

Petroleum Development and Environmental Conflict in Aotearoa NZ: research findings & implications

Terrence M Loomis, Thurs 23 March 2017

E nga mana, e nga reo, e nga hoa ma – tena koutou katoa. E te tangata whenua nei, ko Ngati Te Whiti, tena koutou. I appreciate the opportunity to speak about my research and its implications for the anti-fossil fuel movement.

I'm an economic anthropologist specialising in the political economy of extractive industries and development. For the past five years, I've been studying the National government's efforts to expand the O&G industry in order to grow the economy, and the strategies the oil and gas industry has employed in partnership with government to promote and defend the industry. Which means I'm interested in understanding the exercise of power, and how communities and tangata whenua can respond to – and pre-empt – destructive resource exploitation, environmental damage and social and cultural harm.

First, let's take a brief look at why National chose to place a priority on promoting oil and gas development. The simple answer is that when National came to office in 2008, it had to deal with the global financial meltdown. It also faced a mounting debt burden. To deal with this situation, the government adopted a policy framework called the *Business Growth Agenda* which placed a major emphasis on

boosting commodity exports, including oil and gas. The goal was to increase O&G export returns tenfold, from \$3b to \$30b. That in turn meant reducing the barriers to greater natural resource exploitation...while retaining public support for the policy.

As opposition to fossil fuels, fracking and deep-sea drilling mounted, I found myself drawn into the debate around O&G development and anti-fracking activities on the East Coast. There was lots of lobbying, public information dissemination and protest action. But to understand the broader forces at work, I had to look more closely at government's 'manoeuvres' in collaboration with the oil industry to expedite oil and gas development.

First, the National government put together **a coordinated agenda** of legislative reforms, giving priority to amending the RMA – particularly the Principles sections to include 'development' and speeding up the consent process for the sake of 'efficiency.' *The reform agenda ALSO included the Crown Minerals Act 1991, the LGA 2002 and a new EEZ Act 2012.* The **overall aim** of was to remove barriers to development and expanded natural resource exploitation, and roll-back the rather modest framework of environmental protection and sustainable development policy

that had evolved through successive governments since the passage of the 1991 RMA.

National also employed a variety of **other ‘manoeuvres’** to promote oil and gas development (see slide).

Let me give a couple of examples of these manoeuvres:

1. *‘Factual’ Information Dissemination* (MBIE and NZPaM are the primary vehicles for this activity).

Example: MBIE produced a series of studies between 2012-2014 on the contribution the petroleum industry could make to the economy, on the potential for oil and gas development on the East Coast, and an East Coast economic potential study that again highlighted oil and gas. The reports contained flawed analysis and quite a bit of promotional spin. The subtext of all three reports was that it was up to the people of the East Coast to decide about O&G, which of course is not the case under current Government policy.

2. *Official Propaganda, Cheerleading and Jawboning* (Simon Bridges’ was widely known for his clichéd spin about the industry so I’ll use another example)

Example: Economic Development Minister Steven Joyce pressured mayors and regional council leaders to join two working groups in order to legitimate MBIE's series of East Coast studies. As a trade-off, he agreed at a 2013 meeting with mayors in Wellington to schedule regular ministerial and PM visits to the East Coast in the lead up to the 2014 election. During one of these subsequent visits, Joyce urged residents to 'have a look at oil and gas' and held up Taranaki as an example of successful development. (These days it's more of an example of petroleum's boom-and-bust cycle.) Again, this was just PR hype. Communities have no final say on whether O&G exploration or development proceeds in their district.

3. *Subverting Community Power and Protest*

Government actions in this area have been relatively subtle by international standards. They have had to be, because of the Treaty and our traditions of government-supported community development and public consultation. But here is an example of this kind of manoeuvre:

Example: NZPaM organised a series of so-called public information meetings ostensibly to explain the rigorous and safe regulatory regime around petroleum exploration and production. Now, the Crown Minerals Act restricts consultation to local councils and iwi, and the Government has declined to

provide any other formal processes for the public to debate energy policy. Unlike other important policy issues, the Government has never released a discussion paper on energy or oil and gas development. So these ‘information sessions’ became an opportunity for environmentalists and anti-fossil fuel groups to press their case. NZPaM quickly realised this after an embarrassing failed attempt in Kaikoura, and in subsequent meetings around the country structured the agenda and procedures to control feed-back and prohibit debate – or at least they tried to (e.g. Gisborne).

4. *Agenda-driven Funding*

Example: It’s widely known that the National Government (i.e. taxpayer) subsidises the petroleum industry to the tune of at least \$46 million in subsidies and tax exemptions, which is an eightfold increase over the previous Labour Government. Also it funds international marketing, petroleum conferences, free geological data to exploration companies, etc. All up close to \$85 million according to a 2013 WWF report. Petroleum corporations, of course, encourage similar inducements from competitor countries so they can leverage the best deal they can get.

5. Many of these manoeuvres were done in collaboration (and in some instances, *collusion*) with the oil and gas industry. As large and medium-cap E&P companies responded to National's opening up of the country to further exploration, the industry established PEPANZ and began employ a 'portfolio' of strategies for promoting and defending the industry. Some were borrowed from overseas while others were home-grown. These are the some of the strategies I was able to identify in my research:

PR spin and perpetuating 'reasoned' debate – targeted at Middle NZ

- Conferences and media strategies
- Corporate websites and specialist consultants
- Supportive business groups and think tanks

Neutralising environmental opposition

- Tactics to 'de-escalate protest,' dialoging with moderate groups
- Marginalizing 'extremists'
- Utilizing 'experts' and academic institutions for legitimacy
- Manipulating social media and MSM

Influencing government policies and regulations

- Lobbying and mates networks
- Drafting industry-friendly policies and regulations
- 'Revolving door' arrangements

Co-opting communities and 'partnering' with iwi

- 'Community engagement' tactics
- Buying community support
- Infiltrating the education system

And... ‘Partnering’ with tangata whenua [OR **at least with receptive leadership – i.e. divide and rule.** This tactic has been important in efforts to expand oil and gas exploration and drilling outside Taranaki.]

Let’s look at ‘*Perpetuating ‘reasoned’ debate*’ a bit more closely. Research suggests Big Oil borrowed this strategy from the tobacco industry and the climate denial movement. **The aim (in Chomsky’s words) is to “manufacture doubt,” establish the industry as the source of truth, control the debate and de-legitimise critics.**

As American PR guru Richard Berman explained to the Western Energy Alliance Conference in June 2014:

“I tell you, when I’m on offense I’m going **to reframe the issue**. I’m not going to allow the conversation to be based on how *somebody else* frames the issue. Because then I’m on defense. I’ll be arguing over what *they* said. ...**So, challenge the legitimacy of local protesters and environmental activists to speak for the wider public!”**

That’s the key, of course. It’s aimed at what one industry executive called the 80% in the middle ...or Middle NZ.

On the East Coast we’ve had a home-grown example recently of perpetuating and controlling debate: Cameron Madgwick’s opinion piece that appeared in the *Gisborne Herald* 5 Dec 2016 titled “Oil and Gas: Let’s Stick to the Facts.” He was

responding to a series of protest meetings about seismic surveying off the East Coast.

Madgwick says in his introduction that he's out to counter what he terms "emotionalism and preconceived ideas." So right from the outset, he's **de-legitimising** his critics. Here are his main points:

- 1) Huge economic benefits to New Zealand (jobs, GDP)
- 2) A safe record of oil and gas production
- 3) Virtually no risks associated with (off-shore) seismic surveying
- 4) Global consumption of O&G will increase over the next 25 years
- 5) A "transformational boom:" a major discovery that would bring \$\$ billions in investment, create hundreds of highly skilled jobs, and invigorate towns.

Madgwick concludes that the industry welcomes debate [the more the better], but "one based on fact." Obviously he believes they have all the facts on their side. Earlier this month, PEPANZ released a briefing paper at parliament claiming the industry had generated 11,000 jobs (they claimed it was 5000 just two years ago!), contributes \$2.5bn to GDP and delivers \$500 million in royalties and taxes annually.

I won't take time to systematically go through what social scientists call Madgwick's "truth claims." Suffice it to say *all these claims turn out to be either wrong or misleading.*

“OK, but hang on!” you might object. “Isn't this just getting caught up in the 'perpetual debate' strategy?” That's always the risk, which is why I chose this example. When you look at resistance activities here and overseas, it's interesting to note how as many groups have chosen NOT to be 'in the tent' or play the 'perpetual debate' game (I'll come back to this in a minute).

In my research, I looked at what environmental organisations, community groups and indigenous peoples were doing overseas to respond to state and petroleum industry efforts to increase oil and gas development. I compared these with a few recent studies of New Zealand protest activities and my own observations ...and identified the following common tools or perhaps better *'purposeful actions'*:

- Grassroots research – sometimes called “citizen science”
- Public awareness-raising, information dissemination and education
- Engaging with and influencing government policy-makers
- Organisation, multi-level networking and alliance-building

- Confronting oil and gas corporations and exposing their strategies
- Māori self-determined development and anti-oil resistance

Out of all this research, some interesting learnings emerged regarding citizen activism:

- **The challenge of acting globally** – networking and alliance-building requires negotiation of priorities, values and desired outcomes
- **The power of acting locally** – it’s often difficult to overcome community/iwi disempowerment and divisions; but community-driven responses are effective when there’s consensus (eg. the impending battle by the Hawke’s Bay Regional Council to ban O&G development in some areas)
- **Avoiding co-optation, subversion or marginalisation** – a good clue is who sets the agenda? Hard choices may need to be made (e.g. NGOs leaving the Land and Water Forum)
- **‘Citizen science’ regarding fossil fuel impacts, corporate practices & policy needs effective coordination**

Let me wind up with a couple more comments about this notion of ‘citizen science’

— There are many examples (esp. USA, Canada, S America, Australia) of

indigenous groups and citizens in communities impacted by O&G development

engaging in ‘community-based participatory research.’ Typically these activities

are led by a small group of community-based ‘accidental activists’ (Seamus

McGraw, *The End of Country*), sometimes in cooperation with established

environmental organisations and/or working with university academics who share

their concerns. It's happening in NZ around clean water and mining, but less so to date regarding oil and gas development. This is somewhat surprising given the importance of the issue and its links to climate change and clean water!

Let me be clear: by citizen science we're NOT JUST talking about monitoring local environmental impacts to expose shoddy practices and make sure regulators are doing their job. Governments like ours place great stock in developing evidence-based policy, so some groups of 'accidental activists' and environmental organisations have devoted considerable effort to gathering evidence from reputable peer-reviewed studies to inform their submissions, lobbying, legal challenges and public education efforts.

But of course, policy-making, legislation and government expenditure (including funding for universities and research) are also influenced by ideology, the exercise of political influence, and what academics like to call "public contestation."

Recent research interest here seems to have concentrated on analysing government/industry rhetoric and the activities of anti-fossil fuel groups – what social scientists used to call "studying down." No doubt this has been useful for communicating where the struggle is at and what works, but also contains risks

around who's accessing this information. Overseas, some activist/academic collaborations have also chosen to investigate the broader political economy of extractive industry – to cast light on the organisation and activities of corporations and the alliances, deal-making and influence peddling that goes on behind the scenes to influence government policy.

During my research, I came across several examples of collaborative research programmes or independent centres, like the Marcellus Center of Outreach and Research at Penn State which grew out of a multi-disciplinary research conference on the Marcellus Shales. I floated the idea of a similar research conference among a number of academics, and found few were researching policies and impacts around O&G development. There was a bit of interest, if someone would get the ball rolling.

So, in keeping with today's theme of "Finding Solutions and Organising for a Just Future," perhaps we need something like a Cooperative Fossil Fuels Research Programme.

16. The programme could include further work on the political economy of fossil fuel industries; studying NZ petroleum industry's organisation, finance, corporate operations, government relations, and defensive strategies; building an evidence base on the impacts of O&G development to inform legislation & policy; monitoring environmental & community impacts, undertaking holistic cost/benefit analyses of proposed developments; and working with and advising communities, local government and tangata whenua.
17. First steps might be to hold a national research conference of academics and interested citizen researchers; agree a research programme; and then operationalise a research 'centre.' **OR alternatively**, linking up with an existing organisation like ESRA - Economic & Social Research Aotearoa [founded by Sue Bradford], or Otago's Sustainability Centre etc. Probably NOT Auckland Business School's Energy Centre, in light of where its funding comes from.

Well, that's a brief account of my research and some implications for *finding solutions and organising for a just future*. If you want the full story of my research, I'd encourage you to get hold of a copy of my book (a few copies here today or see my website <http://www.terrenceloomis.ac.nz/latest-publication.html>)

No reira, tena koutou katoa. Kia kaha.