invitation of bids for petroleum exploration permits in the New Zealand Petroleum Exploration Permit Round 2016 (**Block Offer 2015**) are made, then a Carbon Tax<sup>3</sup> is applied to all prospecting, exploration and mining activity.

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<sup>1</sup> See the ‘Wise Response’ appeal for example: [wiseresponse.org.nz/](http://wiseresponse.org.nz/) Accessed 23/10/2013 at 5.07pm.

<sup>2</sup> 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.)

<sup>3</sup> 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 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.).



*This is an image of the road to Doctors Point, in Waitati, taken in 2006 during the floods.*