

Resource Community Formation and Change

**A Case Study of
Opunake**

Wayne McClintock

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INTRODUCTION

This paper reports the findings of a case study of Opunake. It is one of a series of three case studies of energy communities in New Zealand that are part of a project entitled “Resource Community Formation and Change” which has been funded by the Foundation for Research, Science and Technology.¹ The other case studies of energy communities in this series are Twizel (WP 22) and Manapouri (WP 21).

A variety of research methods were used in this case study which primarily focuses on the history of Opunake since the early 1970's. These methods included an analysis of census statistics, a review of published documents about the town and energy sector, and five days of interviews in Opunake, Hawera and New Plymouth during October 1999.

The research programme provides a stronger conceptual and empirical basis for social assessment and resource planning in New Zealand, especially in rural communities that depend directly on the primary production or processing of natural resources. The findings from the analysis of the three communities in the energy sector will be added to those from communities based on the forestry, mining, agriculture, fishing and tourism sectors, to develop an improved understanding of the processes of community formation and change in these types of communities.

THE OIL AND NATURAL GAS INDUSTRY IN TARANAKI

Taranaki is the only region in New Zealand where oil and natural gas have been discovered in commercial quantities. Oil was found at Moturoa, near Port Taranaki, in the middle of the 19th century, and for many years natural gas was mixed with manufactured gas for supply to consumers in New Plymouth. Major exploration activity commenced in the region during the 1950's; with the Shell-BP-Todd consortium discovering a large gas field at Kapuni by the end of the decade. The consortium developed the Kapuni gas field during the 1960's and constructed pipelines to Auckland and Wellington. In 1964 Shell-BP-Todd shifted its search for oil off the South Taranaki coast. Five years later the consortium discovered oil 33 miles west-south-west of Opunake (Opunake District Promotion Committee, nd: 59). Shell-BP-Todd drilled further exploratory wells in this area, which located considerable reserves of gas and condensate, and confirmed the economic viability of the Maui field (Pentelow, 1989: 6).

The original intention was to use the gas resources of Kapuni and Maui for industrial and domestic consumption. In the 1970's Shell-BP-Todd built the Maui Production Station (MPS) at Oaonui, including facilities for extracting liquified petroleum gas, and laid a network of pipelines from the Maui field. Meanwhile the Government constructed a 600 MW thermal station at New Plymouth which was commissioned in 1976. Escalating oil prices, and a growing surplus of electricity generating capacity in the 1970's, however, changed the Government's plans. The 1981 Energy Plan outlined a strategy by which New Zealand might reduce its dependence on imported transport fuels and generate export earnings from other petrochemical industries (Ministry of Foreign Affairs, 1986: 3, 5). Consequently, the Government, as part of a national development programme popularly known as “Think Big”, initiated a series of projects with multinational companies in the early 1980's to meet these objectives. This partnership between the state and the private sector built a synthetic petrol plant at Motunui, a methanol plant at Waitara, an ammonia urea plant at Kapuni, additional port facilities at New Plymouth, and associated pipelines during this period (Willis, 1982: 194-195). The social impacts of the construction of these three petrochemical plants were extensively monitored by the Taranaki United Council between 1981 and 1985, but “no systematic record” of the effects of the development of the Kapuni and Maui gas fields on the region had been published by the mid 1980's (Taranaki United Council Energy Monitor, 1987: 2).

¹ Contract TBA 801. For further information on the research project contact Taylor Baines & Associates (PO Box 8620, Christchurch or by email: n_taylor@tba.co.nz).

All of New Zealand's production of crude oil and condensate is from off- and on-shore fields in the Taranaki region, with almost half coming from the off-shore Maui field. Two-thirds of the country's recoverable gas reserves are in the Maui field. Natural gas is produced in the Taranaki region and is dominated by the Maui and Kapuni fields which together provided 95 per cent of national output in 1995 (Statistics New Zealand, 1997: 478, 480).

The Maui field is located 35 kilometres off the south western coast of Taranaki. Current production levels at Maui yield 80 per cent of the national gas production and 40 per cent of hydrocarbon production. Long term 'take or pay' contracts provide a guaranteed market for gas produced from the Maui field which generated revenue of some \$530 million for Fletcher Challenge Energy in the 1997 financial year (Fletcher Challenge Energy, 1997: 6-7).

Nearly all the natural gas sold for generating electricity is from the Maui field. The gas used at Motonui for manufacturing synthetic petrol comes from the Maui, Kapuni and McKee fields. The Motunui plant uses gas as a chemical feedstock (a 75:25 blend of Maui and Kapuni gas), and as a energy source for the process (a 70:30 blend of Maui and McKee gas). On occasions the methanol produced at Motonui is sent to the plant at Waitara for refining into chemical-grade methanol. Three natural gas streams supply the reticulation systems of the North Island. They are (i) treated gas - a mixture of processed Kapuni gas and Maui gas, (ii) Maui sales gas from the production station at Oaonui, and (iii) mixed gas - Maui and treated gas (Baines, 1993: 28).

OPUNAKE, OAONUI AND THE DAIRY INDUSTRY

Opunake is a coastal town in south Taranaki. It is 61 kilometres south of New Plymouth by road. The Maui Gas Platform is 35 kilometres offshore from the town. Opunake has become the service centre of a thriving dairy industry. Furthermore, hundreds of visitors are attracted to the town every summer by its sheltered bay and camping facilities.

Residents we interviewed described Opunake as "*a town of beneficiaries*", and "*a town of the unemployed and retired*", and the coastal district between Okato and Manaia, of which it is the service centre, as "*the backwash of Taranaki*". A woman with a farming background commented that the community "*is very accepting of outsiders*". Locals want people to come into the town as equals rather than feeling superior; this attitude she portrayed as the community's "*public face*" of egalitarianism and acceptance. She pointed out, however, that there are a lot of dairy properties in Taranaki which are fourth or fifth generation farms, and made comparisons with the industry in the Waikato where many farmers move from property to property during their working lives.

Opunake, meaning "the prow of a canoe", was never settled by Maori, but they used the bay as a landing place (Opunake District Promotion Committee, nd: 2). Although Europeans had visited the district as early as 1834, a settlement was not established at Opunake until the Taranaki Land War when the military built a redoubt there in 1865. With the arrival of large numbers of troops there was an influx of storekeepers, hoteliers and tradesmen to the township. The site for the township was surveyed in 1867 and sales of rural land attracted a new wave of settlers - farmers. There were also several flax mills operating in the district before the end of the 19th century (Mickelson, 1999: 7-8, 13).

Six kilometres west of Opunake is the hamlet of Oaonui. The settlement pattern at Oaonui is dispersed, but the community has its focus on the hall and primary school on State Highway 45 (Shell BP & Todd Oil Services, 1988: (9)7). The Maui Production Station is situated on a greenfield site a short distance from the community hall, primary school and a few farm houses. It dominates the rural landscape, but did not generate the economic boom expected by residents of Opunake and Oaonui when the project was first proposed.

The first settlers at Oaonui in the early 1880's found conditions harsh and farming initially was unproductive. Any butter that was produced was traded with local shopkeepers. The Crown Dairy Company opened a factory in 1889, and sold it seven years later to a cooperative owned by local suppliers (Pentelow, 1989: 51-52).

Tons of butter were being exported from the Opunake district during the 1880's and early 1890's. Several attempts were made to establish dairy companies in the district before a cooperative dairy company was established in May 1899. The Opunake Dairy Company built a factory at Te Namu and by 1910 had branches at Kina, Opuā, and Ihaia Roads. In its 75th Jubilee year (1974) the Opunake Dairy Company merged with Cape Egmont and Oaonui shareholders to become the Egmont Dairy Company (Mickelson, 1999: 60-61). Further mergers with other dairy companies at Warea (1977), Rahotu (1981) and Okato (1985) brought the total number of suppliers of the Egmont Dairy Company to 512 in 1988. At that time Egmont's three factories at Opunake, Okato and Pungarehu were producing several varieties of cheeses and casein. The company also had a joint venture with the Moa-Nui Dairy Company which manufactured butter at a factory at Ingelwood (Pentelow, 1989: 52-53). The joint venture partners merged their operations in 1989, and the former Egmont Dairy Company plant at Opunake was closed in January 1991 (Anon, 1990: 3). Milk from the area is now processed at Hawera.

DEMOGRAPHIC FEATURES

Demographic characteristics

The population of Opunake increased by 6.5 per cent between 1976 and 1996 (cf. almost 17 per cent for the national population). Over this 20 year period, however, the rate of population growth and decline fluctuated (see Table 1). There were two phases of rapid growth (1976-81 and 1986-91), both of which were followed by periods of population decline (1981-86 and 1991-96). The first phase of growth occurred when the Maui platforms, pipelines, production station at Oaonui, were being constructed (1976-1979). With the departure of construction workers from the town, and a gradual trend for operational staff and their families to reside outside the Opunake district, the usually resident population of 1,596 in 1996 was slightly lower than the level which was recorded shortly after the gas started flowing from the Maui field. More recently, the closure of the dairy factory at Opunake in 1991 also contributed to the decline of the town's population.

Table 1: *Opunake - changes in the usually resident population 1976-1996*

Census Year	Opunake		New Zealand	
	No. of Persons	% change in pop	No. of Persons	% change in pop
1976	1,498	-	3,098,900	-
1981	1,665	11.1	3,143,307	1.4
1986	1,539	-8.2	3,263,283	3.8
1991	1,650	7.2	3,373,929	3.4
1996	1,596	-3.3	3,618,302	7.2

Source: New Zealand Census 1976-1996

Over half of Opunake's residents in 1996 (see Table 2) reported that they were living in the town five years before, while another quarter indicated that their previous place of residence was within the boundaries of the South Taranaki District Council.

Table 2: *Place of residence of Usually Resident Population of Opunake - five years before 1996*

Place of Residence	Opunake per cent of population	
	Same usual address	53.4
Same territorial authority	24.3	
Same regional council, different territorial authority	3.8	
Different regional council, same Island	9.1	
Different regional council, different Island	1.4	
Not specified - New Zealand	5.5	
Overseas	2.4	
Total number of Persons	1,482	

Source: New Zealand Census 1996

The age-sex structure of Opunake's population in 1996 (see Table 3) was markedly different from the national population. The town had a high dependency ratio (0.71 cf. 0.53 for NZ) with relatively more residents who were either under 15 years, or over 65 years of age, than the country as a whole. Moreover, the imbalance between males and females in the town's population (a M/F sex ratio of 0.92 cf. 0.97) was more pronounced than the national pattern.

Table 3: *Age-sex structure of the population of Opunake 1996*

Age Group	Opunake		New Zealand	
	Male	Female	Male	Female
% 0 - 14 years	26.5	24.4	24.1	22.0
% 15 - 64 years	59.1	58.1	65.7	65.0
% 65 years & over	14.4	17.6	10.3	13.1
Total Number of Persons	771	837	1,777,464	1,840,839

Source: New Zealand Census 1996

Social characteristics

Census statistics also reveal significant social characteristics of the population of Opunake. Over a fifth of the families resident in the town in 1996 were of the one parent type (see Table 4), and 54 per cent of residents aged 15 years and over held no educational qualifications (see Table 5). These two characteristics, together with other data relating to household incomes and income support that are examined later in this paper, indicate that the town's residents are relatively disadvantaged when compared with the national population.

Table 4: *Family Types in Opunake - 1996*

Family Type	per cent of families	
	Opunake	New Zealand
One parent family	21.6	17.7
Two parent family	40.3	44.9
Couple only	38.1	37.3
Total number of families	417	949,497

Source: New Zealand Census 1996

Table 5: *Highest educational qualifications held by the residents of Opunake - 1996*

Highest Educational Qualification	per cent of residents	
	Opunake	New Zealand
University & other tertiary	15.9	25.8
Secondary	17.4	26.5
No qualifications	54.3	32.2

Source: New Zealand Census 1996

INDUSTRY, WORK AND OCCUPATIONS

Phases of development

There have been several distinct phases in the development of the natural gas industry in Taranaki. As noted previously, there was a burst of exploration in the province from the mid 1950's to the late 1960's. This exploration phase was followed by a decade of intense construction activity from around 1974 to 1985 when pipelines were laid, the platform and production wells for the Maui field established, and several petrochemical processing facilities built. This construction boom was overlapped by the production phase as first the Kapuni field, and later the Maui field (from 1979), supplied gas to industrial and domestic consumers in Auckland and Wellington through the distribution network. As the petrochemical plants came on-stream during the 1980's they used gas from these fields as a chemical feedstock for the manufacture of compressed natural gas (CNG), liquid petroleum gas (LPG), synthetic petrol, and ammonia-urea. Another phase of construction activity occurred in the early 1990's when the Maui field was further developed with a workforce of 200, and at a cost of around \$1 billion. It included the commissioning of the Maui B platform, a pipeline to Maui A and an upgrade of onshore processing facilities. This second stage of the Maui development was timed to ensure an uninterrupted supply of gas as the Maui A reserves were depleted. In May 1993 a major oil discovery was made in the Maui B reservoir, and the joint venture company developed a \$200 million Floating Production Storage and Offloading Facility (Fletcher Challenge Energy, 1997: 6).

Production from the Maui field is also about to enter a new phase of expansion. The Maui B production platform has been enlarged and strengthened to accommodate a 2,000 tonne drilling rig. The rig is to drill production wells into an untapped oil-bearing zone, known as the Maui D sands, which is 3,000 metres below the seabed (The Press 4/9/99).

Drilling activity also continues onshore in South Taranaki, although exploration expenditure by the major oil companies has been cut back because of the previous downward trend in oil prices. A consortium led by Swift Energy, a United States Company, for instance, reported finding oil and gas "shows" at its Rimu-A1 well south-east of Hawera in September 1999 (The Daily News 6/10/99). A senior executive of one of the major oil companies expects that even if oil prices remain at their present high levels there will still be some delay before the major companies expand their exploration activities because of the constraints of their budgetary cycles. Smaller companies, he believes, are less constrained by these budgetary restrictions and may increase their exploration activities earlier than the major oil companies.

Each of these phases - exploration, construction and production - has had specific effects on the regional and local economies as well as on the rural communities near which the industrial plants were located. Thus a major focus of this paper is to examine the social, economic and environment impacts of the Maui Production Station and its associated activities on the town of Opunake, the hamlet of Oaonui, and where relevant the rural hinterland surrounding those settlements, within the framework of these developmental phases.

The role of the state

The Government had a primary role in developing the Maui field. In 1973 the Crown purchased a 50 per cent interest in the field from Shell-BP-Todd for \$30 million tax free, a base price of 37 cents per MMBtu for contractual take or pay quantities and 85 per cent of the base price in excess of the contractual quantities. These contractual provisions shifted a significant share of the risks of the project from the consortium to the Crown. Other provisions in the contract allowed the price of gas to increase to half the rate of domestic inflation until inflation reached six per cent, and then rise by the rate of inflation less three per cent when inflation was greater than six per cent (Sharp and Simon, 1992: 34, 36). The contract was to expire in 2006 when the gas reserves were originally expected to be depleted. After that date the owners of the Maui field are permitted to sell whatever gas remains in the ground at market prices.

This pricing formula caused the real price of gas to decline over the life of the contract. Increased usage of the gas, however, allows more condensate to be recovered (Sharp and Simon, 1992: 37). Although the gas is supplied at this relatively low base price, the joint venture is permitted under the terms of the agreement to sell LPG and condensates at the same rate as world market prices. The gas itself is used to generate electricity at thermal power stations and to supply domestic and industrial consumers in both the North and South Islands.

The Government sold its share in the Maui field to Petrocorp, a state-owned enterprise, in 1988. Later that same year Fletcher Challenge Ltd purchased Petrocorp from the Government, and ownership of the field was left entirely in the hands of the private sector.

Ownership and operation of the Maui field

Maui Development Limited, the joint venture company that owns the mining licence for the Maui field, has four shareholders - Fletcher Challenge Petroleum Investments Ltd (20 per cent), Petrocorp Offshore No.7 Ltd (48.75 per cent), Shell Petroleum Mining Company (18.75 per cent), and the Todd Petroleum Mining Company (12.5 per cent). The first two companies are wholly owned subsidiaries of Fletcher Challenge Ltd. In 1990 Fletcher Challenge purchased the shareholding of British Petroleum (one of the original members of the consortium that developed the Maui field) which, together with the Government's stake it had acquired earlier through Petrocorp, gave it a controlling interest in the joint venture company (Department of Statistics, 1992: 312).

The operation of the offshore facilities and the Maui Production Station are managed by Shell Todd Oil Services Ltd. It was also responsible for the design and construction of those facilities. Shell Todd Oil Services Ltd is owned by Shell Petroleum Mining Ltd and Todd Petroleum Mining Ltd (two of the shareholders of Maui Development Ltd), and also manages the onshore Kapuni field.

Technology and work

The Maui offshore facilities and the production station are heavily capital intensive. They require a relatively small skilled workforce which is capable of operating technology that is very sophisticated.

The Maui field comprises several accumulations of gas and oil in reservoirs at depths of between 2,700 and 3,500 metres below sea level. The gas is rich in hydrocarbons that exist as vapour in the reservoirs, but condense to liquid as a result of pressure and temperature changes during processing. Fourteen production wells feed gas to the Maui A platform. The gas is initially separated from the liquid hydrocarbons on the Maui A platform and then they are sent through separate pipelines to the onshore production station at Oaonui.

The Maui B platform is 15 kilometres from the A platform and usually unmanned. It is fed by another six gas wells, and four oil wells. The oil is collected by a Floating Production and Storage Offloading Facility (FPSO).

“The FPSO was constructed by converting a large oil tanker and saw new oil processing equipment installed and a turret mooring system and production swivel added to the bow of the vessel. This mooring system and swivel allows oil production to flow continuously on to the vessel from Maui B and for separated gas to flow back to the platform. The operation can function in virtually any weather condition while the FPSO swivels around a stationary mooring point, 3km from Maui B.” (Fletcher Challenge Energy, 1997: 6)

The oil wells are controlled by staff at the FPSO. Tankers collect oil from the FPSO, either for export or for the refinery at Marsden Point, while the gas flows via the B platform for initial processing at the A platform before being sent to the Maui Production Station at Oaonui.

The gas production from wells at Maui A and Maui B is controlled from a control room at Oaonui. This control room also monitors the flow of gas along the pipeline. Microwave links transmit communications from onshore to offshore. The control room has a sophisticated computer system with five monitors. Three of them control production offshore on Maui A, and the remaining two monitor the plant at Oaonui and the flow through the three pipelines to downstream processing facilities. When the plant is shutdown because of a disruption to the power supply, it may take up to eight hours for the operator in the control room to get the process started again. Operators working in the control room require a good knowledge of the plant and experience high levels of stress.

The production station receives a feedstock of gas that has been partially dried offshore. The feedstock is processed into dried natural gas, butane and propane (LPG) which are separated, while out of the condensate is extracted naphtha and enhanced condensate. These outputs are then sent through three pipelines for LPG², condensate (enhanced and naphtha), and gas. They are destined for export, domestic consumption, further processing by petrochemical plants in other parts of Taranaki, or refining at Whangarei.

Some of the gas at the Maui Production Station is flared off from long stacks which are about a hundred metres in height. These stacks burn slightly all the time, and act as a safety valve so that when the pressure of gas is too great for the processing system they can flare to a height of three or four times the height of the stack. At ground level the heat of a flare of that size can be felt several hundreds of metres away. Should the gas pressure become too great and be released into the atmosphere without being burned off, then some components of the gas which are heavier than air would pool at ground level and may become accidentally ignited. Such an ignition would pose great danger to the plant, its staff, and the community at Oaonui. Onshore hazards, according to a senior executive of Shell Todd Oil Services Ltd, are as great as those for the offshore production facilities. Nonetheless, the company's accident rate has declined sharply over the last four years, and it has had 2.2 million hours without a lost-time work injury.

Crews operating the Maui A platform and the FPSO are flown in by helicopter from Oaonui, while trawler-size ships ferry supplies to them from New Plymouth. The normal crew of the Maui A platform is 15, although there are sleeping quarters for up to 70. Crew members perform routine maintenance, monitor malfunctions and possible hazards, and adjust production to demand. A constant nuisance for the crew is hydrate formation where solid crystals form and choke the pipes. The demand for gas fluctuates according to predictable patterns, with the time of the day and weather conditions being important influences on the level of demand. Off duty activities for the crew on the Maui A platform include television, pool, reading and working out in the gymnasium (Judd, 1994: 31, 33).

²

A small volume of LPG is also taken by road tankers to several centres in the North Island.

The production plant at Oaonui is used as a base for permanent maintenance staff who work on the FPSO. Staff at the FPSO are kept to a minimum, and although they can diagnose problems and do minor repairs, maintenance staff are called from onshore to do major repairs.

On the FPSO and the Maui A platform employees work 12 hour shifts with 14 days on these facilities and 14 days off. At the production station at Oaonui the pattern for production workers is for 12 hour shifts with six days on and six days off. This is a mixed roster of shifts: three of days and three of nights. Previously, staff at Oaonui worked 14 days on and 14 days off, but Shell Todd Oil Services Ltd altered the number of days and changed from permanent day or night shifts, in accordance with research findings about the most appropriate practices for shifts. Support staff at the production station have a different schedule of shift work. They work 10 hour shifts with four days on and three days off. Individual employees move around the production facilities of the company. They may spend two years on Maui A, for instance, then transfer to the FPSO, and eventually move onshore to Oaonui or Kapuni.

Much of the maintenance work on and offshore is undertaken by contractors. Shell Todd Oil Services Ltd employs contractors for engineering design, construction activities, and major maintenance. For example, Fitzroy Webb of New Plymouth undertook the design work for the strengthening of the Maui A platform. They also did the ongoing maintenance that was required. Furthermore, the company employs contractors at the production station to provide cleaning, catering and security services.

The industry's relationship with the community

In the environmental impact report prepared for Maui Stage II, the company stated that it would prefer the development levy raised from the capital cost of the project to be "primarily allocated to the South Taranaki area in the vicinity of Egmont County" (Shell BP & Todd Oil Services, 1988: (9)12). It particularly endorsed the upgrading of local community facilities, and the promotion of community development and job creation. The company also expressed its wish to consult with the Taranaki United Council when the criteria for distribution of the development levy were being established (*ibid*: 9-13).

The policy of Shell Todd Oil Services Ltd appears to focus sponsorship on a regional basis in Taranaki (e.g. a "Drive Safe" programme in the region's schools), rather than funding community projects. A long-term resident of Opunake observed that the company's presence in the town had always been "*very low key*" and described their financial contribution to the district as "*bugger-all*". He could only recall two examples of sponsorship - a gas heating unit valued at \$10,000 for the pool at the Opunake High School and a minibus for the Cottage Rest Home. Another project to benefit from company sponsorship has been the funding of tennis courts at the Oaonui Primary School.

A senior executive of Shell Todd Oil Services Ltd stated that his company has a good relationship with the community. He explained that it was company practice to visit neighbours of the production station at Oaonui to discuss issues. Other matters he mentioned that were of note were an evacuation plan agreed with the regional council; a notification system regarding exercises and evacuations with the Oaonui Primary School; open days for members of the local community to tour the production station; and a water supply system which was established jointly with local farmers and the Egmont County Council.

A neighbour, although acknowledging that nowadays staff at the production station phone nearby residents when the sirens are merely signalling an exercise, reported that before 1998 the company did not inform locals whether the sirens signalled an emergency or not. The same informant also noted that company officers met regularly with members of the community until ten years ago when this form of communication between the two parties lapsed.

Therefore Shell Todd Oil Services Ltd does not appear to have strong relationships with the local communities at Oaonui and Opunake. For residents of Oaonui the company's presence dominates the

skyline, and better communication with company officials would alleviate concerns they may have about environmental effects and personal safety. The company's presence in the district is less visible to the residents of Opunake, and while it has funded a few community projects, residents do not regard it as being a major influence on the town's economy or community life.

REGIONAL AND LOCAL ECONOMIES

The regional economy

Taranaki, like many other parts of New Zealand, has traditionally relied on pastoral farming as the basis for its economic well-being. The climate of the region is particularly suitable for the requirements of dairying. The farming community has considerable expertise in managing this form of agricultural production, and factories for processing butter, cheese, and other dairy products, have been a feature of the rural landscape in Taranaki since the closing decades of the 19th century.

Global markets for dairy products, however, have become increasingly competitive during the latter half of the 20th century. Dairy farmers and factories throughout New Zealand have been forced to increase their scale of production, and invest greater sums in plant and equipment, to maintain their edge over international rivals. Consequently, dairy farms now stock larger herds of cattle and employ less labour, while the operations of many small dairy factories have been consolidated into a few mega-sized processing plants that service entire regions of the country.³

The closure of many dairy factories, and declining demand for labour on farms, has decreased employment opportunities in rural Taranaki. Rural communities have become depopulated as people have moved to larger regional centres to find work (Willis, 1982: 202). Between Opunake and New Plymouth, for instance, there are a number of smaller settlements where the old dairy factories remain standing. Some of them have been abandoned like the one at Okato, whereas others, such as the Opunake factory, which is now a bulk storage facility for fertiliser, have been converted to other uses. By contrast, the Kiwi Dairy Company near Hawera provides 800 jobs in direct employment as well as indirectly contributing hundreds of other jobs in the regional economy. Three or four trains per day bring milk to the Kiwi plant from as far afield as Hawkes Bay. Nowadays, there are more people working at Hawera than residing in the town. Many of the staff who work for the Kiwi Dairy Company were employed at smaller processing plants that have been closed. Moreover, some of the company's employees are commuting to Hawera from outside the South Taranaki District.

This restructuring of the dairy industry over several decades has been accompanied by the growth of the oil and gas industry in the region. On and offshore fields of natural gas, and smaller quantities of oil, made Taranaki a focus for energy-based development projects from the 1960's to the early 1980's. There was considerable controversy about these projects, with environmentalists voicing concern about chemical spills that occurred when the ammonia-urea plant at Kapuni was commissioned, the Te Atiawa tribe of North Taranaki battling to protect their seafood resources from waste discharged into the ocean, and the farming community raising issues about the energy industry's use of top-class soils and water resources (Taylor and McClintock, 1984: 381).

Nowadays, the oil and gas industry and the dairy industry appear to function largely as unrelated sectors in the regional economy. The authors of the environmental impact report for Maui stage II maintain that:

“...the petrochemical investment has had almost nothing to do with the traditional economic base of the region: pastoral farming. Another economy has developed in Taranaki around

³ Communities based on the dairy industry are examined in more detail in working papers 13 (Clandeboye), 14 (Waitaki Plains) and 15 (Otautau).

these projects. The new economic activity features commercial employment, heavy industrial skills and contracting and a flow of business people in and out of the region.” (Shell BP & Todd Oil Services Ltd, 1988: (3)1)

Yet this view of a dual-sector economy may be misleading. There has been competition between the two sectors for the use of rural land and water, while the construction, maintenance, and operation of large scale dairy processing facilities, such as the Kiwi factory at Hawera, requires the services of workers with heavy industrial skills. Labour also moved between the two sectors during the exploration and construction phases of the Maui gas field (see the next section). Thus there may be synergies from the two sectors that are not obvious without extensive research to establish the exact nature of their linkages.

Regional and local economic impacts of the Maui gas field

The economic effects of the Maui gas field have varied according to the particular phase of development (e.g. exploration, construction or production). Many of these effects have been regional in scope, while others have directly affected specific communities and/or districts.

Shell-BP-Todd conducted exploratory drilling of the Maui gas field in 1969 and 1970. During this phase, and onshore exploration activity that began a decade earlier, there were few economic benefits for the Opunake community. Some local residents, including farmers who wanted off-farm work, obtained temporary employment. There was also some spin-off expenditure in the town from the spending of workers although this was mostly concentrated on food retailing, accommodation, and liquor sales.

The joint venture company built Maui Stage I between 1974 and 1979 with a workforce that peaked at around 420 (Shell BP & Todd Oil Services Ltd, 1988: 2-20). A lot of local residents obtained jobs during the construction phase; particularly local Maori. Local tradesmen were employed and youngsters were given apprenticeships. During this phase there was very little work for contractors based in Opunake; except for a cartage firm that transported materials to the construction site. Retailers, particularly the hotels and food outlets, increased their turnover from the expenditure of construction workers. Many of those employed in construction activities were based in Opunake. They were temporary residents, who sometimes dwelt in the town for a matter of a few weeks. They stayed in hotels, motels and rented houses. Other workers commuted from other parts of Taranaki. Traffic volumes on the surf highway increased thereby lengthening the travelling time to New Plymouth.

A wife of a pastoral farmer in the district recalled that it was difficult to obtain farm labour when the plant at Oaonui was being constructed. The wage rates paid to construction workers were higher than farmers were able to pay agricultural labourers. Not only were single men unavailable to work on farms, but it was also difficult to employ married couples. As a result some farmers in south Taranaki switched to dry stock beef production from dairying. Beef production was less labour intensive, and there was "*less money*" in this type of farming. The authors of the EIR of Maui Stage II confirm this switch to dry stock production and note that ex-rural workers and some farmers were employed in the land-based pipeline crews (Shell BP & Todd Oil Services Ltd, 1988: (2)21).

Although the construction of the offshore facilities and pipeline to the shore had little impact on the coast, our informants commented that the on-shore construction of the production station at Oaonui was "*an exciting phase*" which created "*masses of interest*" in the community. It boosted the outlook in the district at a time when farm consolidation and closures of local dairy factories had led to a decline in job numbers. Residents viewed the Maui development as a source of employment for those people who had lost their jobs due to the changes in the dairy industry. The project helped to arrest the rural downturn, but neither during

this phase, nor when gas production came on-stream, did it meet community expectations of an economic boom for Opunake and its rural hinterland⁴.

The initial policy of Shell BP Todd during Maui Stage I was to encourage its staff working at the production station and on the offshore platform to live in Opunake. In addition to any relocation expenses the first hundred employees were given \$2,000 to reside there. A long-term resident, we interviewed, observed that *"they didn't flood the town"* as the number of the company's employees and their family members who moved there was never great enough to put pressure on the town's infrastructure. When production began flowing from the Maui field, few of the managerial and professional staff employed at the production station resided in Opunake. Since then many employees have drifted back to New Plymouth for their children's secondary education or because their partners could not find employment in the small rural centres along the coast. Sixty of the company's staff lived along the coast between Okato and Opunake twelve years ago (Shell BP & Todd Oil Services Ltd, 1988: (2)20), whereas nowadays some 25 per cent of the 140 permanent staff reside in that area.⁵ The workforce of the Maui A platform, the FPSO, and the production station, has been halved over the last decade. Before then numbers had remained fairly static from when the plant was commissioned until the early 1990's.

When the Maui field began operating the company obtained skilled people to handle instrumentation and maintenance from outside Taranaki. The exploration and development of the petrochemical industry brought many foreign workers to Taranaki. Some settled in the region and enhanced its cultural diversity. The occupational structure of the Taranaki workforce was also changed. Over 40 per cent of new arrivals engaged in energy-related employment between 1981 and 1986 came from other parts of New Zealand and at least 30 per cent came from overseas. The place of origin of the remaining 30 per cent was not recorded (Shell BP & Todd Oil Services Ltd, 1988: (3)1, (3)6). Engineering firms in New Plymouth previously obtained their workers from outside the region, but now they employ more people from Taranaki. They now have overseas contracts, and built the high pressure separators for the Maui B platform. The local content of goods and services for the development of Maui Stage II was much higher than it was for Maui Stage I.

The downstream effects on the Opunake district from the development of the Maui field have been minimal as further processing of the gas is carried out at Kapuni and in North Taranaki. Gas from Maui, however, has generated considerable economic benefits for the region. Shell BP Todd, for example, estimated that its contribution to the regional economy was in the order of four per cent in 1988. That year the company had a payroll of just under \$20 million per annum and employed some 500 people (about 1.5 per cent of the total workforce of the region) in its Taranaki operations. Another 400 employees of contractors provided goods and services to the company. Furthermore, contracts let between 1980 and 1988 for development, new installations and ongoing maintenance at Maui Stage I amounted to some \$17 million per annum (Shell BP & Todd Oil Services Ltd, 1988: (2)21).

Environmental impacts

The environmental impacts of the onshore activities of the oil and natural gas industry on rural communities in South Taranaki have also varied according to the particular phase of development.

⁴ The authors of the EIR of Maui Stage II maintain that "the socio-economic impacts of the project [Maui Stage I] were small and subjected to an unrealistic expectation of growth in both New Plymouth and Opunake (Shell BP & Todd Oil Services Ltd, 1988: (2)21)."

⁵ Based on an estimate by a senior executive of Shell Todd Oil Services Ltd. Interviews with staff at the Maui Production Station in October 1999 indicated that there were only five people working there who either resided at Oaonui or Opunake. Three of those people were employed by Shell Todd Oil Services Ltd, and the other two worked for a catering contractor.

Exploration began in the Egmont area during the late 1950's. This was a major concern for farmers as they assumed that the exploration companies had rights of access. In the 1960's, however, the exploration companies appointed a liaison officer. A farmer by background, the liaison officer, communicated the views of farmers to the companies. As a result the land which had been used on properties for exploration was either restored or improved. When the exploration companies had access to farms they had a minimal impact on the management of the farms, although one of our informants said that there "*were more sightseers*" who came to view the drilling operations on the property. Noise was a problem when drilling was close to the house, but farm families knew the exploration crew was only on their property for a short time.

The construction of the pipelines from the production station also affected farming operations. One farming family at Oaonui had three pipelines built across its property over a three month period. They had problems with cows falling into ditches, and their stock were mixed up with the neighbour's cows after construction workers had left gates open. The construction company never paid its subcontractors to get the land back into order. The excavations weren't filled properly as the top soil, rocks etc were not returned to their proper strata, and for years after the family had to pick up rocks from their property. The farmer found it "*very stressful*" when writing complaints about the construction of the pipeline, yet he enjoyed socialising with the construction workers. He explained that as the pipelines were laid across other properties the construction company developed better liaison with farmers.

The construction of the production station itself also had specific environmental effects. A dump on the site, for instance, was used by people in the district to dispose of their household refuse, and a neighbouring farmer reported losing nine of his dogs that were killed crossing the main road to get food from that source. Moreover, high volumes of heavy traffic from a quarry damaged a local road.

Shell BP Todd have identified some of the environmental effects associated with operations of the Maui Production Station. They note community concerns about low frequency noise emanating from the MPS, the operation of flares, the perceived risks associated with the plant's operations and the LPG storage facilities, the high visibility of lighting on the towers at night to traffic travelling towards Opunake, and, particularly for local Maori, the water quality of the 'unnamed' stream at Oaonui (Shell BP & Todd Oil Services Ltd, 1988: (2)16, (2)17, (9)7, & (9)9). Another issue affecting neighbours of the MPS is the overflying of nearby farm properties by helicopters.

A long term resident of Opunake, we interviewed, considered that the environmental effects of the MPS were minimal. Although he acknowledged the visible pollution of black smoke from the flares, he observed that they have little smell. For many years he has regularly fished the stream at Oaonui, and in his view the operations at the MPS have had no effect on either the quality or quantity of water. Other people resident in the neighbourhood, however, continue to have concerns about the air pollution associated with flaring, and the risks to property and lives from an accident at the plant.

The local economy of Opunake

Today Opunake is primarily a service centre for the dairy farming industry. The town is some distance from Hawera and New Plymouth, and farmers who live within 15 to 20 kilometres obtain some of their supplies and services from local business firms. Casualties of the rural downturn in the district since 1990 include the closures of the dairy factory with a loss of 50 to 60 jobs; the Egmont Power Board's office and facilities; a supermarket; and a draper.

The town's economy is boosted by the presence of hundreds of visitors during the summer months. There is a holiday camp at Opunake Beach which accommodates up to 300 people over the Xmas-New Year holiday period. At Easter 1999 the World Knee boarding championships were held at Opunake, while Oaonui Beach is regarded as a top venue for windsurfing. Community leaders have taken several measures to promote economic activity in the town. The Opunake District Promotion Committee published a

promotional booklet in the early 1980's to attract people and businesses to the town. Furthermore, the main street of the town has been upgraded recently through the painting of several murals, and currently there is a campaign to raise funds to build a sports and recreational centre.

A profile of the business firms currently operating in Opunake is presented in Table 6. Almost half (29) of the firms are retailers or engaged in the hospitality sector. There is the usual range of trades and services for a town of its size. The town's role as a rural service centre is evident through the presence of a stock and station agent, a farm merchandising firm, two dairy/farm machinery dealers and a veterinarian. Each of the business enterprises only has a few employees.

Table 6: Business firms operating in Opunake - 1999

Category	Number of Firms ¹
Food retailers, restaurants, cafés	7
Other retail shops	17
Accommodation/liquor	5
Newspaper	1
Professional & business services	5
Banks ²	2
Service stations & motor vehicle repairs	5
Rental vehicles	1
Transport services	2
Builders/building supplies	4
General contractors	1
Painters	2
Plumber & drain layer	1
Cabinet maker	1
Upholsterer & furniture repair	1
Electrical repairs/electrical contracting	3
Stock & station agents	1
Farm merchandise	1
Dairy/farm machinery dealers	2
Veterinary services	1
Soap manufacturer	1
Quarry proprietors	1
TOTAL	65

Notes: 1. Each firm has only been placed in one category even though it may have been listed in two or more categories in the New Zealand Business Directory (e.g. Taranaki Farmers was listed as both a stock and station agent and a grain and seed merchant, but it has been categorised as the former). This action was taken to avoid double counting.

2. The Opunake agency of the Westpac Trust was closed on 12 April 1999. At present only the Taranaki Savings Bank operates in the town.

Source: UBD, 1999: T258-260

With only the Taranaki Savings Bank operating in the town, and no ATM, local retailers now hold more cash. Some residents of the town travel to Hawera and New Plymouth for their groceries. They also visit branches of national retail chains based in those larger regional centres.

Employment and occupational status

A significant number of residents were employed in activities beyond the boundaries of the town in 1996 (see Table 7). Although the town had 561 workers, only 435 people indicated that they were actually employed there. Over half of workers resident in Opunake were employed in the community/social/ personal (28 per cent) and the wholesale/retail/hospitality sectors (25 per cent), whereas three quarters of people whose workplace was in the town were employed in these two sectors.

Table 7: *Sectoral distribution of the workforce of Opunake - 1996*

Sector	Residents of Opunake per cent	Persons whose workplace is at Opunake per cent	New Zealand Workforce per cent
Agriculture, forestry & fishing	12.3	3.4	9.2
Mining	4.3	-	0.3
Manufacturing	8.6	3.4	14.3
Electricity/gas/water supply	1.1	-	0.5
Construction	7.0	5.6	5.8
Wholesale/retail/hospitality	25.1	31.0	22.3
Transport/communications	3.2	4.1	5.3
Financial/business	5.3	8.3	13.1
Community/social/personal	27.8	44.1	23.0
Total number of persons	561	435	1,630,812

Source: New Zealand Census 1996

Residents of the town had a lower participation rate in the labour force than the national population (47 per cent cf. 59 per cent for NZ) in 1996. The rate of unemployment was higher than the national average, as Table 8 reveals, while there were relatively fewer residents employed on a full-time basis (34 per cent cf. 45 per cent for NZ).

Table 8: *Employment status of the residents of Opunake 1996*

	Wages & Salary per cent	Self Employed & Employer of others per cent	Unemployed per cent	Full-time per cent	Part-time per cent
Opunake	35.2	8.8	5.5	33.7	13.3
New Zealand (TLA)	43.5	11.0	4.9	45.0	13.6

Source: New Zealand Census 1996

Between 1976 and 1996 there were significant changes in the occupational structure of Opunake's workforce (see Table 9). The proportion of residents engaged in white-collar occupations rose from 28 per cent to 37 per cent, with the most significant increase occurring in the administrators/managers category. Trades persons, machinery operators and people employed in elementary occupations represented just under a third of the town's workforce in 1996, whereas 20 years earlier they had comprised about two-fifths. By contrast the proportion of agricultural and fisheries workers increased from six per cent to 13 per cent over the same period.

Table 9: Occupational status of the workforce of Opunake - 1976 & 1996

Occupational Category	per cent of workforce	
	1976	1996
administrators/managers	2.7	12.4
professionals & technicians	14.4	16.7
clerks	11.3	8.1
service/sales	21.6	15.6
agriculture & fisheries workers	5.5	12.9
trades workers/machine operators/elementary occupations	40.9	30.7
Total Number of Persons	513	558

Source: New Zealand Census 1976 & 1996

Household incomes and welfare benefits

The household incomes of Opunake's residents in 1996 were relatively low by national standards (see Table 10). Thirty-seven per cent of the town's households (cf. 23 per cent for NZ) indicated they had incomes of under \$20,001, while only 12 per cent (cf. 27 per cent) reported incomes over \$50,000 per annum. Census data regarding income support reinforce this picture of a relatively deprived community that is heavily dependent on welfare payments from the government; with 50 per cent of the residents of the town (aged 15 years & over) receiving at least one form of income support in 1996 (cf. 35 per cent for NZ). The main types of income support which residents received were national superannuation (45 per cent of total benefits cf. 40 per cent for NZ), the unemployment benefit (18 per cent of total benefits cf. 20 per cent for NZ), domestic purposes benefit (10 per cent of benefits cf. nine per cent for NZ) and sickness benefit (eight per cent of total benefits cf. five per cent for NZ).

Table 10: Distribution of Household Incomes in Opunake - 1996

Household Income Range	per cent of households	
	Opunake	New Zealand
\$20,000 & under	36.8	22.9
\$20,001 - \$50,000	36.9	32.9
\$50,001 & over	12.1	27.1

Source: New Zealand Census 1996

INFRASTRUCTURE AND AGENCIES

Local government

The Opunake Town Board was formed in 1882. Opunake became a separate town district from the Egmont County Council in 1923, and its status was raised to a Borough in 1937. At that time the population of the town was 1,350. Opunake Borough was amalgamated with Egmont County on 1st April 1956 as "it was a small local body with limited rating potential, and survival became a struggle" Mickelson, 1999: 16).

In 1989 the town became part of the South Taranaki District. The headquarters of the South Taranaki District Council is at Hawera, but the Egmont Plains Community Board meets regularly in Opunake.

District planning and the Maui Production Station

The Egmont County Council granted town planning approval to the construction and operation of the Maui Production Station at Oaonui in April 1975. Shell BP Todd proceeded with the project under the provisions of the Town and Country Planning Act on 38 hectares of land that had been previously zoned for rural use. The Egmont County Council revised its district scheme in 1979, and changed the classification of the land owned by the company to Industrial B. This new classification allowed hydrocarbon processing and storage to be the predominant use of the site (Shell BP & Todd Oil Services Ltd, 1988: (2)10).

A neighbour of the MPS, however, maintains that the Egmont County Council was reluctant to act on behalf of the community to mitigate two negative effects of its construction and operation. Trucks used Arawhata Road during the construction phase to fetch dirt from the site and collect metal from a nearby quarry. He considers that this heavy traffic volume destroyed the foundation of the road, and it has not been repaired since. The Egmont County Council was unable to prove that the damage had been caused by the trucks as it had never assessed the condition of the road before construction began. Therefore it could not compel Shell BP Todd to pay for its repair. Soon after production flowed from the Maui field, the helicopter pad at the MPS was moved to a corner of the site that was close to the house of a local family. The Council apparently claimed that this family had no valid reason for objecting to the disturbance caused by helicopter operations as their home was near a highway.

Shell BP Todd commissioned an environmental impact assessment for the Maui Stage II in 1988. The authors of the report predicted that it was unlikely that Opunake would either gain population or employment opportunities from the Stage II development. They noted that the town had capacity in housing, land, and facilities should some of the construction and/or permanent workforce choose to reside there, or should some contractors working on the project decide to use it as a base for their activities (Shell BP & Todd Oil Services Ltd, 1988: (9)8).

The only resource consents for the MPS actioned by the South Taranaki District Council during the last three or four years have been for the realignment of the helicopter landing pad, which required the overflying of a neighbouring farmer's paddock, and for storage tanks - a safety issue where the effects were expected to be confined to the site. According to a council planner, the former issue was not a problem for the farmer, and the matter was settled amicably.

There are provisions in the present District Plan to sanction existing noise levels at processing plants. The Kiwi Dairy Company has appealed against these provisions as it believes that these noise levels are too strict. Most operators in the oil and gas industry, however, have accepted the provisions. The South Taranaki District Council also has the responsibility for granting resource consents for exploration activities. It regulates the noise levels and the length of time for flaring off wells. Operators have difficulty controlling the noise level when flaring; although trenches are used to muffle the noise and the visibility of the flare at night.

Infrastructure and funding

Before the advent of the MPS local farms in the Oaonui district relied on an open channel irrigation system. Shell BP Todd made a capital contribution to the Oaonui Irrigation Board to help fund the installation of a piped scheme, and operated the chlorination plant to ensure a satisfactory supply to the MPS and the farms along the pipeline as far south as Namu Road (Shell BP & Todd Oil Services Ltd, 1988: (2)12 & (2)13). The MPS takes a large amount of water from the scheme, and there was an agreement with local farmers to chlorinate the water until 2003. The company has now terminated this agreement to save its share of the chlorination costs of \$18,000 per annum. It has forfeited \$100,000 worth of assets it invested in the scheme, but still draws water as it maintains that as a ratepayer it is entitled to access this supply.

Traffic volumes along State Highway 45 increased during the construction phase, and lengthened the travelling time to New Plymouth. Since then the railhead at Opunake and the branch line from Hawera have been closed, and the coastal highway has become the major link to other centres. A survey by the Ministry of Works and Development in 1986 found that the average daily traffic density at Opuia road, between Oaonui and Opunake, grew from 1,030 to 1,520 between 1972 and 1986. The level of traffic growth was “consistent with the national average and in fact has fallen back to pre 1983 levels” (cited in Shell BP & Todd Oil Services Ltd, 1988: (2)18). Nowadays, there is no public transport from Opunake, although there was a daily bus service until several years ago.

The South Taranaki District Council operates a service centre, the Egmont Public Library and a community hall in Opunake. The town has oxidation ponds for sewage and the water supply is sourced from the Waiaua River (South Taranaki District Council, 1998: 57-58). The 1998/99 rates for an average house with a rateable value of \$55,000 in the town was \$969. In future, however, the council is expected to levy substantial rate increases on property owners to finance an upgrade of the water supply and to establish a reserve for replacing the existing sewage system (Opunake & Coastal News, 12/5/99).

Housing

Shell BP Todd’s initial policy on housing, as discussed earlier, was to encourage its employees to reside in the Opunake area. A local resident estimates that there were only ten extra households of outsiders who moved into the town when production began at the MPS. There was little pressure on the housing stock and few new houses were built to accommodate these newcomers. Most managerial staff commuted to the MPS from New Plymouth. Since then there has been a growing trend for workers who settled in the district to relocate to the major regional centres.

In the late 1980's the company noted that the housing market in Opunake was depressed with many sellers being forced to rent their properties while waiting to sell. At that time the town had several empty houses, including five Housing Corporation Units, and 20 vacant sections (Shell BP & Todd Oil Services Ltd, 1988: (9)8). Since then cheap rental houses in the town, and even cheaper ones in the surrounding rural district (the houses of former farm employees), have attracted welfare beneficiaries with young children to Opunake. The South Taranaki District Council owns eleven rental units for the elderly and two other rental houses (South Taranaki District Council, 1998: 58).

The tenure of the town’s housing stock is similar to the national pattern, with just under 70 per cent of the town’s dwellings in 1996 being owned by one of their occupants, and 21 per cent being rented (see Table 11). Moreover, as Table 12 indicates, Opunake has less than half the proportion of unoccupied private dwellings (eight per cent cf. 18 per cent) that is typical for rural centres in general.

Table 11: *Tenure of Dwellings in Opunake - 1996*

Form of Tenure	per cent of dwellings	
	Opunake	New Zealand
Provided rent free	2.0	3.7
Rented	21.1	22.9
Owned with a mortgage	28.1	35.2
Owned without a mortgage	41.2	31.1
Total number of dwellings	597	1,276,332

Source: New Zealand Census 1996

Table 12: *Occupied and Unoccupied Private Dwellings in Opunake - 1996*

	Number of Occupied Private Dwellings	Number of Unoccupied Private Dwellings	Total Private Dwellings	Unoccupied Dwellings as per cent of Total Private Dwellings
Opunake	594	51	645	7.9
All Rural Centres	29,349	6,275	35,624	17.6

Source: New Zealand Census 1996

Health and education

With the closure of a maternity hospital, and the departure of a general practitioner and dentist since 1990, residents of Opunake have had access to a narrower range of health services than they did during the 1970's and 1980's (Opunake & Coastal News, 29/4/99). Medical services in the town are provided by a resident general practitioner, Dr Gunatunga, and the Opunake Health Centre which is staffed by two or three doctors who are rostered as they live outside the town. Furthermore, Te Kaweora (a Maori health service) operates clinics in Opunake on Fridays, and on Wednesdays visits homes in Oaonui and Opunake. It provides health services for pre-school children and the families of all ethnic groups (Opunake & Coastal News, 15/9/99).

The Opunake Maternity Hospital was closed in 1990. Each birth at the hospital was costing \$3,000 and the building had been allowed to run down. A board of trustees took over the hospital and converted it into a rest home. Taranaki Healthcare provided a loan of \$50,000 to get the Opunake Cottage Rest Home started, and the trustees obtained \$100,000 through a private loan. The loan to Taranaki Healthcare has since been repaid. In October 1999 the rest home had 24 part-time and full-time employees, and 16 residents, although it has accommodated up to 24 residents. Some residents pay for their own care, while others are paid for by the Health Funding Authority. There are problems in getting new residents as many older people do not wish to move to a town where access to medical services is more difficult than in the larger centres. A 'meals on wheels' service for elderly people also operates from the rest home.

Other organisations providing health services in Opunake include the Plunket Society, St Johns Ambulance, and the Coastal Volunteers. Established in 1993, the Coastal Volunteers provide emergency transport for local people to access health services in Hawera or New Plymouth. The Health Funding Authority provides funds to reimburse the volunteer drivers at a set rate of \$40 per trip to New Plymouth.

Opunake has a secondary school and two primary schools (state and convent). A secondary department was attached to Opunake Primary School in 1925, and became a separate high school in 1956 (Opunake District Promotion Committee, nd: 25).

A former principal of Opunake High School observed that when the Maui Production Station began operating at the end of the 1970's it had little impact on the school's rolls. He estimates that there were only ten households of newcomers and not all of them had children of secondary school age. The roll of the high school grew while the off shore facilities and MPS were being constructed, although the former principal explained that this growth was predictable given earlier changes in the rolls of the district's primary schools. It reached its peak of 543 in 1978, but two years after the Maui field commenced full production (1981) it had fallen to 483. The high school's catchment area has shrunk over the last 20 to 30 years. Then the catchment was from Pungarehu in the north, to Kaponga in the east, and to Otakeho in the south. Moreover, many primary schools have been closed as the district became depopulated by the restructuring of the dairy industry. While some 70 to 80 per cent of pupils came to school by bus in 1969, nowadays only 45 to 50 per cent of the current roll (1999) of just over 300 pupils travel to school by this means. Even though pupils from Opunake High School perform well in external examinations (Opunake & Coastal News, 9/12/98), some families in the town now send their children to secondary schools in Hawera.

The Oaonui Primary School is only a short distance along the State Highway from the MPS. It had two teachers and about forty pupils in 1999. Despite having a lot of money spent recently upgrading its facilities, the school is under threat of closure.

Agencies and social welfare organisations

The first post office at Opunake was opened in 1881 (Mickelson, 1999: 37). It was closed just over a century later during the restructuring of the public sector, and has been replaced by a combined Lotto/NZ Post shop. Four police officers are also based in the town.

Other government agencies have withdrawn their services from the town during the last three years. The Housing Corporation, the Link Centre (Internal Affairs), and the NZ Employment Service visited once a month, while Income Support visited the town every fortnight. Even the IRD's annual visit to help the elderly with their tax returns has ceased due to the declining proportion of that age group which is now required to file returns. Local residents must now travel to New Plymouth when they require the services of the Housing Corporation, WINZ, IRD, or Internal Affairs. And sometimes they have found the reorganisation of these agencies confusing. When WINZ was being established, for instance, local people with certain types of benefits went to the agency's Hawera office, while people with other types of benefits travelled to the New Plymouth office.

The Citizens Advice Bureau (CAB) in Opunake has become an intermediary between these government agencies and their clients. It has 50 to 60 client visits a month. Many clients who visit the CAB do not have phones or cannot afford the toll charges to the government agencies. So the CAB lets them use the phone to contact the agencies. The office of the CAB is staffed by volunteers and is open from 10 am to 1 pm from Monday to Friday. It is funded from several sources: its national head office, COGS of Internal Affairs which provides funds for training, and the Taranaki Savings Bank. The present team of volunteers are aged between 40 and 70 years, and it is increasingly difficult to recruit new people to the team.

The New Zealand Budget Service Association also operates in Opunake. It employs a paid coordinator for five hours a week. Volunteers assist clients to prepare budgets, and there is a high degree of overlap between the committee membership and volunteers of the Budget Service and the CAB. A food bank, funded by COGS (Internal Affairs) and the Taranaki Savings Bank, was established in 1990. It distributed food parcels with a value of \$4,129 to 169 adults and 195 children during 1997 (Opunake & Coastal News, 31/1/98).

COMMUNITY

Community leadership and organisations

When the Maui field began producing gas the operational staff who chose to reside in Opunake, joined school committees the Lions Club, and other community organisations. Now that the majority of the permanent staff live outside the district, and much of the maintenance on the Maui facilities is carried out by contractors whose employees live elsewhere in Taranaki, the involvement of company staff in local organisations is almost non-existent.

Opunake has a broad range of community organisations including Lions and Lioness Clubs; the Opunake Beautiful Town Committee; a community operated cinema; a Masonic Lodge; a friendship club for senior citizens; a country music club; a drama club; a volunteer fire brigade; three churches, sports clubs (e.g. athletics, boating, bowls, golf, rugby, swimming, squash, surf lifesaving, tennis and tramping); and those providing activities for young people such as Scouts, Guides and Boys Brigade (UBD, 1999: T258-260).

Social problems

Opunake, like other rural communities in New Zealand, is still recovering from the effects of the restructuring of the economy during the 1980's. Interviews conducted with residents during the environmental impact assessment of the Maui Stage II development in the latter part of that decade indicated they had two major concerns then: unemployment and the lack of activities for young people in the town (Shell BP & Todd Oil Services Ltd, 1988: (9)8). Unemployment, particularly the lack of jobs for school leavers, remains a major issue for the community. Most young people must move to major centres in the region, or further afield, to find work or pursue training opportunities.

The “*isolation*” of Opunake is an important issue for people with low incomes, according to the chairperson of a voluntary welfare organisation we interviewed. The lack of public transport to Hawera and New Plymouth, that has already been noted, makes visits to those centres an expensive exercise for people with low incomes. Not only are transport costs high, but McDonalds and other retail outlets at the larger centres are attractive places that put pressure on family budgets. Furthermore, the growing trend for locals to purchase groceries and other goods outside the town is reducing the viability of local business firms.

Crime does not appear to be a major problem in Opunake. One elderly resident mentioned that there had been thefts from local farms, but the situation in the town was “*not too bad*”, with only a few incidents of vandalism.

Maori

People identifying themselves as Maori comprised 28 per cent of Opunake's population in 1996 (cf. 15 per cent for NZ). The boundaries of the Taranaki iwi are at Oakura, which is 45 kilometres to the north of Opunake, and at Oeo which is five kilometres to the south. The local runanga is Te Kete O Taranaki, and the Orimupiko Marae is located on Eltham Road. Many local Maori have recently returned from other parts of the country to their “*tribal roots*” in Opunake.

Although Taranaki Maori obtained work during both the construction and production phases of the Maui development, most of them were employed on the construction projects. Members of the Maori community have raised several issues with Shell BP Todd about the cultural effects of the development. Those issues included the water quality of the ‘unnamed’ stream at Oaonui; the purchase of Maori owned land for the MPS; the desecration of sacred sites when the various pipelines were constructed; and the lack of respect for Maori cultural traditions (e.g. karakia) at the opening of projects that were “*demeaned by subsequent actions*” (Shell BP & Todd Oil Services Ltd, 1988: (9)9).

Women and young people

Although the Opunake community “*is very accepting of outsiders*”, women who are newcomers discover “*it is not a coffee or morning tea town*”. The women, who came with their partners to live in the town when the Maui field began production, were not invited to visit their neighbours. Opunake is a place where people “*drop in*” when visiting neighbours, and these women struggled with this cultural difference.

A woman, who is a long-term resident of the town, described the negative effects of the seven days on/off⁶ work pattern that was required of operational staff on the Maui A platform. Some families whose husbands/fathers worked on the platform had no experience of the peculiar work and domestic routines required by this pattern of shift work. They were used to having “*Dad*” at home every night when he could provide “*social structure*” to the family. The seven day work pattern was like “*a weekly divorce*”, and a number of marriages “*fell apart*” because families were unable to adjust to this change of routine. These

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Now the work pattern on the offshore platform is 14 days on/off.

marital difficulties occurred even though the company enabled partners to talk to each other every night by telephone. There was nobody in the community at Opunake with experience of this type of routine who could have helped wives to cope with their situation. The wives of these shift workers formed an informal social group to support each other, but it was counter productive as their common problems got out of perspective. Our informant considered that friendship with women in other situations may have been a more constructive option. She maintained that companies should equip workers new to shift work with coping skills. Furthermore, they must inform staff, their partners, and other members of their families, about the pitfalls of these seven day absences.

Most young people, as noted previously, are unable to find employment in Opunake, and few of them have obtained jobs recently at the Maui Production Station. Shell Todd Oil Services Ltd had 20 apprentices during the 1980's, but at present it only has four or five in its workforce. The company prefers to employ apprentices as in the long run they are more productive than staff who acquire their skills in another manner.

CONCLUSION

In partnership with the private sector, the Government, developed the Maui field, and bore a significant share of the risks of the project until 1988 when it sold its 50 per cent interest in the field to Fletcher Challenge Ltd. Maui Development Ltd, a joint venture company, owns the mining licence for the field, while the operations of the offshore facilities and the Maui Production Station are managed by Shell Todd Oil Services Ltd. Shell Todd Oil Services Ltd does not appear to have strong relationships with the local communities at Oaonui and Opunake. The Maui Production Station at Oaonui dominates the skyline, and better communication between company officials and residents would alleviate concerns the latter may have about the environmental effects of the plant and their personal safety. The company's presence in the district is less visible to the residents of Opunake, who do not view it as being a major influence on the town's economy or community life.

The oil and gas industry and the dairy industry appear to function as largely unrelated sectors of Taranaki's economy, but there has been competition between them for the use of rural land and water. While the construction, maintenance and operation of large scale petrochemical and dairy processing plants has required the services of workers with heavy industrial skills. Some farmers who wanted to work off-farm, obtained temporary employment during the exploratory phase of the oil and gas industry in the 1950's and 1960's.

There have been very few long-term social and economic benefits for the residents of Opunake from the development of the Maui gas field. What benefits the town did gain occurred during the first construction phase in the latter part of the 1970's and the initial period of production in the early 1980's. Most benefits from the field's development have been derived at the regional and national levels and this case study suggests that large scale, capital intensive, energy developments may contribute little to the economic welfare of rural communities. Thus the impacts of projects of this type should be monitored over their life cycle at the community, district and regional levels, so that the benefits (e.g. employment, business turnover, additional amenities) arising from their operations are maximised, and the costs (e.g. environmental effects, social dislocation) minimised, for the rural communities in their neighbourhood.

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