

Submission

To the

Department of Conservation

On

“RMA interface with the Conservation Act 1987 (released on 10 January 2011)”

Introduction

1. Straterra Inc was formed in 2008 to be a collective voice for the New Zealand resource sector. Its membership represents 84% by value of New Zealand minerals production (excluding oil & gas, and geothermal), as well as exploration, research, service and support. Straterra also works closely with the petroleum sector, and has links to the geothermal sector.
2. The resource sector makes a significant contribution to the New Zealand economy. Oil, gas, coal, gold, aggregates and other minerals contributed \$2.15 billion to GDP in 2008, compared to the wine industry (\$0.45bn), and tourism (\$6.66bn). Resource exports in 2009 earned \$3.6bn (8.2% of total goods exports) while dairy in that year was \$10.0bn, and overseas tourism, \$9.3bn. In 2009 there were 6800 people employed directly in mining, and 8000, indirectly, flowing from the economic activity of the 6800. The median wage for a mining employee was \$57,320 in 2008, compared to the New Zealand median of \$33,530.
3. Minerals production (excluding oil & gas and geothermal) by value was close to \$2 billion in 2009, divided between: coal (\$710 million), gold and silver (\$673m), aggregates (\$425m) and ironsands (\$163m).
4. Some 56 mines are operating on public conservation land, ranging from small alluvial gold operations to large mines. The latter class includes OceanaGold’s opencast gold mine at Globe Progress near Reefton, with a footprint of 150 ha. Together with the Macraes gold mine in Otago, OceanaGold’s production in 2009 was worth greater than \$NZ500m at today’s prices.
5. Properly encouraged and managed, the resource sector’s contribution to the New Zealand economy could grow significantly, in an environmentally responsible way. As a resource-rich country, and with new technologies and changing demands, New Zealand’s mineral and energy resources will afford economic opportunities for many decades to come. In this light, Straterra welcomes the opportunity to submit on the discussion document.

Executive summary

6. The proposal to consider simultaneously concession applications and Resource Management Act 1991 consent applications for nationally-significant developments is supported, in principle. A combined approach to hearings could lead to considerable savings in time for and reduced costs to the applicant and the regulator.
7. In this light, Straterra suggests that consideration be given to combining hearings of applications for access to mine on public conservation land managed by the Department of Conservation under the Crown Minerals Act 1991, with hearings for other consenting processes.
8. The proposal for a board of inquiry demands further consideration and consultation because it is not possible to judge whether it would work in practice, on the information provided.

Recommendations

9. Straterra:
 - a) Supports in principle the proposal to streamline hearings for concession and RMA consent applications, subject to (b) and (c);
 - b) Suggests that consideration be given to providing for combined or streamlined hearings of mining proposals on conservation land managed by the Department of Conservation; and
 - c) Proposes that the Government undertake further analysis of and consultation on its proposal for a board of inquiry to consider simultaneously RMA consent and concession applications.

Discussion

10. Straterra's soundings with the New Zealand resource sector suggest that it is often onerous and frustrating for a mining company to have to apply separately for RMA consents and for access to public conservation land to mine. The issues under consideration in each process are often similar, e.g. management of discharge to water is usually both an environmental and a conservation issue.
11. From the discussion document, it is clear the same issues are faced by applicants for concessions and RMA consents, and examples of nationally-significant proposals were provided of the Mokihinui hydro and the Milford-Dart tunnel.
12. The Government is considering streamlining its regulatory approach to nationally-significant hydros and other proposals, an objective supported by Straterra. Within that, it would be logical to include mining proposals.

13. There are two reasons Straterra can imagine for excluding mining from this policy process. One is that mining is considered under the CMA while concession applications are considered under Part IIIB of the Conservation Act 1987, i.e. that the first process is about property rights, and the second, about Ministerial privileges.
14. The other reason may be that a review of s.61 of the CMA has been promised by the Government, which would cover issues similar to those raised in this discussion paper.
15. Be that as it may, at issue are the potential effects of proposed development on the environment including biodiversity, the management of those effects, and determining the best way of regulating that.
16. Under the CMA, various provisions of the Conservation Act 1987 (and General Policies and statutory plans under the CA) come to bear. The provisions set out on s.61 (2) and s.76 of the CMA are broadly similar to those set out in Part IIIb of the CA (e.g. s.17 T (2), s. 17 U (1), s.17 U (3) and s. 17 W). In both cases, the Minister of Conservation has the ability to set conditions to protect or safeguard biodiversity, and/or seek compensation for effects on biodiversity, and also has the ability to reject an inappropriate proposal.
17. In terms of public participation, there is already work in train to provide for public participation in access arrangement applications for nationally-significant mining proposals, as part of the review of the Crown minerals regime.
18. Accepting the above arguments, it would be a logical step to consider the process applying to an access arrangement at the same time as an RMA application is considered. The question is how this could best be done.
19. The discussion paper proposed a BOI to hear the RMA consent and concession application at the same time. The proposal sounds good in theory, but it is not possible to judge whether it would work in practice, on the information provided. For example, the parameters for public consultation, who would be appointed to the BOI, or for how the BOI would operate are unknown. For this reason, Straterra is willing to support the proposal but with reservations.
20. More work is needed, in the same way as the role of the Environmental Protection Agency and changes related to the call-in process under the RMA warranted close consideration and consultation. Straterra would welcome participating in further work to develop this proposal.

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