

Dear Allie

I presented Straterra's submission on the chapter 102 (Minerals) of the proposed Whangarei District Plan. The Commissioners asked if I could send through my speaking notes to you. Please find them attached for the Commissioners.

Can I please have it noted that I was mistaken in my answer to one question. I was asked I had seen the s42 version of the Plan – in answering yes to this question I mistook the question to be about the s32 report. I would like to clarify that I had only seen the version notified in 2016. I mentioned this to the Chair after the session and he asked that I note this in my email to you.

I have since reviewed the consultant planner's s42A report. Will there be any further opportunity to comment on that short of possible appeals on the Decisions Version?

Kind Regards

Josh

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## **Introduction to Straterra**

1. My name is Joshua O'Rourke. Policy Manager at Straterra.
2. Straterra is the industry association that represents the New Zealand minerals sector.
3. We are a membership based organization.
  - a. Our vision is that New Zealand is attractive for investment in minerals prospecting exploration and mining.
  - b. Our mission is to achieve improvements in policy, legislation and regulations affecting the New Zealand minerals sector to achieve enabling regimes.
4. I have come from the Ministry of Business, Innovation and Employment; the Ministry for the Environment; the Environmental Protection Authority; and the Bay of Plenty Regional Council.
5. Straterra submitted on Whangarei District Council's proposed minerals chapter in October 2016.
6. We appreciate the opportunity to present today and to hear other submitters as well.

## **A few words on the nature of mining**

7. The most productive sector in NZ economy – 2013 MBIE sector study.
  - a. Average wage is around \$105,000, twice the national average.
  - b. In 2016, 3501 minerals sector employees plus 720 more in mining support services.
  - c. Annual Crown royalties (excluding taxes) of around \$13 million.
  - d. High value – generates value equal to about half the GDP of forestry but only 1% of the land footprint.
8. Location-specific – one can only mine where the minerals are located. Unlike other land-use industries such as farming or forestry it is difficult to choose the location of mines and we support a case-by-case approach to managing proposals.
9. Mining is a temporary land use. Effectively the land is borrowed, mined and then rehabilitated and returned.

10. Three phases – prospecting, exploration and production.
  - a. Prospecting occurs over large areas (hundreds of thousands of hectares) with minimal or non-existent effects. Prospecting gathers baseline geological information.
  - b. Exploration permits are refined in size, still with minor effects and sites are rehabilitated. Exploration typically involves drilling.
  - c. Mining occurs over small areas (0.02% of NZ land area, which is 4000 hectares and this is mainly quarries).
  - d. A key concept is that producing mines are only developed rarely. An industry rule of thumb is that only 1/1000 prospects leads to a mine. That is to say, allowing prospecting and exploration does not necessarily mean that mines will be developed.
  
11. There are no mines except quarries in Northland but there is prospectivity and exploration interests. Fundamentally, Straterra supports policies that provide for mining while managing the environmental effects in a fair and reasonable way.
  
12. New Zealand is experienced in managing modern mines and modern standards, both within industry and regulators, are strong and much higher than in the past.
  
13. Mining produces essential products – anything that cannot be grown must be mined.
  
14. Note the transition to a low-carbon economy will mean less fossil fuel production over time but will actually require more mining not less.

**Key points from the submission**

*We seek a Policy that recognizes the benefits of mining*

15. Given the importance of minerals to society and the economic contribution it can make regionally, we seek an Objective or Policy in the plan that explicitly recognizes the social and economic benefits associated with mining activities. This would provide a positive note when assessing consent applications and would balance the environmental management directives.

*We are concerned that some of the Plan wording reads as if mining activities are unregulated – this does not accurately set the scene*

16. Some of the current drafting reads as if mineral activities are unregulated. For example, the plans says that Iwi Management Plans identify a lack of control of minerals within rohe. I could not see the iwi management plans stating this. Besides, in reality mining activity is controlled in a number of ways:
  - a. Rights to minerals are controlled by the mineral owner (which in the case of gold and silver is the Crown) or another party;
  - b. Mining activity is regulated by a number of regulatory authorities (e.g. MBIE, WorkSafe, DOC, the council);
  - c. Access to land for minerals must be negotiated with the landowner and occupier;
  - d. The RMA is in place.

*Concern about compulsory cultural impact assessments*

17. Straterra encourages consultation between companies and communities, to understand concerns and aspirations. Straterra recognizes the role of iwi and strongly supports iwi engagement by companies to understand cultural impacts of activities.
18. However, we have some practical concerns about the provisions for iwi engagement and cultural impact assessments for several reasons:
  - a. However, we strongly feel that for any type of engagement to be genuine it must be voluntary and not compulsory;
  - b. Requiring cultural impact statements from the relevant iwi effectively establishes those iwi as a monopoly provider. This may lead to higher costs and hold-out issues, effectively giving iwi a veto right. In the case of Crown-owned minerals, these activities are lawfully established by virtue of receiving mineral permits from the Crown.
  - c. The plan needs to clarify whether it proposes cultural impact assessments in the whole district or only in specified ““sites of significance” to Maori;

- d. The Plan talks about *sites of significance to Maori* but does not specify the criteria that would apply. This leads to uncertainty. It is a material matter because of the weight afforded to designated sites of significance – the policy is to “avoid” effects and under recent case law, “avoid” effectively means a prohibition.
- 19. We point out that the Crown engages in statutory consultation with relevant iwi prior to granting all Crown Mineral Permits. For Tier 1 permits, the permit holder must report annually to the Crown on iwi engagement.
- 20. Council should bear these current requirements in mind before imposing further obligations.

*Conclusion and thanks*

- 21. That brings to a close Straterra’s presentation. I am happy to answer questions or to provide further information in writing.