

**Submission to WEST COAST REGIONAL COUNCIL on**  
**“PROPOSED WEST COAST REGIONAL POLICY STATEMENT”**  
**(MAY 2015)**

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## INTRODUCTION

1. Straterra<sup>1</sup> welcomes the opportunity to submit on the Proposed West Coast Regional Policy Statement (proposed RPS)<sup>2</sup>. We focus on the aspects that affect the minerals and mining sector, noting the significance of this sector to the regional economy. The deadline of 22 May is noted.
2. In preparing this submission Straterra has consulted with Minerals West Coast, and CRL Energy.
3. Straterra commends the West Coast Regional Council on its proposed RPS, and welcomes the opportunity for further engagement with the council on relevant matters, as required.

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<sup>1</sup> Straterra represents NZ minerals production, exploration, research, services, and support

<http://www.straterra.co.nz/about/>

<sup>2</sup> Proposed West Coast Regional Policy Statement

<http://www.wcrc.govt.nz/Documents/Resource%20Management%20Plans/RPS/Proposed%20Regional%20Policy%20Statement.pdf>

## EXECUTIVE SUMMARY

4. The proposed RPS promotes the achievement via RMA planning of regional economic, environmental, social and cultural wellbeing, a model to be followed throughout New Zealand.
5. Straterra supports the directive for RMA planning processes to: remove unnecessary regulation; find opportunities for streamlined, efficient processes; increase flexibility of approach, certainty of provisions, and consistency of process; and to take a risk-based approach.
6. Two key things the RPS can do towards promoting the development of minerals resources are: to provide for minerals exploration everywhere because this is essential to finding new mines; and to have all mining proposals considered on their merits, that is, the economic benefits, likely effects on the environment, and proposals for their management. This is the effects-based approach to sustainable management that the RMA was originally set up to do, which, at the time, was world-leading legislation. What the RPS should do – and largely achieves - is uphold that intent of the RMA, and provide the appropriate RMA framework for consideration of minerals exploration and mining proposals.
7. The West Coast is prospective for a variety of minerals beyond the traditional gold and coal. Minerals exploration and mining contribute to the regional economy and society in many ways, including direct and indirect employment, payments to suppliers of goods and services, and contributions to community development.
8. Like many industries in New Zealand, mining follows commodity cycles; ups and downs are inevitable. The current downturn has been particularly acute, and the West Coast has been deeply affected. By actively promoting minerals exploration and mining, as the West Coast has done for many years, the risk can be mitigated. As well, the region has a rich endowment of mineral resources.
9. It is noted that methods for environmental management are becoming standardised, e.g., mine site rehabilitation, management of mine drainages, and land and water management generally.
10. Straterra strongly opposes the proposed direction to move private land with high conservation values into the conservation estate, and conservation land with low conservation values into private ownership for the following reasons (explained further in the main text of this submission):
  - All conservation land on the West Coast could be seen to be off-limits to minerals exploration and mining, unnecessarily limiting access to land for exploration, and preventing any consideration of the relative merits of any mining proposal and the conservation values;
  - The only way to achieve the policy direction would be to force private land owners with land containing high conservation values to transfer that land into the conservation estate, in exchange for either cash, some other land of interest to the private land owner, or a combination – leading to a net decrease in privately-owned land on the West Coast;

- Private land owners would likely strongly resist being told or compelled to rationalise their land holdings in the way proposed because they would see this direction as unwarranted and potentially unlawful interference in their property rights; and
- The proposal is in conflict with the overall tenor and intent of the proposed RPS.

## RECOMMENDATIONS

11. Straterra recommends the West Coast Regional Council to:

- a) Note Straterra's support generally of the West Coast Proposed Regional Policy Statement, as providing appropriate direction in RMA planning for the region's economic, environmental, social and cultural wellbeing;
- b) Agree to provide for minerals exploration everywhere on the West Coast, as a permitted activity subject to standard conditions, because the environmental effects are minor or can be managed to be no more than minor; and for all mining projects to be considered on their merits, because every mining project is different;
- c) Note Straterra's support for the directives for RMA planning to: remove unnecessary regulation; find opportunities for streamlined, efficient processes; flexibility of approach, certainty of provisions, and consistency of process; and to take a risk-based approach;
- d) Note that the West Coast is prospective for a variety of minerals beyond the traditional gold and coal, including ironsands, zircon, rare earth elements, garnet, and many other mineral resources;
- e) Agree that the West Coast's rich minerals prospectivity, active promotion and regulation of the minerals and mining industry, serve to mitigate the risks of the commodity cycles;
- f) Note that methods for environmental management in relation to exploration and mining are becoming increasingly standardised and best practice; and
- g) Agree to rescind the proposal to actively reconfigure privately-owned land, and public conservation land tenure because it would: disincentivise minerals exploration, discriminate unfairly against mining projects, be unachievable, interfere with the property rights of private land owners, and because it is contrary to the overall tenor and intent of the proposed RPS.

## DISCUSSION

### General

12. The proposed RPS is supported, as promoting comprehensively for the economic, environmental, social and cultural wellbeing of the West Coast region. This model should be followed throughout New Zealand to avoid unfair, unintended and unreasonable outcomes for the NZ minerals sector from RMA planning processes<sup>3</sup>.
13. At issue is a lack of national direction under the RMA that recognises the national importance of the minerals sector, the nature of the industry and the challenges we face<sup>4</sup>. The proposed RPS makes an important contribution to this debate.
14. For the remainder of this discussion, Straterra follows the format of the proposed RPS.

### Introduction

15. On the statement, *“identifying policies and methods to achieve integrated management of the West Coast’s natural and physical resources”* (page 1), Straterra considers that the proposed RPS generally supports that aim, and is consistent with sections 59 and 62 of the RMA.
16. The claim - *“This Regional Policy Statement is enabling, balancing improving the economy and using our resources wisely, with managing and investing in the environment to achieve our future aspirations for improvement throughout the West Coast”* – is supported as logical and consistent with the above.
17. On the reference to *“adaptive management”*, in the context of achieving *“sustainable resource management”*, Straterra draws attention to the Landcare Research guidelines for mine rehabilitation published on October 2014 on the WCRC web site, and the Mine Drainage Decision Making Framework published in 2010 on the CRL Energy website, as examples of evolving best-practice for environmental management in the mining industry<sup>5</sup>.
18. We note also work underway by the Centre for Minerals Environmental Research (CMER) on the mine environment life cycle guide<sup>6</sup> which will update the 2010 mine drainage framework and encompass the 2014 guidelines for mine rehabilitation by Landcare Research.

### Resilient and sustainable communities

19. We understand the sentiment behind the statements - *“Because miners are always chasing the next rich seam, our towns and communities’ populations have fluctuated, dramatically in some cases”* (page 14); and *“West Coast industries are traditionally susceptible to fluctuating cycles*

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<sup>3</sup> Straterra contends that RMA planning processes occurring in Thames Coromandel District, Auckland, the Wellington Region, Tasman District, and the Canterbury and Southland Regions carry risks of unfair and unreasonable treatment of the minerals sector, in a way that fails to achieve the purpose of the RMA.

<sup>4</sup> Refer to the Straterra Minerals Briefing Paper 2014 <http://www.straterra.co.nz/news-and-issues/media/minerals-briefing-paper-launch/>

<sup>5</sup> Guidelines for mine rehabilitation in Westland <http://www.wcrc.govt.nz/our-council/news/Pages/Guidelines%20for%20mine%20rehabilitation%20in%20Westland.aspx>

<sup>6</sup> CMER <http://www.crl.co.nz/cmer/projects.html>

*and global commodity prices which can affect the social and economic wellbeing of our communities” (page 15).*

20. The experience in recent years with Pike River Coal, Solid Energy, Bathurst Resources, planned closure of the Globe Progress gold mine near Reefton, and the planned closure of the Holcim cement plant at Westport, as examples, could be interpreted as reinforcing the above statements.
21. We expect a number of submitters will express concern at what they perceive as the boom-bust nature of minerals exploration and mining, in particular, coal. It is well known that global commodity prices are cyclic. We are in a strong downturn in the coking coal market at present, for example, but significant global production is uneconomic at these prices and higher prices are inevitable - we just do not know when that will occur.
22. Positives are numerous: OceanaGold has a significant gold resource in Blackwater and its commitment to NZ is underpinned by the recent purchase of Newmont Waihi Gold; NZCC is investing in its mining operations; Whitesails Minerals, NZ Garnet and Hardie Resources are exploring the potential of garnet placer deposits; and Westland Titanium is considering development of ironsands, and other minerals near Barrytown. The Grey River gold dredge is scheduled to resume operations in late 2015. Chartwell Energy and Comet Ridge have explored in recent years the West Coast’s potential for coal-seam gas development. Mosman’s onshore petroleum projects at Petroleum Creek, Taramakau, and Murchison, are progressing. Alluvial miners continue to produce around 50,000 oz of gold annually, employing more than 250 people across more than 50 operations.
23. In summary, mining is a dynamic and cyclic industry. The West Coast has high minerals prospectivity<sup>7</sup>, and the RPS must encourage exploration expenditure to develop that prospectivity. which is known to be among the highest in the West Coast of anywhere in New Zealand. That has been the case for the last 150 years of the region’s history.
24. In relation to Policy 1, *“To manage the West Coast’s natural and physical resources in a way that enables a range of economic activities to occur, prioritising activities likely to provide substantial employment that benefits the long term sustainability of the region’s communities”*, we suggest that the more that minerals exploration and mining are promoted on the West Coast, the more resilient the sector and the West Coast will be. A Berl report<sup>8</sup> produced in late 2010, launched at Parliament in 2011, spoke to the role of the mining industry in promoting community resilience on the West Coast.
25. As well, the mining industry provides for a range of community development, including support of the rescue helicopter, as well as investments in sporting and other facilities in Westport, and elsewhere in the region. Educational scholarships have been offered by Solid Energy, Holcim and other companies.

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<sup>7</sup> Christie, A.B., Barker, R.G., & Brathwaite, R.L. (2010). Mineral Resource Assessment of the West Coast Region, New Zealand. Wellington: GNS Science Report 2010/61

<sup>8</sup> Berl 2010. Potential contribution of mining to the West Coast region  
<http://www.wcrc.govt.nz/Documents/Environmental%20Management/Value%20of%20Minerals%20to%20the%20West%20Coast%20Economy%202010.pdf>

26. It is noted that exploration and mining underpin a range of industries, including a number represented on the West Coast, in: engineering; transport; and environmental and other consulting services.
27. The proposed Methods on page 15 are supported, and we refer again to the ongoing work by CRL Energy, Landcare Research, the Universities of Canterbury and Otago, and others, in creating best-practice around mine rehabilitation, mine drainages, and predicting and managing the environmental impacts of mining (which goes to Method 1 (c)).
28. It is appropriate to refer to the Pike River Coal tragedy of November 2010. This tragedy should not have happened but it did. Industry, through MinEx (the NZ Mining and Quarry H&S Council) is working with government and operators on the health and safety reforms – to ensure that such a tragedy cannot happen again, and to improve safety performance across the whole sector. This work is ongoing with much already achieved. The contributions to H & S of the mines rescue service on the West Coast, and of the region’s training providers, are acknowledged.

### **Use and development of resources**

29. We refer again to the minerals prospectivity under investigation on the West Coast by private companies in ironsands and other minerals, such as zircon, and in garnet (refer to page 18), and to the Government’s Regional Economic Activity Report 2014<sup>9</sup>.
30. The proposed Objectives (page 19) - *“To recognise the role of resource use and development on the West Coast and its contribution to enabling people and communities to provide for their social, economic and cultural wellbeing”*, and *“To recognise that the use and development of natural resources may be incompatible with other land uses, in some situations and locations.”* – are appropriate with a qualification.
31. In some instances, a carefully-considered judgment will need to be made; e.g., it may be desirable and cost-effective to quarry aggregate for local river bank protection works from an area of World Heritage (outside of national parks). Refer to the section on biodiversity and landscapes, below.
32. The proposed Policies are supported, in particular, those relating to reverse sensitivity, and sterilisation of resources. Addressing these matters is becoming a standard concern around New Zealand, to avoid, for example, people building their holiday homes next to undeveloped mineral resources, mines and quarries, or on top of the next mine or quarry.
33. Referring to the material on pages 19 and 20, there are a number of aspects to the minerals and mining industry that should be borne in mind:
  - Mining earns high wealth off a relatively small footprint (around 0.06% of the area of the West Coast region);
  - Methods for environmental management are becoming standardised, e.g., mine site rehabilitation, water management (as discussed above);

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<sup>9</sup> <http://www.mbie.govt.nz/what-we-do/business-growth-agenda/regions/documents-and-image-library/rear-2014.pdf>

- The above activities can lead to land post-mining being returned to a former use, an enhanced use (e.g., more fertile pasture), or a new use, depending on the views of the community and iwi;
- Mining today employs skilled people, to produce essential materials, safely and responsibly; and
- The Minerals West Coast initiative to develop the concept of environmentally responsible mining (refer to the MWC submission).

### **Biodiversity and landscape values**

34. We are deeply concerned by the statement on page 24 - “The West Coast Regional Council and Department of Conservation share the view that significant habitats and vegetation is best protected when the underlying land is owned by the Department. This is best achieved through land exchange or purchase. This ensures the small proportion of private land in this region will not shrink further.” This is also covered in Policy 2 (page 25), and Method 2 (page 26).
35. The implications of the above approach are far reaching - a rationalisation of land tenure on the West Coast. This could lead expressly or tacitly to a zoning mechanism. It could create the expectation in future that all public conservation land in the region will be off-limits to mining because it is deemed to be high-value land, whether or not it is high-value land. That would amount to adding land to schedule 4 of the Crown Minerals Act 1991 by stealth, and, therefore, the proposed direction in the RPS is strongly opposed.
36. To encourage minerals exploration, access to land has to be maximised because exploration is done over large areas. The proposal goes against this objective, and will frustrate exploration. Once more the implications for the minerals industry are far reaching. Exploration is the life blood of the industry - less exploration, less likelihood of finding a new mine.
37. There is also the practicality of implementation to consider. Is the council proposing to compel all private owners of land deemed to hold high conservation values to transfer that land into the public conservation estate in exchange for either cash, or some other low-value land nearby that may or may not exist, or a combination? If anything, the amount of land held in private ownership on the West Coast would decrease under such as policy, even if it could be achieved. Private land owners are likely to strongly resist such an initiative.
38. Straterra’s position is that mining companies should have the opportunity to apply for resource consents, on any land, to provide for a proper consideration of the economic benefits of the proposal, the likely environmental impacts, and proposals for their management, which could include ad hoc land swaps (covered in Policy 3 on page 25). The rationale for that is that every mining proposal is different, and that the footprint of mining is very small, all things considered.
39. Note that where any land exchange involves DOC-administered “stewardship areas”, section 16A of the Conservation Act 1987 applies, in particular, “(2) *The Minister shall not authorise any such exchange unless the Minister is satisfied, after consultation with the local Conservation Board, that the exchange will **enhance the conservation values** of land managed by the Department and promote the purposes of this Act*” (emphasis added).

40. On the above, a determination of whether or not the conservation values will be enhanced is very difficult to achieve in practice because conservation values entail biodiversity, recreational opportunities and historic heritage. These conservation values are incommensurate, that is, there is no objective way of weighing up gains in some of these values and losses in others. That is to say that achieving land swaps consistent with section 16A is less than straightforward, and this reflection may explain the reason for this mechanism being little use since its inclusion in the Conservation Act in 1990.
41. In conclusion: the proposal undermines the proposed RPS, in particular, in relation to resilient and sustainable communities, and the use and development of resources, and should be rescinded as undesirable and unworkable.

#### **Land and water**

42. It is noted that the National Policy Statement for Freshwater Management (see page 28) was amended in 2014, and is now the NPS-FM 2014. Draft implementation guidance has also been produced by the Ministry for the Environment<sup>10</sup>.
43. The key freshwater management issues for West Coast mining operations are discharges of sediment, elevated concentrations of trace elements or acidity or low pH drainages from mine operations. Insofar as mining is concerned, the relevant management tools are already in place, the prevention, mitigation and management of these impacts of mining on downstream environments is already occurring.
44. These areas are also the subject of active research, as discussed, and active management by mining companies. They are under active consideration by Central Government, and the independent Land And Water Forum<sup>11</sup>.

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<sup>10</sup> <http://www.mfe.govt.nz/sites/default/files/media/Fresh%20water/nps-fw-draft-guide-final.pdf>

<sup>11</sup> Straterra has been a member of the LAWF since 2010.