

Submitter information

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A. About you

Name:

Graeme Loh

Email address:

Privacy of natural persons

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

Yes

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

No

D. The best way to describe your role is:

Other (please specify below)

Please specify here:

Decades of life experience

E. Privacy information

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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?

No, they are not suitable

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

- This not a strategy because it is saying 'advance on all fronts at once'. I submit that it needs to identify focus areas with a rationale for discrimination between options.
- The objectives are too wide: earning export dollars, providing jobs, providing metals. It needs to prioritise.

- Strategic is used in two senses in the document, one for resources development, another for international rivalry and conflict. I say the second usage should be dropped, especially since our major trading partner is viewed in a negative light in this document. The subject of our arrangements with our ANZUS and other military partners is rightly the subject of another consultation.
- On Enhancing prosperity. The statements on economic benefits are broad brush. In my opinion the \$22 million in Crown royalty is paltry. Income tax is minimal in comparison to the investment in plant in this highly mechanized industry. Some more information is needed to support the implied assertion that mining will provide economic benefit.
- On 'Demonstrating value' I cannot see how the value can be demonstrated when the general public is excluded by the Fast Track process from being involved in the environmental, nature conservation, resource and social assessment of the process at the proposal stages. As we can see with the Sam's Ck gold mine proposal, shutting people out and overriding past resource decisions, is a recipe for division and opposition. Many overseas examples of the behaviour of mining corporations support concerns about industry behaviour. Many mines in our neighbouring countries are protected by armed guards because they are associated with colonization and exploitation rather than economic development. This draft strategy does not adequately address the social license issue.
- On 'clean energy transition'. There is a lot of hype about the minerals we need for everyone to have an electric car charged by wind and solar. While we may have resources that can contribute to those energy generations, such as smelting the silica gravels of Southland with Manapouri power to make solar panels, that power is currently allocated to the aluminium smelter. In general it will be cheaper and easier for us to import the finished products.
- The Draft aims to give mining a special status in the management of land and resources. This is not justified.-It must be integrated with the other land-uses because extraction of minerals is a one off exploitation so it is appropriate that restrictions on mining are strict. Further, extracting minerals is not urgent for NZ. They can sit in the ground, banked for the future. Unlike threats such as wilding pines and other pests and diseases that need to be dealt with urgently to avoid exponentially increasing impacts.
- There are many case studies of historic mining calamities and long term negative outcomes, eg. recently I had to remove asbestos from my deck. It appalls me that the people responsible for the Pyke River mine explosion are still in business and not in jail. Poorly regulated mining and corporations can easily leave expensive legacies for the community and taxpayer to cover.

- The existing RMA has allowed mining to occur within appropriate constraints, eg at Macraes, so I believe that the case for Fast Track treatment is not justified.

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

No, the actions are not the right ones and not ambitious enough

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

Comments on How 'we' will get there The following strategy actions will drive progress

Comment 'We' is not defined. Is it the Minister, the Ministry, or a new committee of several agencies? .

1. Improve data on New Zealand's mineral resources
Within the first year

a. We will engage Geological and Nuclear Sciences Limited to complete a detailed stocktake of New Zealand's known mineral potential.

Comment. What happened to stocktake ordered by the John Key led Government?

Comment Will this be a subsidy to the industry?

Within the first three years

b. We will improve the collection of Crown and private mineral data to better understand our mineral production statistics.

Comment Recently I asked Statistics for the data about the amount of Vanadium that we export, and where we export it to. They did not have the data available.

Comment This needs to include exhausted sites and sites needing remediation.

c. We will investigate growth pathway modelling to inform the potential of the sector into the future.

d. We will find out more about deep-seabed minerals and assess the challenges and opportunities of extracting them.

Comment Seabed mining should be banned to protect the productive and intrinsic value of this environment.

2. Ensure secure, affordable and responsible access to the minerals we need
Within the first year

a. We will develop a list of critical minerals that are key to our economic needs and ~~strategic interests~~.

Comment Please define 'critical'. I would expect the components of fertilizer to be in this category. The definition should also have utility criteria. An illustration would be helium. It is a 'critical' element but much of the NZ use is for party balloons. Dumb.

Comment delete 'strategic interests'

b. We will identify when and where supply risk for critical minerals exists, so that we can take action to reduce vulnerability.

Within the first three years

c. We will explore how minerals listed as critical could be provided with preferential pathways for development.

3. Develop a more enduring, efficient and responsible regulatory framework

Comment I could support this if it did mean good environmental and conservation regulations with strong clean up provisions to protect against abandonment by the bankrupt.

Within the first year

a. We will develop a one-stop shop fast-track approvals regime to accelerate the development of regional and national projects of significance, including mining projects.

Comment See my submission to the FTA bill. I see that proposed process as particularly inappropriate for mining applications.

b. We will progress amendments to the Resource Management Act 1991 and its national direction to improve consenting processes and ensure it provides an enabling and enduring framework for responsible development.

Comment The proposals in the FTA bill and discussion about changing the RMA suggests that there will not be 'responsible development' but ad hoc development at the ministers discretion and that the role of the public and advocates for nature conservation will not be part of the process.

c. We will progress regulatory changes that grow our minerals sector in a way that protects Treaty settlements through constructive engagement with local communities, Māori, and industry stakeholders in decision making processes.

d. We will maintain current permitting and access arrangement settings in relation to public conservation land.

Comment There is strong public support for all public conservation land to be protected from mining. Those that believe that there are riches in the wilderness do not have supporting evidence. At the least, PCL should be excluded from fossil fuel, gold and limestone mining.

e. We will improve the efficiency of New Zealand Petroleum and Minerals permitting functions to enhance the speed of Crown Minerals Act permitting processes and to remove the minerals permitting queue.

Comment I thought this strategy excluded petroleum and gas?

Comment Speed is not a quality in the consideration of the one-off exploitation of mineral resources.

f. We will set targets for processing Crown Minerals permits and report on these publicly every quarter.

Within the first three years

g. We will investigate the efficiency of the Crown Minerals Act system as it relates to the allocation and management of emerging minerals such as natural hydrogen.

4. Foster sector innovation, value add and commercialisation, and workforce development

Within the first year

a. We will identify suitable funding mechanisms to assist science, innovation, and technology to boost

economic opportunities and returns from the minerals sector.

Within the first three years

b. We will collaborate with the sector to identify and connect key research, and innovation opportunities to inform future investment, and explore the potential of establishing a minerals leadership research hub or group.

c. We will encourage the sector to increase local workforce input in mining projects through employment, training, and contracts for services.

d. We will encourage skills and training programmes that aim to grow and retain a skilled workforce.

e. We will encourage industry to process, refine, and uptake other downstream capabilities to add value to our extracted minerals.

Within 10 years

f. We will support innovations that progress the development of products used in or in connection with mining, such as exploration and drilling technology, safety solutions and transport, including prospects for technology exports.

5. Accelerate a circular economy of critical minerals in New Zealand

Within the first three years

a. We will ~~promote the~~ investigate, innovation and establishment of minerals recovery, re-use and recycling technologies.

b. We will ~~identify funding~~ mechanisms for research and innovation to occur within a circular resource development, use, and re-use framework.

Comment Recovery of materials needs to occur within a consumer culture that promotes long life products that are able to be fixed. At present many sophisticated products have a planned limited life, obsolescence is built in. A minerals strategy needs a concomitant waste avoidance strategy. What is dug up needs to be used for a long time to meet any concept of sustainability.

6. Increase public knowledge and confidence in the sector

Within the first year

a. We will provide the public with accurate data on New Zealand's demand and supply of minerals.

b. We explore how to increase the visibility of decision-making on mineral activities.

c. We will encourage the sector to increase the amount of, and share with the public, contributions it makes to communities and the environment.

Within the first three years

d. We will monitor and report on the social, environmental and community effects of mining on our regional communities.

Comment Which agency will do this? Will it have enforcement powers and operational capacity?

e. We will encourage the sector to work with relevant authorities to improve social outcomes related to new mining projects in regional New Zealand, including issues such as housing demand.

Comment The sector should be required to work through planning processes

7. Attract investment and build international partnerships

Within the first year we will

a. We will promote investment opportunities in New Zealand to increase the scale and pace of development.

Comment Ensure that companies are tax domiciled in NZ so that some of the profits stay in NZ. Maintain a strong negotiating position, do not offer inducements.

Within the first three years.

b. We will engage with countries to identify opportunities for collaboration and joint initiatives for the international trade of minerals.

Comment This objective needs to be more specific as it appears to intrude on foreign affairs and has military implications.

c. We will support New Zealand companies to participate overseas in diversified, responsible, and transparent supply chains

Comment This will be good but the mechanisms to enable transparency with private companies need to be expanded.

d. We will work with and support international partners to diversify global mineral supply to build secure, resilient, and sustainable supply chains.

Comment This has significant foreign relations implications and should not be in this strategy. This strategy is silent on supply of minerals for military purposes

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

Yes, there are

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

The minerals sector could assist society with reclaiming metals and other elements from discarded items, particularly electronics, that contain scarce or rare materials.

Nothing in here about regulating the disposal and recovery of e waste or requiring imports to be repairable and have a levy to cover their disposal.

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

Yes, there are other challenges not considered

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

- The urgent problem caused by burning fossil fuels is not addressed in this strategy. Its silence on this issue is a failure. It is not acceptable to mine more coal anywhere. This boundary needs to be explicit in a Minerals Strategy.

- Lobbying for a preferential status for mining looks to trample on the values of other parts of society. Mining must occur within the values and interests of the wider society and the economy.
- The tone of the document is 'business friendly'. I submit that this weakens our negotiating position with the multinational companies that are looking to exploit our resources.

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.

- Remove the consideration of 'strategic minerals' in the context of supplies for military conflict. Our manufacturing is now done offshore, so we rely on good trading relations to get the products we need.
- Many mining methods require the use lots of fossil fuel. This has huge implications for our climate and our economy. How will mining be parsimonious in their use of fuel? This needs coverage and presentation of data.
- Our universities and research institutions could have an important role in providing people and expertise to other countries. Perhaps in the scope of point 4f.
- Radioactive minerals containing uranium and other radioactive elements are not mentioned. These should be explicitly excluded from being extracted in this strategy
- The question of processing minerals is not addressed. Most of the discussion appears to presume that the minerals will be exported, to be processed and manufactured elsewhere. This places us at the bottom of the 'value chain'.
- A summary table of our current mineral exports would set the scene. This strategy needs more specifics.

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:

1. Ensure Worksafe has adequate inspectors and prosecutors to maintain safety standards.
2. It is not clear which agency will be responsible for administering and enforcing and taking active prosecutions of environmental breaches? This needs to be an operational Crown agency properly resourced from the taxes paid by mining. It is beyond the capacities of local and regional authorities.
3. Quarries and gravel pits often are the source of persistent weeds such as gorse and broom. Better performance with this problem is desirable.
- 4.

Overall this strategy has an unrealistic optimism that there is mineral wealth available to be exploited. The current position of mining in the economy is probably a realistic indicator of the extent of mining opportunities in this country. New Zealand is extremely fractured with little of the ancient shield formations that make Australia and Canada so rich in minerals. While industry may want this strategy, in the bigger picture fast tracking mining is not in the greater interest of New Zealand society nor economy.

Graeme Loh