

Submission from Straterra and the Aggregate and Quarry Association

To Waikato District Council

Draft Growth and Economic Development Strategy

January 2020

Introduction

1. The Waikato District Council has produced its Draft Growth and Economic Development Strategy, [Waikato 2070](#).
2. This brief submission is made jointly on behalf of the extractives sector (mining and quarrying) by the Aggregate and Quarry Association (AQA) and Straterra.
3. The AQA is the industry body representing construction material companies which produce 50 million tonnes of aggregate and quarried materials consumed in New Zealand each year.
4. Straterra is the industry association representing the New Zealand minerals and mining sector. Its membership is comprised of mining companies, explorers, researchers, service providers, and support companies.

Submission

The Extractive Sector and the Waikato District

5. The importance of the extractive sector and the minerals produced in the Waikato District and the potential opportunities it brings to the Waikato (and New Zealand) economy are understated in the draft strategy.
6. The economic contribution comes not only from the people employed, rates paid, and economic activity generated but from the products that are created. Most importantly, demand for the sector's output is expected to grow rapidly, further enhancing prospects for the district.
7. According to Statistics New Zealand and Infometrics, the mining sector is the third largest of 19 sectors in the Waikato District. It contributes \$209.5 million in GDP and makes up for 8.5% of the district's economy.
8. Quarrying is particularly important in Waikato. 18.8 tonnes of aggregate per resident is produced annually - the greatest in New Zealand. The region accounts for 27% of the country's overall employment in the sector and 19% of all business units. The sector's importance to Waikato in terms of its share of employment is greater than it is in any other region in the country. It is also

the fastest growing region in terms aggregate production, according to the latest, November 2019, MBIE figures. Comparable figures aren't available for Waikato District (as opposed to Region) but the significant number of quarries operating in the district tell the same story.

9. Not only do these quarries directly and indirectly employ many people and contribute significantly to the local economy, sand and aggregate and other products produced by this sector are essential inputs for growth and roading and other infrastructure development. This latter point is particularly important when the council plans for future growth of the district. The quarries also supply surrounding areas. Around half of the output of Waikato quarries supply the growing Auckland market bringing additional contribution to the district through people employed, rates paid, and economic activity generated.
10. Coal sourced from the Waikato region makes up 30% of New Zealand's total production. It underpins steelmaking at Glenbrook and provides reliable energy to the Genesis Power Station. It plays an essential role in providing energy security in New Zealand – in dry years, when gas shortages occur and as a result of adverse weather events. It also has an important role in maintaining the international competitiveness of the agriculture sector – so important in the district. Coal is also responsible for the significant economic activity and job creation from the district's three local mines.
11. Iron sands are mined in Waikato Region and there is potential in Waikato District also.
12. There is potential for other as yet unexploited mineral resource in the District as new technologies develop. Many of these minerals will be essential for New Zealand's transition to a low carbon economy.
13. To optimize the contribution the extractive sector makes to the economy it is essential that, existing operations are allowed to flourish, and future extractive opportunities are available and accessible.
14. Mineral extraction in New Zealand is highly regulated so that associated environmental impacts are minimised. Most businesses operating in the sector have high environmental standards and are well aware of the importance of this to gain their social licence. We fully support the Resource Management Act, the Carbon Zero Act and other environmental regulations which together ensure extractive activities meet the standards demanded by society while enabling the sector to make this significant economic contribution.

Waikato District Growth and Economic Development Strategy

15. The Growth and Economic Development Strategy will be used by the council to guide where and when growth occurs in the district over the next 30 years. It also contains maps showing the locations and densities of proposed land use and development. No mention is made of the mining and extractive sectors in terms of existing or potential contribution.
16. The strategy will have a bearing on the future shape and locations of settlements and land use development in the district. In making its decisions influencing growth and where it occurs, the Council needs to provide for the location-specific nature of minerals and aggregate deposits. It also needs to be aware, in particular of how sand and aggregates are direct inputs into the housing, roading and infrastructure construction that is needed to accommodate the district's

anticipated growth. It also needs to take advantage of the fact that the growth centered around the Auckland-Hamilton-Tauranga triangle largely relies on the products that are provided by the district's extractive sector and that this creates further opportunities to grow the district's economy.

17. The strategy should reflect that minerals are essential, and that responsible exploration and development should be provided for – for the benefit of the district.

Access to aggregate and mineral resources

18. The nature of mineral and aggregate deposits means that they are limited in quantity, location and availability. They can only be sourced from where they are physically located and where the industry is able to access them.
19. This means it is important that the nature and location of mineral deposits of value to the district, are where possible, identified. Secondly, access to such deposits must not be inadvertently shut off through land development and council planning.
20. There does not appear to be any reference in the draft strategy to ensuring that existing and future mining and aggregate extraction land and activities are adequately recognised, provided for, and protected from encroachment of non-compatible land uses.
21. Waikato District's growing economy and population means residential areas are growing and competition for industrial and other land use is increasing. This means that areas of mineral deposits are at risk of being taken out or sterilised by competing land uses.
22. It is essential that the council takes steps to ascertain such areas within the district planning process and provide for current and future access to aggregate and mineral resources.
23. Not doing this, could mean lost opportunities for accessing a supply of sand, aggregates and other minerals which are an important input in developing the infrastructure, including roading, that is so necessary to enable the anticipated population growth. It could also mean lost opportunities for the local economy in extractive industry investment and jobs.
24. In the case of quarries in particular, determining a reasonable distance for residential areas from potential quarry areas, is essential due to the significant expense of transporting quarry materials as well as the nature of extractive industry operations - including noise, vibration and dust.
25. AQA and Straterra are working with central government to increase knowledge of the location of mineral resources in New Zealand and we are able to assist councils ascertain where such areas lie in their districts.
26. Given the exact location of mineral deposits is not usually known, a regime which provides for exploration is important, while noting that any development proposal that might arise from that exploration is subject to a rigorous resource consent process under the RMA.