

## **Crown Minerals (Petroleum) Amendment Bill Hearing, 18/10/2018**

### **Oral submission by Catherine Cheung**

My family and I came to New Zealand from SE Queensland nine years ago. We're worried about the long-term prospect of living in Australia, increasingly threatened by cyclones, drought and bush fires, as climate change intensifies. We chose NZ because we believed it's a 'clean, green' country. We chose Taranaki because it has rich volcanic soil and plenty of water. We bought a small orchard and moved over, so we can grow our own food and be as self-sufficient as we can.

Within a few months of our landing, we heard about fracking and the fast expansion of the oil and gas industry across Taranaki and NZ. We were mortified by what we learnt. So the April announcement by the Prime Minister was a real boost to our morale. And thank you for putting this Bill forward and for listening to us today.

My specific comments on the Bill are in line with the submission by Climate Justice Taranaki and many others who welcome the end of new offshore permits, and urge you to further strengthen the bill, by also ending onshore permits in Taranaki and banning extension of existing permits. I strongly support those submitters who are also opposed to any petroleum activities on or underneath conservation lands.

I'd like to reflect on a few points I heard today. While I am no economist, I can see how flawed the industry's economic arguments are. The claimed economic benefits have totally ignored the costs of environmental damage caused by the industry locally (e.g. the soil and water contamination described by Climate Justice Taranaki yesterday), the \$87 million<sup>1</sup> government subsidies for the industry (2016-17 alone), the \$800 million<sup>2</sup> that the government will have to pay to help oil companies decommission their infrastructure, the \$42 million<sup>3</sup> liability costs on historic and current wells, the \$14.2 billion<sup>4</sup> that the government plans to spend on buying carbon credits overseas, the \$1.6 billion<sup>5</sup> we need to cope with climate disasters, impacts on businesses that rely on a true clean, green environment and countless other opportunity loss.

On just transition, I realize the term can mean many different things depending on who you are. For me, just transition is not about ensuring that the few big bosses of oil companies and the few super well-paid engineers keep their big pay cheques. It is about making policy and regulatory decisions that ensure fast and meaningful emissions reduction while creating opportunities for those who are least privileged, so we begin to level out social inequality.

We need real actions on climate change, not false solutions or greenwashing, such as OMV burning old plastics to make more oil and plastics and calling it 'circular economy', Methanex using fracked gas and calling its product a green fuel, or proposals to make hydrogen fuel cells by methane-steam-reforming and calling it clean. We cannot rely on oil, gas and petrochemical corporations to take lead on real transition. It's not in their interest.

I found it hilarious when Straterra told you the Committee to stop bullying the oil industry. I'd say the opposite – because Taranaki communities, in fact the poorest of the world's nations, have all been bullied by oil corporations. Wars have been fought over oil. Just 100 corporations together emit over 70% of the world's GHG, most of them are fossil fuel companies.

You are in the position to stand up strong and not be bullied by big oil. Nothing is too big to fall. In fact, I'd liken it to a forest giant dying at old age, it falls onto the forest floor, and up spring hundreds of new saplings from the undergrowth that have been suppressed until now. Sun rays now reach the forest floor and the saplings thrive and grow, they are the new beginning, the hope that we have long waited.

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<sup>1</sup> [https://www.researchgate.net/publication/327230473\\_Ending\\_Government\\_Oil\\_Gas\\_Subsidies](https://www.researchgate.net/publication/327230473_Ending_Government_Oil_Gas_Subsidies)

<sup>2</sup> <http://www.stuff.co.nz/taranaki-daily-news/news/90952440/Government-faces-multi-million-dollar-bill-to-decommission-oil-rigs>

<sup>3</sup> <http://www.petroleumconference.nz/wp-content/uploads/2017/04/25-Milton-Community-23-March.pdf>  
<http://www.mbie.govt.nz/info-services/sectors-industries/energy/current-reviews-consultations/managing-financial-risk-from-current-and-future-wells/discussion-document.pdf>

<sup>4</sup> <https://www.newshub.co.nz/home/politics/2017/05/new-zealand-to-spend-14-billion-to-meet-paris-agreement-targets.html>

<sup>5</sup> <https://www.stuff.co.nz/environment/climate-news/98001955/how-climate-change-could-send-your-insurance-costs-soaring>