

Consultation submission form

A Draft Minerals Strategy for New Zealand to 2040
MAY 2024



How to submit using this form

This form is used to provide feedback on the draft Minerals Strategy for New Zealand to 2040.

When completing this submission form, please provide comments and reasons explaining your choices. Your feedback provides valuable information and informs decisions about the design of the strategy.

You can submit this form by 5pm, Wednesday, 31 July 2024 by:

- Emailing to resourcesfeedback@mbie.govt.nz with subject line '**Minerals Strategy Consultation 2024**' or
- Posting to:
Minerals Strategy Consultation 2024
Resource Markets Policy
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6140

Your feedback will contribute to further development of a Minerals Strategy for New Zealand. It will also become official information, which means it may be requested under the Official Information Act 1982 (OIA).

The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it. If we receive a request, we cannot guarantee that feedback you provide us will not be made public. Any decision to withhold information requested under the OIA is reviewable by the Ombudsman.

Submitter information

The Ministry of Business, Innovation and Employment (MBIE) would appreciate if you would provide some information about yourself. If you choose to provide information in the "About you" section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name: Max Dickens

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B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes

No

C. Are you making this submission on behalf of a business or organisation?

Yes

No

If yes, please tell us the title of your company/organisation:

West Coast Regional Council

D. The best way to describe your role is:

Academic/researcher

Independent expert (please specify below)

Consultant (please specify below)

Business owner (please specify below)

Tradesperson (please specify below)

Student (please specify below)

Industry group (please specify below)

Other (please specify below)

Industry participant (please specify below)

Prefer not to say

Please specify here:

Manager, Policy

E. Privacy information

- The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions, or a summary of submissions, received to MBIE's website at www.mbie.govt.nz. If you do not want your submission or a summary of your submission to be placed on our website, please check the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

F. Confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential and have stated my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have checked this box, please tell us what parts of your submission are to be kept confidential.

A Minerals Strategy for New Zealand to 2040

MBIE is developing a *Minerals Strategy for New Zealand to 2040* to enable us to take a long-term, strategic approach to how we develop our mineral resources. This does not include petroleum which already has an advanced regulatory regime.

Minerals play an essential role in New Zealand’s economic growth through high-paying jobs, Crown royalties, direct positive impact in the regions where mining takes place, and through export revenues. Minerals are also critical inputs into products that are necessary for other sectors to thrive, including the use of aggregates in construction and infrastructure.

Minerals will continue to play a major role in New Zealand’s export-led economic growth and contribute to our economic functions, but the minerals sector faces some risks and challenges. These include lack of complete understanding about our minerals ecosystem, supply risks, social license, and a regulatory system that needs to be improved to enable investments.

These challenges require a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner. Developing a minerals strategy is a fundamental first step in ensuring that we have a strategic framework for resource production.

The Minerals Strategy Discussion Document seeks feedback on the context and design of the strategy. It discusses key strategic issues, challenges and opportunities facing the minerals sector in New Zealand, and how we could address them.

The strategy is built on three key pillars, **Enhancing prosperity for New Zealanders**, **Demonstrating the sector’s value**, and **Delivering minerals for a clean energy transition**, and identifies specific actions the Government could take to position the minerals sector to deliver value in an environmentally responsible manner.

Please see the Minerals Strategy Discussion Document for more information.

Questions for the consultation

1. Are the strategic pillars of the Draft Strategy (**Enhancing prosperity for New Zealanders**, **Demonstrating the sector’s value**, and **Delivering minerals for a clean energy transition**) suitable or is there more we need to consider?

Yes, they are suitable No, they are not suitable Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice? Or is there more we need to consider?

Enhancing Prosperity for New Zealanders: We support the goal of doubling the sector's export value to \$2 billion by 2035. The West Coast region, with its abundant mineral resources, can significantly contribute to this target. However, it is crucial to ensure that local communities directly benefit from this growth through job creation, infrastructure development, and community investments.

Demonstrating the Sector’s Value: Public understanding and confidence in responsible mineral production are essential. We recommend increased efforts in public education and transparent reporting on the social, environmental, and economic impacts of mining activities in the region.

Delivering Minerals for a Clean Energy Transition: The West Coast has the potential to supply critical minerals for clean energy technologies. We support initiatives to explore and develop these resources responsibly.

Two additional pillars should be added that reference environmental sustainability and consultation with local stakeholders.

2. Are the key actions the right ones to deliver on our strategic pillars, and are they ambitious enough?

- Yes, the actions are the right ones and are ambitious enough
 No, the actions are not the right ones and not ambitious enough
 Not sure/no preference

If **No**, what else might we need to consider?

Improving Data on Mineral Resources: We commend the initiative to conduct a detailed stocktake of New Zealand's known mineral potential. The West Coast region has extensive data on mineral resources, and we recommend leveraging this existing information to identify new opportunities.

Ensuring Secure, Affordable, and Responsible Access: Developing a list of critical minerals and identifying supply risks are crucial steps. We suggest prioritising the exploration and development of minerals that are abundant in the West Coast, such as coal, gold, and aggregates.

Developing an Efficient Regulatory Framework: Streamlining the permitting process and implementing a fast-track approvals regime are necessary to reduce delays and costs. We recommend specific amendments to the Resource Management Act to balance economic growth with environmental protection.

Fostering Innovation and Workforce Development: Encouraging local workforce participation and skills training is vital. We propose establishing a regional training centre focused on mining and related technologies to support local employment and innovation.

Accelerating a Circular Economy: Promoting recycling and re-use of minerals can reduce environmental impacts and enhance resource efficiency. We support initiatives to develop recycling technologies and processes within the region.

Social Licence - Increasing Public Knowledge and Confidence: Transparent communication and regular reporting on mining activities' social and environmental effects are essential. We recommend creating a regional advisory board to facilitate ongoing dialogue between the industry, government, and local communities.

Attracting Investment and Building International Partnerships: Promoting investment opportunities and engaging with international partners can drive growth. We suggest highlighting the West Coast's mineral potential in international forums and trade missions.

As a point of feedback, the questions are phrased in such a way that is both unclear and will skew the data. For example, this question's output will suggest that all submitters either support the key actions wholesale or wish for them to go further. Question 1 also did not allow for general support of the strategic policies but with additional pillars.

3. Are there opportunities for our minerals sector we haven't considered?

- Yes, there are No, there are none Not sure/no preference

If **Yes**, what are the opportunities for our minerals sectors we should consider?

The West Coast region has significant untapped mineral resources, including high-quality coal, gold, and aggregates. There is potential for new discoveries through advanced exploration techniques and technologies. New technology and mining techniques also enables resources to be mined from previously mined areas. Alluvial (placer) gold is also very important and needs to be distinguished from hard rock. Alluvial gold production is small scale, grassroots and very localised.

Expecting an additional 2000 jobs for \$1b of net profits is a poor return on investment, particularly given that the majority of the profits are heading overseas. We suggest the Minister sets more ambitious targets and considers ways in which to value-add within New Zealand and keep more of the profits on-shore.

We also suggest strong prioritisation of best practice and remediation technologies given that any longstanding ecological impacts will be borne by West Coast residents and ratepayers. The Reefton restoration project is an excellent example of what can be achieved when best practice is followed.

4. Are there challenges for our minerals sector we haven't considered?

- Yes, there are other challenges not considered
- No, all challenges have been considered
- Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

Tourism is New Zealand's largest export, and a significant source of income on the West Coast. People visit for our natural beauty and pristine environment. Any noticeable impacts on this could negatively impact our local economy over the long term at the cost of short-term profits.

The recent GPS on transport is concerning in terms of its wish to have all freight transport movements by road, instead of whatever is most appropriate for the trip in question. Trucks cause an exponential (to the 4th power of axle weight) of damage to roads, and many of our key routes are a dangerous route to traverse.

A balanced combination of road, rail and sea connections are essential on the West Coast for the export business that the government wishes to prioritise. The rail link to Lyttleton is key for our freight connections, and many of our roads and bridges will need upgrading to handle the expected increase in heavy vehicle traffic. The collapse of the Tawhai rail tunnel is impacting the West Coast's capacity and will reduce one mine's exports by 250,000 tonnes. However the Minister of Transport is cutting rail funding and generally appears only interested in roading.

5. Are there any other things we have missed that we should include, or things we should not include?

These things could be economic/financial, environmental, health and safety related, or other areas.

In the interest of creating and maintaining a social licence for increased minerals extraction, we support Minister Jones' recent support of reinvesting profits from activities back into the regions. We propose central government legislation to increase royalties from 2% to 4%, with the additional levy being returned to the regions. This investment would support community resilience, economic sustainability, and conservation/biodiversity initiatives in the region. It will ensure companies have a strong social licence, investing in the local community and New Zealand.

We strongly recommend this legislation codify the requirement to post a bond in case the business in question ceases operation.

It is worth noting that rural areas have a small rating base. They will often bear significant costs of certain exports but see little of the benefits. For example, a large amount of the income from tourism sector is derived from GST, which goes to central government. However, the requirements

for infrastructure and clean up fall at the feet of local councils – and same can be said for mineral extraction. Therefore, it is critical that any increase in extraction is balanced by reinvesting into local communities, particularly regional and district councils, to ensure that local critical infrastructure such as ports, airports, stopbanks, bridges and roads are capable of supporting the increased investment in and use of a regions resources, and ensuring that companies are held to best-practice ecological standards.

The West Coast Regional Council is committed to supporting the development of a sustainable and prosperous minerals sector in New Zealand. We believe that the "Draft Minerals Strategy for New Zealand to 2040" provides a solid foundation for achieving this goal. By addressing the unique opportunities and challenges of the West Coast region, we can ensure that the strategy delivers tangible benefits for our communities and contributes to the national economy. We look forward to continued collaboration with MBIE and other stakeholders in refining and implementing this strategy.

Thank you

Thanks for your feedback, we really appreciate your insight. It helps us establish a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner.

To help us continue to develop a Minerals Strategy for New Zealand to 2040, we would appreciate any additional suggestions or comments you may have.

Please leave your feedback here:

The questions are phrased in such a way that they may create misleading outputs.