



Minerals West Coast submission to the Environment Committee on the Resource Management (Freshwater and Other Matters) Amendment Bill

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Minerals West Coast wishes to be heard in person by the Environment Committee on this submission.

Introduction

[1] Minerals West Coast is an industry organisation representing the shared and collective interests of people and businesses operating in the minerals sector of the West Coast region and elsewhere in New Zealand.

[2] Our membership is diverse, spanning individuals engaged in part-time or fulltime mining operations and associated services, through to small and medium-sized, family-owned enterprises, all the way through to large companies with international shareholdings.

[3] Miners on the West Coast and throughout New Zealand produce a [variety of minerals](#) via a [range of methods](#). This includes gold from alluvial and hard rock deposits, sub-bituminous coal as a source of energy for food production and space heating, bituminous coal for steelmaking, aggregates and gravels for roading and construction, limestone for fertiliser, pounamu (often as a by-product of gold mining), and mineral sands producing industrial minerals and rare earth elements.

[4] In 2023 the GDP of the West Coast region was about \$2.6 billion NZD. When breaking this down by sector (using the [ANZSIC](#) system) mining was the third largest source of GDP in the region (see Appendix 1), accounting for \$217,900,000, or 8.4% of the total.

[5] Mining is among the highest-paid sectors in the New Zealand economy. In most of the past 15 years it has ranked highest paying sector in the country. In 2023 the annualised average earnings for the sector were **\$94,276**, third after finance and insurance services (**\$117,260** per annum) and information, media, and telecommunications (**\$100,204** per annum). See Appendix 2 for further information.

[6] In 2023 Māori working in mining earned higher incomes than Māori working in any other sector in New Zealand, with annualised average earnings of **\$102,856** (see Appendix 3). This was one of several sectors in which average Māori earnings were higher than the workforce in the sector overall. Of all sectors in New Zealand, the workforce in mining has the highest proportion of people identifying as Māori (see Appendix 4), recorded at 32% in 2023.

Summary

[7] Minerals West Coast's submission on the [Resource Management \(Freshwater and Other Matters\) Amendment Bill](#) is focused on mineral and aggregate extraction.

[8] The submission is structured as follows:

- Key points
- Freshwater – te mana o te wai
- Coal mining
- Significant Natural Areas (SNAs)
- Gateway tests

Key points

[9] **Freshwater:**

- Te mana o te wai is a novel concept, a “hierarchy of obligations” that defies ki uta ki tai, or integrated catchment management, preventing a realistic and balanced approach to freshwater management
- The exclusion from consenting processes is supported, and this should extend to RMA planning, for the above reason

[10] **Coal mining:**

- The alignment of coal mining with other provisions for mineral and aggregate extraction is supported, because coal mining has the same sets of effects on the environment
- Climate change considerations should be pursued under the Climate Change Response Act 2002, and the NZ Emissions Trading Scheme, and removed from the RMA

[11] **SNAs:**

- The Bill's suspension of a requirement on councils to establish new SNAs pending a review is supported
- This should extend to preventing councils doing so voluntarily
- The time for review of 3 years should be amended to align with the completion of RMA reform, which could take longer than 3 years

- The assessment criteria in Appendix 1 of the NPS-IB are unworkable, and require reworking from first principles to create SNAs that protect the cream of New Zealand's indigenous biodiversity
- Provide a consenting pathway for all mineral and aggregate extraction in SNAs because these activities are locationally constrained, and because adverse effects can be managed
- Ensure application of the effect management hierarchy in respect of the above in SNAs
- Develop the effects management hierarchy anew, drawing on previous work by officials

[12] **Gateway tests:**

- Note that existing gateway tests in the NPS-IB, NPS-FM and the NPS-HPL show no understanding of mineral and aggregate extraction
- Note that mineral and aggregate extraction are a temporary use of land, that disturbed land can be rehabilitated, and the effects management hierarchy can apply
- Delete all provisions in the NPS-IB, NPS-FM and the NPS-HPL relating to “public benefit”, “significant national public benefit”, “regional public benefit”, “that could not otherwise be achieved using resources within New Zealand”, and “where there are no practicable alternative locations for the new subdivision, use or development”
- The above is necessary to adequately recognise and provide for mineral and aggregate extraction
- It is also necessary for consistency with the proposed Mineral Strategy

FRESHWATER – TE MANA O TE WAI

[13] The Bill excludes the “hierarchy of obligations” – te mana o te wai - in the National Policy Statement for Freshwater Management 2020 (NPS-FM) from resource consenting processes.

Problem definition

[14] The Bill does not exclude regional councils from having to implement te mana o te wai when undertaking RMA planning. This will make it challenging to manage freshwater intelligently.

[15] In explanation, the concept of te mana o te wai introduces a hierarchy of obligations as regards freshwater:

- first, the health and well-being of water bodies and freshwater ecosystems
- second, the health needs of people (such as drinking water)

- third, the ability of people and communities to provide for their social, economic and cultural wellbeing

[16] This defies the concept of ki uta ki tai – integrated catchment management - also present in the NPS-FM.

[17] In the real world, a catchment will have varying environmental pressures on it in different locations. For example, the Canterbury rivers running from the southern alps to the sea will traverse through a range of environments, and land uses.

[18] Taking a holistic approach to environmental attributes and pressures would best serve the managing of catchments. The ki uta ki tai concept provides for this, while te mana o te wai does not.

[19] To press the point, the imposition of te mana o te wai everywhere in New Zealand will lead over time to the contracting of a range of economic activity, including farming and forestry. This is because te mana o te wai prevents flexible or balanced approaches to managing freshwater systems for their maintenance or overall improvement over time, while making use of freshwater.

[20] An example is orphan mine drainages, eg acid drainages from abandoned historic coal mines on the West Coast / Tai Poutini. Resource consenting of coal mines could include in conditions a requirement to address orphan mine drainages to *offset* trace boron discharges into freshwater. That would be a ki uta ki, and effective approach to freshwater management.

[21] **Recommendations:**

- Minerals West Coast supports the Bill's exclusion of the application of te mana o te wai to resource consent processes and other decisionmaking
- This should apply to all current applications, as well as future ones
- We recommend the extension of this exclusion to all activity governed under the NPS-FM
- We support the Government's intent to review and replace the NPS-FM, and suggest, the sooner, the better

Coal mining

[22] The Bill aligns the consenting pathway for coal mining with other mineral and aggregate extraction activities under the NPS-FM, NPS-IB, and the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (the NES-F).

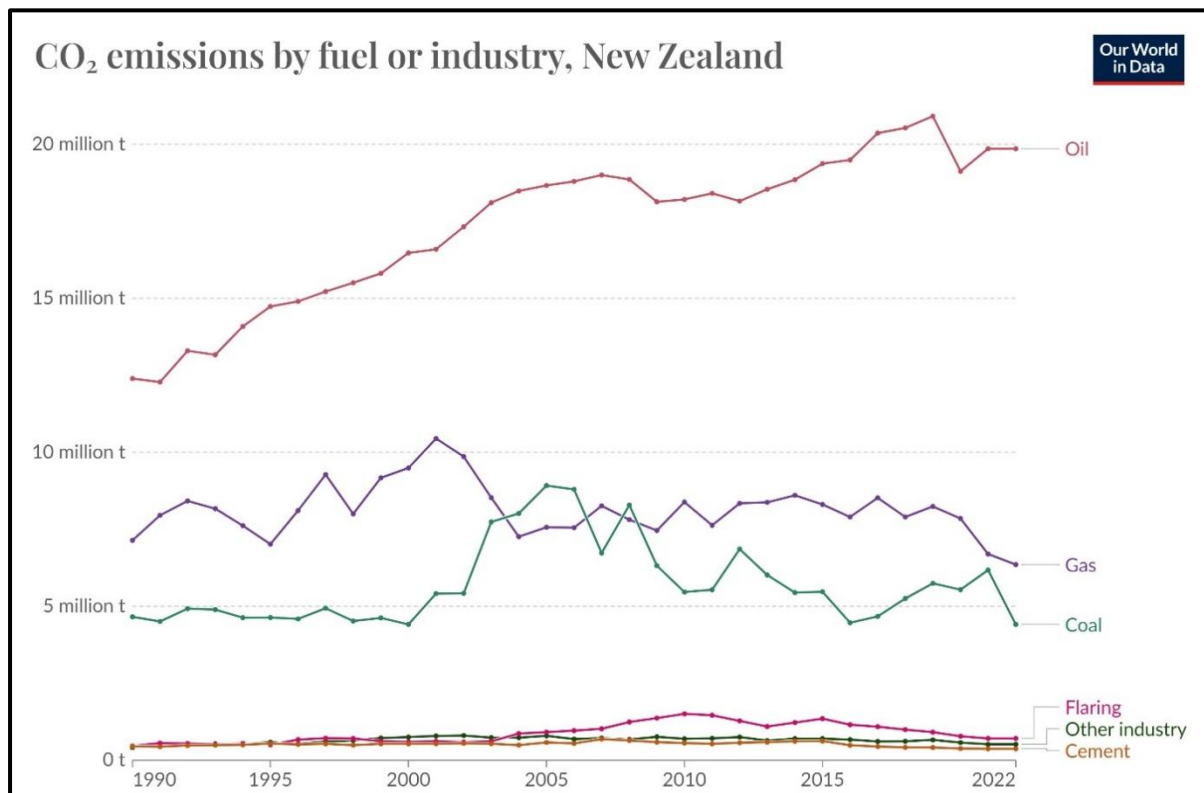
[23] Regardless of the mineral deposit, all mining and quarrying have the same sets of effects on the environment, noting some differences. For example, some coal mining can risk acid mine drainage, while gold mines have tailings empoundments, which contain contaminants. Both issues are manageable using standard practices to meet resource consent conditions.

[24] The Bill rectifies a significant flaw in the existing regulation, which limits a consenting pathway for coal in respect of wetlands to the operation and expansion of existing coal mines and for thermal coal extraction until 31 December 2030.

[25] There are several objections to the previous government's policy:

- It was poor lawmaking – seeking to achieve climate change policy objectives via resource management law governing wetlands
- An analogy to the constraint on coal mining vis-à-vis other mineral activities under the RMA would be to ban all restaurants that have lefthanders working in them
- If the previous government had wanted New Zealand to stop domestic coal mining, it could have developed the Coal Imports Enabling Act. It did not.
- Greenhouse gas emissions resulting from coal mining, and, subsequent coal combustion are addressed under the NZ Emissions Trading Scheme.
- The same should also apply to ad hoc policy that the previous government introduced, e.g. RMA amendments to prevent operators applying for or renewing resource consents for low or medium-temperature coal-fired boilers post-2037.

[26] In terms of greenhouse gas emissions, carbon dioxide emissions from the use of fossil fuels (whether produced domestically or imported into New Zealand) are priced under New Zealand's Emissions Trading Scheme. Incidentally, despite much anguish about the emissions related to coal mining in New Zealand, coal is not a major source of carbon dioxide emissions in New Zealand (see below a graph from [Our World in Data](#)) when compared with other fuels.



[27] Recommendations:

- Minerals West Coast strongly supports the Bill’s alignment of provisions for coal mining in the NPS-FM with provisions for mineral and aggregate extraction
- We also support aligning relevant provisions in the NES-F and the NPS-IB
- Note that a consenting pathway is necessary for situations where wetland disturbance is unavoidable, in the case of mineral and aggregate extraction

SIGNIFICANT NATURAL AREAS

[28] The Bill suspends NPS-IB 2023 requirements for councils to identify and notify new significant natural areas (SNAs) for 3 years, to allow time for a review of the operation of SNAs and the RMA.

[29] It appears that councils could continue *voluntarily* to classify areas of land as SNAs, using the ecosystem assessment criteria presented in Appendix 1 of the NPS-IB.

[30] At issue is the assessment criteria are not workable for a country that has people living in it. Almost everywhere in New Zealand outside of urban boundaries could eventually be mapped as an SNA.

[31] To qualify as an SNA, an area need only meet *one* of the following criteria: “representativeness, diversity and pattern, rarity and distinctiveness, and ecological context”.

[32] The excerpts from Appendix 1 of the policy reproduced below illustrate the nature and scale of the problem:

Assessment criterion (emphasis added)	MWC comment
<i>Representativeness</i>	
“Significant indigenous vegetation has ecological integrity typical of the indigenous vegetation of the ecological district in the present-day environment. It includes seral (regenerating) indigenous vegetation that is recovering following natural or induced disturbance, provided species composition is typical of that type of indigenous vegetation.”	Much of New Zealand is in regenerating indigenous vegetation where ecological succession is occurring
“Representativeness may include commonplace indigenous vegetation and the habitats of indigenous fauna, which is where most indigenous biodiversity is	Similar issue to the above

<p>present. It may also include degraded indigenous vegetation, ecosystems and habitats that are typical of what remains in depleted ecological districts. It is not restricted to the best or most representative examples, and it is not a measure of how well that indigenous vegetation or habitat is protected elsewhere in the ecological district.”</p>	
<p>“The application of this criterion should result in identification of indigenous vegetation and habitats that are representative of the full range and extent of ecological diversity across all environmental gradients in an ecological district, such as climate, altitude, landform, and soil sequences. The ecological character and pattern of the indigenous vegetation in the ecological district should be described by reference to the types of indigenous vegetation and the landforms on which it occurs.”</p>	<p>As above. A scrubby farm gully would qualify as an SNA on this and other criteria</p>
<p><i>Diversity and pattern</i></p>	
<p>“An area that qualifies as a significant natural area under this criterion has at least one of the following attributes: (a) (b) at least a moderate diversity of indigenous species, vegetation, habitats of indigenous fauna or communities in the context of the ecological district: presence of indigenous ecotones, complete or partial gradients or sequences.”</p>	<p>As above</p>
<p><i>Rarity and distinctiveness</i></p>	
<p>“An area that qualifies as an SNA under this criterion has at least one of the following attributes: provides habitat for an indigenous species that is listed as Threatened or At Risk (declining) in the New Zealand Threat Classification System lists: an indigenous vegetation type or an indigenous species that is uncommon within the region or ecological district: an indigenous species or plant community at or near its natural distributional limit: indigenous vegetation that has been reduced to less than 20 per cent of its pre human extent in the ecological district, region, or land environment ... the type locality of an indigenous species: the presence of a distinctive assemblage or community of indigenous species: the presence of a special ecological or scientific feature.”</p>	<p>Taken together, this covers almost everywhere in New Zealand outside of urban boundaries</p>

<p><i>Ecological context</i></p>	
<p>“An area that qualifies as an SNA under this criterion has at least one of the following attributes: (a) at least moderate size and a compact shape, in the context of the relevant ecological district: (b) (c) (d) well-buffered relative to remaining habitats in the relevant ecological district: provides an important full or partial buffer to, or link between, one or more important habitats of indigenous fauna or significant natural areas: important for the natural functioning of an ecosystem relative to remaining habitats in the ecological district.”</p>	<p>Again, this criterion would apply to many areas of New Zealand</p>

[33] To press the point: the above looks to have been done as an academic exercise with no regard for the reality that New Zealand is a country with people living in it.

Solutions

[34] Notwithstanding our concerns expressed above, Minerals West Coast acknowledges the importance of classifying SNAs, however, that such areas be restricted to “the best of the best” of New Zealand’s indigenous ecosystems and species.

[35] Having established SNAs, mineral and aggregate extraction should be able to occur within SNAs, provided an effects management hierarchy is followed in identifying and managing adverse effects on biodiversity.

[36] **Recommendations:**

- Delete Appendix 1 of the NPS-IB, and develop a new set of criteria for classifying areas as SNAs
- Strengthen the Bill to prevent councils continuing to classify SNAs, pending full RMA reform, however long this process takes
- Expand the consenting pathway for mineral and aggregate extraction to include all such extraction, subject to applying the effects management hierarchy
- Review the previous government’s work on the effects management hierarchy and amend for workability, including by engaging with industry

GATEWAY TESTS



[37] The Bill proposes amendments to existing RMA national direction that affect the ability of mineral and aggregate extraction to access consenting pathways, eg in respect of SNAs.

[38] The Bill does not go far enough to correct the errors made by the previous government, whether out of ignorance or ideological opposition to mining.

[39] Various gateway tests in the NPS-IB, NPS-FM and the NPS-HPL show no understanding of the reality of mining and quarrying.

[40] In explanation, economic mineral deposits are locationally constrained, and they occur in more than one place in New Zealand.

[41] Mineral and aggregate extraction is no more invasive a land use than any other earthworks, or occupation of space. In many ways, it is less invasive because the land can be rehabilitated after mining or quarrying. The same does not apply, for example, to a new highway or a school.

[42] All provisions that restrict exemptions from protections concerning SNAs or wetlands for mineral and aggregate extraction should be removed, for the following reasons:

- Mineral and aggregate extraction constitute a temporary use land use
- Disturbed land and ecosystems can be rehabilitated after mining or quarrying
- That includes wetlands, and it includes SNAs
- Where rehabilitation is insufficient, operators can compensate for, or offset adverse effects

[43] This should apply equally to existing SNAs, and proposed SNAs, as a matter of logic and consistency.

[44] **Recommendations:**

- Delete all provisions in the NPS-IB, NPS-FM and the NPS-HPL that cover the following:
 - “significant national public benefit” - cl 3.11(1)(a)(ii) of the NPS-IB; and cl 3.9 (2) (j) (iii) of the NPS-HPL
 - “that could not otherwise be achieved using resources within New Zealand” - cl 3.11 (1) (a) (ii) of the NPSIB, and clause 3.9 (2) (j) (iii) of the NPS-HPL
 - “where there are no practicable alternative locations for the new subdivision, use or development”- cl 3.11(1)(c)
 - Similar restrictions on aggregate extraction - cl 3.11 (1) (a) (iii) of the NPS-IB; and clause 3.9 (2) (j) (iv) of the NPS-HPL

-ENDS-

Appendix 1: West Coast GDP by sector 2023

Industry	Level	Share of total
Electricity, Gas, Water and Waste Services	\$364m	14.00%
Agriculture, Forestry and Fishing	\$358.3m	13.80%
Mining	\$217.9m	8.40%
Construction	\$188.8m	7.30%
Manufacturing	\$158.5m	6.10%
Health Care and Social Assistance	\$155.3m	6.00%
Accommodation and Food Services	\$105.3m	4.10%
Retail Trade	\$104.4m	4.00%
Transport, Postal and Warehousing	\$85.2m	3.30%
Rental, Hiring and Real Estate Services	\$79.3m	3.10%
Professional, Scientific and Technical Services	\$68.2m	2.60%
Public Administration and Safety	\$62.1m	2.40%
Education and Training	\$48.6m	1.90%
Arts and Recreation Services	\$45.6m	1.80%
Wholesale Trade	\$41.8m	1.60%
Administrative and Support Services	\$40.6m	1.60%
Other Services	\$29.3m	1.10%
Financial and Insurance Services	\$28.4m	1.10%
Information Media and Telecommunications	\$24.1m	0.90%
Owner-Occupied Property Operation	\$190.2m	7.30%
Unallocated	\$198.3m	7.60%
Total	\$2,594.10m	100%

Appendix 2: Annualised mean earnings by sector (New Zealand) in 2023

Sector	Mean earnings per annum 2023 in NZD
Financial and Insurance Services	\$117,260.00
Information, Media and Telecommunications	\$100,204.00
Mining	\$94,276.00
Electricity, Gas, Water and Waste Services	\$91,988.00
Professional and Administrative Services	\$89,908.00
Public Administration and Safety	\$89,908.00
Wholesale Trade	\$83,980.00
Rental, Hiring and Real Estate Services	\$83,044.00
Transport, Postal and Warehousing	\$79,300.00
Construction	\$76,180.00
Manufacturing	\$75,660.00
Total All Industry Groups	\$74,204.00
Health	\$68,380.00
Not Specified	\$66,040.00
Education and Training	\$65,104.00
Art, Recreation and Other Services	\$65,000.00
Agriculture, Forestry and Fishing	\$64,116.00
Retail Trade and Accommodation	\$46,436.00

Appendix 3: Annualised mean Māori earnings by sector (New Zealand) in 2023

Sector	Mean earnings per annum 2023 in NZD
Mining	\$102,856.00
Financial and Insurance Services	\$97,344.00
Public Administration and Safety	\$89,596.00
Rental, Hiring and Real Estate Services	\$86,320.00
Professional and Administrative Services	\$77,532.00
Electricity, Gas, Water and Waste Services	\$76,024.00
Wholesale Trade	\$76,024.00
Information, Media and Telecommunications	\$73,996.00
Not Specified	\$73,008.00
Construction	\$72,852.00
Transport, Postal and Warehousing	\$70,304.00
Manufacturing	\$69,940.00
Total All Industry Groups	\$67,496.00
Education and Training	\$64,168.00
Health	\$64,168.00
Art, Recreation and Other Services	\$59,956.00
Agriculture, Forestry and Fishing	\$56,628.00
Retail Trade and Accommodation	\$39,884.00

Appendix 4: Percentage of workforce identifying as Māori by sector 2023

Sector	Percentage of workforce identifying as Māori 2023
Mining	32%
Electricity, Gas, Water and Waste Services	21%
Agriculture, Forestry and Fishing	20%
Construction	19%
Manufacturing	18%
Public Administration and Safety	17%
Transport, Postal and Warehousing	17%
Not Specified	17%
Art, Recreation and Other Services	16%
Retail Trade and Accommodation	15%
Health	15%
Education and Training	15%
Total All Industry Groups	15%
Wholesale Trade	11%
Rental, Hiring and Real Estate Services	11%
Information, Media and Telecommunications	11%
Professional and Administrative Services	10%
Financial and Insurance Services	10%