



BRCT submission on 2014 Petroleum Block Offer

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Executive Summary

BRCT appreciates the opportunity to submit on the **2014 Petroleum Block Offer** and the opportunity provided by council for a community perspective to be included in its submission to the government. 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 support the vision "*Dunedin is one of the world's great small cities*". We believe the Council can best meet the current and future needs of communities by considering the social, economic and cultural wellbeing interests residents; maintaining and enhancing the quality of the environment; and meeting the foreseeable needs of future generations.

Clearly local government all around the world is facing up in different ways to three interlinked manifest risks: Climate Change, Resource Depletion and Economic Volatility. These interlinked risks present significant and considerable challenges to local government and community interest. Of these challenges, Climate Change is the most serious as it ultimately threatens human existence and certainly puts at risk the stable society we currently enjoy.

The latest IPCC report leaves no room for doubt about the monumental risks we are courting in our continued exploitation of fossil fuels and fossil fuel expansion plans. A temperature change of less than 1°C so far is already causing very real Climate Change. “The atmospheric concentrations of carbon dioxide (CO₂), methane, and nitrous oxide have increased to levels unprecedented in at least the last 800,000 years. CO₂ concentrations have increased by 40% since pre-industrial times, primarily from fossil fuel emissions and secondarily from net land use change emissions. The ocean has absorbed about 30% of the emitted anthropogenic carbon dioxide, causing ocean acidification”¹. Already our communities are feeling the impact of climate change and our city and regional infrastructure is under stress – and this is as a result of emissions that were made 50 years ago².

We have completed a significant amount of work in our community on a range of initiatives, and we have combed through this work as we’ve worked on this submission to draw out common threads we believe are relevant to the Council’s request for input on the **2014 Petroleum Block Offer**. With more time and resources at our disposal we would have been able to conduct comprehensive community engagement to ensure greater democratic input but we understand the constraints Council has been put under, and consequently have done what we can with the time available to us. In our submission we consider: the importance of engaging the community; economic potential; social wellbeing; green growth; risk and disaster management and our outstanding natural environment.

We conclude our submission with FOUR recommendations that we hope Council will take on board as it makes its comment on the proposal to invite bids for exploration permits in the New Zealand Petroleum Exploration Permit Round 2014 (**2014 Petroleum Block Offer**).

¹ Working Group I Contribution to the IPCC Fifth Assessment Report. *Climate Change 2013: The Physical Science Basis, Summary for Policymakers*, IPCC_Aproved27Sept2013.pdf

² “Anthropogenic warming and sea level rise would continue for centuries due to the time scales associated with climate processes and feedbacks, even if greenhouse gas concentrations were to be stabilised” <http://www.ipcc.ch/pdf/assessment-report/ar4/wg1/ar4-wg1-spm.pdf> Accessed 24/10/13 at 10.56am.

1. Importance of engaging the community

From December 2012 – July 2013 BRCT was funded through a DCC grant to work in the climate change ‘hot-spot’ of Waitati on a community led planning approach to climate change. DCC staff supported the BRCT team and a report was delivered to the DCC in September 2013. Four main themes emerged from discussions and interviews with groups and individuals within our community:

1. **Community Participation:** Residents want to be actively involved and participate in planning for the future and value opportunities to contribute to, discuss and develop ideas and proposals with the DCC;
2. **A Connected Settlement:** Residents were all very aware of the importance of key infrastructure and its vulnerabilities to extreme events;
3. **An Informed Community:** Residents want to be informed about effects and solutions associated with climate change for Blueskin;
4. **A Resilient Community:** Residents also indicated a need to have the capability and capacity to manage adverse climate change events (specifically including food and energy security, waste and water management and survival preparation).

It is notable in our work that many residents feel both that local government has a key responsibility in helping prepare for and mitigate against climate change, and seeks a participatory leadership role from the Dunedin City Council, through engaging with the community and building greater community-council partnership. We recognise that “the decision by NZP&M to run its consultation on the Block Offer over the local body elections period was unexpected”. As the Council has pointed out, this makes it difficult for councils around the country to make a democratic submission on an issue of significance to the public.

BRCT is also working on developing NZ’s first community initiated wind farm. Preparing for such a development has involved rich and deep community engagement and invited participation even before the formal Resource Consent process. Our experience shows that this type of community engagement ensures support for energy development. Recently BRCT submitted on the proposed ‘*Activity Classification under the EEZ Act*’, seeking a level playing field and encouraging public participation in the development of policy. We argued that oil and gas exploratory drilling should either remain as discretionary, or all exploratory energy activities, including wind power, hydro power and so on should be classified as non-notified, to create a level playing field. Exploratory energy projects, particularly those that elicit strong public interest, need an evenhanded approach and we suggest, greater public input than is currently the case for petroleum exploration.

2. Economic Potential

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 green economy. Building economic opportunity requires careful attention to current and future risks. As the 5th IPCC report indicates, all human activity will be severely constrained if we continue to burn fossil fuels. At a very simple level climate science demonstrates that continued exploitation of fossil fuels will put at risk our economic potential unless we rapidly transition to a low carbon economy.

The potential economic disadvantages of further fossil fuel exploration are:

- Resource wasted in a dead-end industry;
- Resource diverted from productive and durable economic activity;
- Infrastructural development that may serve a redundant purpose;
- Ratepayer funds diverted to disaster management;
- Devaluation of the “100% Pure” NZ brand;
- Devaluation of Dunedin’s ‘wild and natural’ brand.

A full and objective evaluation of the advantages and disadvantages of the **2014 Petroleum Block Offer** does not appear to have been completed by government and support for the **2014 Petroleum Block Offer** would be inadvisable without a clear and objective economic appraisal that takes into consideration: the current and future needs of communities; the social, economic and cultural wellbeing interests of residents; the maintenance and enhancement of the quality of the environment; and the need to meet the foreseeable needs of future generations.

3. Social Wellbeing

We support the vision that “Dunedin is one of the world’s great small cities” with “connected people, cohesive communities and quality lifestyles for all”. Current and future needs must be protected and enhanced for current future generations. While we recognise that there is the potential for an ill-defined number of jobs within fossil fuel exploration projects, what is deeply disappointing is any lack of detailed analysis, both of the touted benefits and of the considerable risk of activity that increases climate change effects, and, as a consequences puts at risk “connected people, cohesive communities and quality lifestyles for all”.

In our experience, the public desires to participate in decisions about development that will have both immediate and future consequences, and we desire a full public discussion about the merits and risks of pursuing a brown tech future over a green tech future.

Parts of Dunedin are already experiencing the effects of sea-level rise, most notably South Dunedin, but also Waitati, Long Beach and other areas. The social wellbeing of our city is already threatened by current climate change effects and any DCC support for fossil fuel exploration, exploitation and extraction will further and aggressively diminish future social wellbeing in the city, as sea-level rise continues and infrastructure struggles to cope with extreme weather events.

“To keep warming below 2 degrees Celsius, **we can only emit about 990 Gt of CO₂** (270 PgC, with the full range being 140 - 410 PgC) of fossil fuel emissions between now and 2100. This requires approximately halving global emissions by 2050, compared to 1990 levels (assuming they peak well before 2020). The IPCC says it is about as likely as not that sustained negative emissions globally will be required to achieve the reductions in atmospheric CO₂ in this scenario. According to the UNEP [Emissions Gap Report](#), the majority of emissions pathways that give a *likely (greater than 66%)* probability of meeting the 2 degree C limit require a peak in global GHG emissions before 2020 and, in general, earlier in the decade and average annual reduction rates of CO₂ emissions from energy and industry between 2020 and 2050 of around 3 per cent. Our ability to reduce emissions by more than 3% per year is highly uncertain”.³

With the fifth IPCC report at hand, it is clear that it will be increasingly difficult for local government to ensure social wellbeing for its citizens with the already ‘locked in’ global warming, never-mind any additional warming as a result of further exploitation of fossil fuels. We encourage consideration of what would constitute long-term social wellbeing, and how we can provide for our residents now while meeting the foreseeable needs of future generations.

4. Green Growth

Our own work on renewable energy development and Cosy Homes has revealed a wealth of opportunity and support from Dunedin residents. We support DCC work on an Energy Plan that aims to meet the government goal of reducing CO₂ emissions and boosting renewable generation. We encourage the rational development of policy and regulation and as a consequence we see an explicit contradiction in the invitation of bids for petroleum exploration permits in the New Zealand Petroleum Exploration Permit Round 2014 and government’s long-term target of a 50% reduction in New Zealand greenhouse gases emissions from 1990 levels by 2050. Sustained globally negative emissions will be required to achieve reductions in atmospheric CO₂ in fact, and NZ must do its part. In Dunedin we are witnessing the development of new and retrofitted electric vehicles, we are witnessing the growing uptake of solar electricity generation and the proposed development of community scale wind development. There is both community support behind these initiatives and significant economic potential in all of them. They are also perfectly aligned with existing government targets.

The **2014 Petroleum Block Offer** distracts attention from Green Growth opportunity and is inconsistent with government targets of a reduction in CO₂ emissions.

³ IPCC analysis provided by Cindy Baxter.

5. Risk and Disaster Management and our outstanding natural environment

Dunedin's natural environment is exceptional and world-renowned. Our wild places contribute to our quality of life. Our wildlife has significant scientific and conservation value. Our eco-systems are valued for wild food harvesting, for tourist operations bringing the valuable green dollar into our city, and for themselves.

We understand that the risk of spill or blow out from proposed exploration is low. Exploration is not an end point in itself however: exploration is a prelude to exploitation. And while the risk of spill or blow out of gas or oil from exploitation and extraction may also be low, the consequences of any spill would be devastating in the immediate environment. We would expect that a full independent and objective risk appraisal would be concluded prior to any offer being made for exploration or exploitation purposes in our exclusive economic zone. To date, the only substantial risk appraisal we are aware of is the recent Greenpeace commissioned report "Trajectory Analysis of Deep Sea Oil Spill Scenarios in New Zealand Waters. Canterbury Basin: Caraval Prospect" prepared by Laurent C.-M. Lebreton, M.Sc., and Timo Franz, M.Sc. of Dumnpark Ltd⁴. It is surprising that the only substantial risk assessment has had to be commissioned by an NGO.

In addition, and more importantly, any exploration that is followed by exploitation, extraction and use of fossil fuels will contribute to further climate change. We know now that with our current and continued release of fossil fuels (as CO₂ into the atmosphere) we are increasing the risk of runaway climate change. Runaway climate change, or even a temperature rise of 2°C or more, if allowed to happen, will have catastrophic consequence for the economy, political systems, society, the environment and human health.

We know that "[M]ost aspects of climate change will persist for many centuries even if emissions of CO₂ are stopped"⁵. The risk for our city of moving away from a fossil fuel economy is economic (a transition to 100% renewables may be costly). The risk associated with the continued use and exploitation of fossil fuels is that emissions continue to rise. Further rise in emissions is very likely to be catastrophic. The two risks are incomparable and it is clear that an economic risk – yet to be fully evaluated, is

⁴ This summary report and the full report (GPNZ Oil Trajectory Analysis) were accessed from <http://www.greenpeace.org/new-zealand/en/reports/New-Zealand-Oil-Spill-Report/> at 2.40pm, on the 23/10/2013.

⁵ Working Group I *Contribution to the IPCC Fifth Assessment Report. Climate Change 2013: The Physical Science Basis, Summary for Policymakers*, IPCC_Approved27Sept2013.pdf

preferable to global scale catastrophe, already thoroughly modelled and predicted by climate scientists⁶.

6. Recommendations

We make the following FOUR recommendations:

1. Council requests a thorough NZ Risk Assessment⁷ to take into account the links between climate change, fossil fuel exploitation and use, the economy and our life support systems, before inviting bids for petroleum exploration permits in the New Zealand Petroleum Exploration Permit Round 2014 (**Block Offer 2014**).
2. 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. Council has already pointed out that the decision of NZP&M to run consultation over the period of local body elections has made it difficult for councils to make a democratic submission on an issue of significance and it would be worth strongly reiterating this point.
3. 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 scenarios⁸”
4. Council recommends that if any invitation of bids for petroleum exploration permits in the New Zealand Petroleum Exploration Permit Round 2014 (**Block Offer 2014**) are made, then a Carbon Tax⁹ is applied to all prospecting, exploration and mining activity.

⁶ See for example Hansen, J. 2009. *Storms of My Grandchildren: the truth about the coming climate catastrophe and our last chance to save humanity*. Bloomsbury Publishing Plc.: London for a general and accessible introduction to this work.

⁷ See the ‘Wise Response’ appeal for example: wiseresponse.org.nz/ Accessed 23/10/2013 at 5.07pm.

⁸ 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.)

⁹ 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.).