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A Draft Minerals Strategy for New Zealand to 2040

DISCUSSION DOCUMENT | MAY 2024

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MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

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Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

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Information, examples and answers to your questions about the topics covered here can be found on our website, www.mbie.govt.nz

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Foreword

Developing our minerals sector is one of our country's big opportunities. We can double the sector's export value to \$2 billion over 10 years

Minerals are essential for our way of life and enable nearly every aspect of our modern world. They are at the heart of key sectors that drive New Zealand's economy, including infrastructure, construction, agriculture, manufacturing, and IT. Minerals are essential components in clean energy technology that power our businesses and homes. Some of our regions have been built on minerals development, and minerals developments are still the heart and fabric of many of our communities. The sector is now at the forefront of innovation. Precision has replaced guesswork, enabled by cutting-edge technology.

The numbers don't lie – the minerals sector is a small but mighty part of New Zealand's productive output. The value of mineral exports in 2022 for our country was \$1.03 billion. The sector creates job opportunities, supports local businesses, and generates substantial tax revenue that funds infrastructure, healthcare, and education.

We have barely scratched the surface when it comes to our potential. This strategy will put in place actions that will lead us on an export-led growth pathway to double the sector's exports to \$2 billion by 2035.

Currently, New Zealand's production is limited to a handful of minerals and metals. Our vast mineral reserve – and the role it could play in transforming our future – remains largely unexplored.

Other countries use their minerals sectors as cornerstones of their economy to support the sustainability of their regions, to increase resilience, and to boost prosperity. At this moment in time there is also another driver at play - the global clean energy transition. The International Energy Agency estimates that to reach net-zero emissions by 2050, the world will need six times more minerals for low emissions technology than are currently being extracted. Production of electric vehicles, batteries, wind turbines and solar panels are already driving significant minerals demand. This will only increase.

Our geology means we have a varied mineral endowment, which has been verified by a number of studies. There is significant potential in the reserves of these minerals for industry and a clean energy transition.

We have a choice to make – do we contribute to and benefit from this growing market, or do we become the recipients of other countries economic effort and output?

I want New Zealand to be part of the solution. I want us to contribute to secure, resilient, and sustainable global minerals supply chains. We can do it on our terms, using modern technology with a light touch on the environment and high employment standards. The environmental impacts of mining can and will be managed to the highest standard.

We are taking an active, deliberate and coordinated approach for the resources sector that will take us from 'open for business' to 'doing business'. This strategy will inform business investment and the Government's regulatory system.

Ultimately, we want to build the foundations of an enduring minerals sector that enhances prosperity for New Zealanders, demonstrates its value, and delivers minerals for industry and a clean energy transition.

Your input is critical to this discussion on the future of our minerals sector.

Please provide feedback on the draft strategy to resourcesfeedback@mbie.govt.nz by 5pm on 31 July 2024.

Hon Shane Jones

Minister for Resources

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The strategy at a glance

We are aiming to develop an enduring minerals sector that enhances prosperity for New Zealanders, demonstrates its value, and delivers minerals for a clean energy transition

Minerals includes all non-petroleum minerals, both privately and Crown-owned.

Enhancing prosperity for New Zealanders relates to jobs and the wages created, driving export sales, and gaining royalties and taxes for New Zealand. It also relates to flow on benefits such as indirect employment, infrastructure upgrades, and meeting local supply needs (such as aggregate production) that support other sectors to thrive. It also means protecting the environmental values which is important to New Zealanders.

Demonstrating the sector's value will highlight its importance to our economy and our lives, and enable conversations about the pros and cons of minerals production that we rely on for modern life.

Delivering minerals for a clean energy transition is already a main driver of interest and investment in minerals. New Zealand has potential to contribute minerals critical to clean energy technologies, and supply these minerals to the world.

How we'll know when we've achieved our aim

There is ongoing resilience in our minerals supply chains

Our economy has access to the minerals it needs at the right time and in the right quantities to grow and thrive, including both raw minerals (such as aggregates) and minerals within products.

Sector growth supports New Zealand and regional prosperity

The sector has doubled its mineral exports to \$2 billion by 2035 through an export-led growth pathway. This growth has brought additional jobs, wealth, and other benefits to New Zealand and to regional communities. Extra value will be added through domestic processing and refining.

New Zealanders understand our mineral needs

The public have a clear picture of what minerals are used for in modern society, as raw materials and as part of end products.

There is public confidence in responsible minerals production

Responsible regulatory settings and the behaviours of sector participants will have built public trust that the sector is operating in line with how New Zealanders believe mining should be done. Production growth will not come at the expense of environmental outcomes or workers' health and safety.

New Zealand's minerals support resilient global supply chains and contribute to a clean energy transition

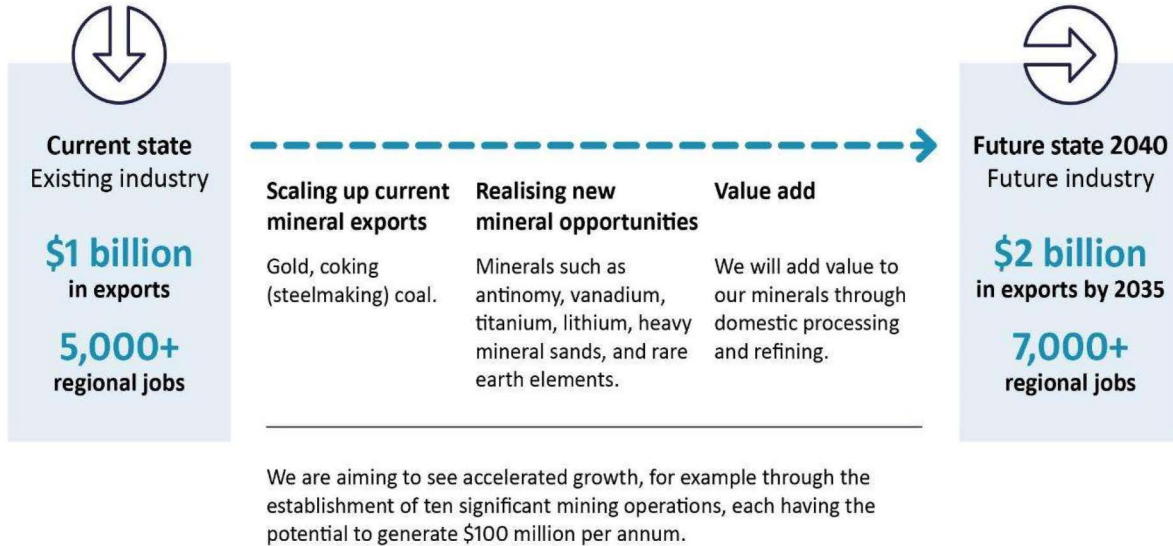
New Zealand mineral exports contribute to resilient global supply chains and help minimise geopolitical risks globally for minerals that are integral in clean energy technologies, and domestic production supports New Zealand's decarbonisation targets.

The integrity and credibility of our regulatory system contributes to sector investment and demand in diverse global markets

Transparent and efficient decision-making under our regulatory framework (the Crown Minerals Act 1991, Resource Management Act 1991, and other legislation) attracts investment in our minerals sector and facilitates international trade and market entry.

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The minerals sector's export-led growth pathway



The key actions from this strategy that are already underway

1. Implementing the **Fast-track Approvals Bill**.
2. Producing a **critical minerals list** for New Zealand.
3. Improving the efficiency of the **permitting process under the Crown Minerals Act 1991** and clearing the minerals applications queue.
4. Making 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 minerals development.
5. Completing a detailed **stocktake of New Zealand's known mineral potential**.
6. **Promoting investment opportunities** to increase the scale and pace of development.

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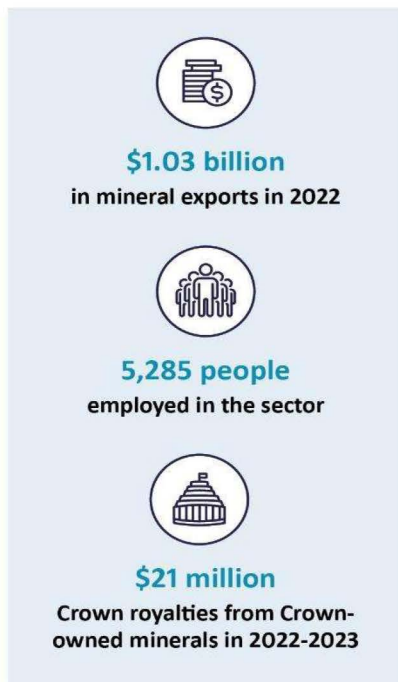
The sector's role in our economy is important, now and into the future

Our current minerals production is valuable and benefits New Zealanders

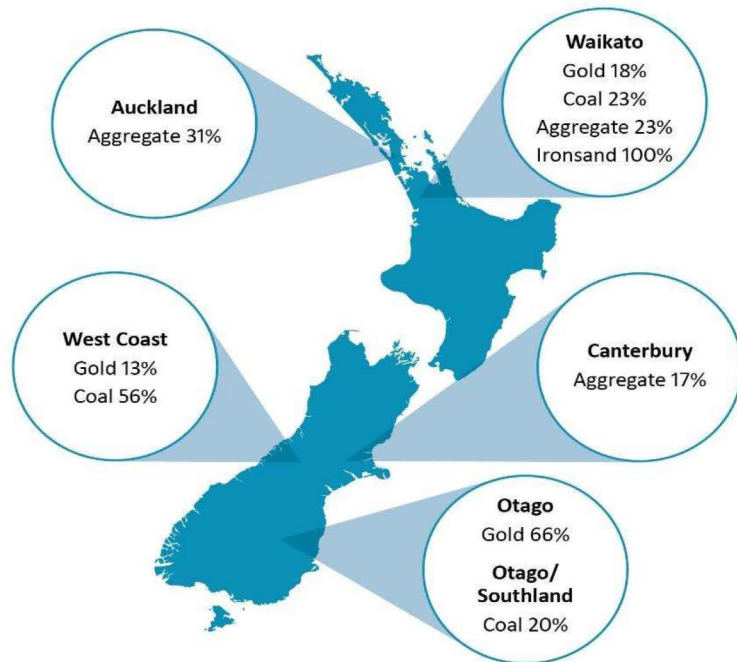
The production of our minerals resources currently benefits New Zealanders in a range of ways. The sector creates high-paying jobs training and education opportunities, community investment, and momentum for local service businesses. This helps to diversify regional economies – especially in areas that rely heavily on agriculture, dairy, forestry or fishing – making them less vulnerable to external economic factors. The minerals sector can continue to yield these economic benefits to New Zealand now and into the future as part of a holistic economic and resource ecosystem.

Around half of mining activity involves production of Crown-owned minerals where royalties are generated. This substantial revenue stream contributes to funding our roads, healthcare, and education.

Industry statistics



Major minerals areas



Clay and limestone not included

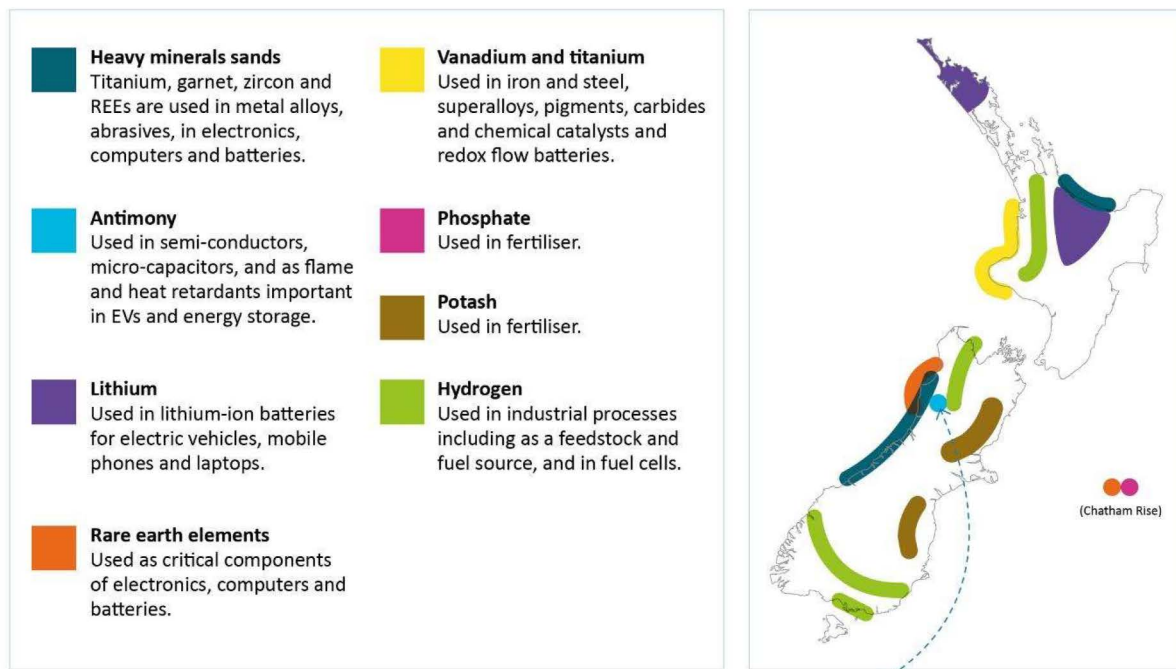
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Growth will be underpinned by scaling up our existing exports and by realising new mineral opportunities

Our existing exports are mainly gold and coal for steelmaking. These will remain relevant and the backbone of our sector, but we also have the opportunity to unlock potential from our wide and varied mineral endowment. This includes opportunities for extraction, alongside the production of minerals in other ways, such as through recycling efforts.

New mineral opportunities

Based on permit data, private mineral exploration, and inferred from the geology of the area



CASE STUDY: Antimony and gold deposits in Reefton

Siren Gold has reported high grade antimony intersections through its Reefton exploration permit alongside gold.

Currently 80% of the world's supply of antimony comes from China and Russia, and international partners are seeking diverse supply networks to ensure resilient global supply chains into the future.

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Why do we need a minerals strategy?

There are strategic considerations, challenges and risks the minerals sector faces, which we need to think about and address as a country

This strategy is our attempt to address those challenges and unlock the future opportunities which the sector offers

A strategy is a plan for action. Strategies act as a roadmap for how resources should be directed, and effort focused to achieve an aim. They convey a strategic approach for how to achieve that aim by setting actions that can overcome challenges and unlock opportunities. The strategy intends to double the value of New Zealand's mineral exports over the next 10 years. This is aligned with a broader government target to double the value of exports in ten years to help rebuild the economy so all New Zealanders can get ahead.

Like many other countries, New Zealand's minerals sector is experiencing challenges:

Minerals are critical to our economic functions, and we need to understand our needs and ensure reliable access to them – There are challenges to minerals development in New Zealand, including lack of complete understanding of our minerals ecosystem and strategic risks such as supply disruptions domestically and internationally. A lack of quality data hinders good decision-making. We are in a vulnerable position when it comes to supply. We need to understand demand and shore up supply of the minerals that keep our economy moving, such as sand and aggregates.

We need to get the regulatory framework right – There are barriers within our regulatory system. The length of time it takes to deliver mining projects is costing us. We need to get the enabling policy and regulatory settings for the resources sector right, to unlock economic opportunities for the benefit of New Zealanders.

Mineral activities need to happen in a responsible and environmentally sustainable manner – Our mineral production needs to be done in a responsible way. This involves ensuring we balance environmental protection and long-term environmental sustainability with the need for resource development. We need to take measures to minimise environmental impacts, ensure best practice rehabilitation plans, and mitigate environmental risks associated with mining. This also includes ensuring ongoing protection of areas of high value (recognised as Schedule 4 conservation land in the Crown Minerals Act 1991), while also considering proposals to responsibly explore mining potential in other conservation areas. There have been times when the sector hasn't got it right. If environmental risks associated to increased mineral activities are not properly managed, they could mean fiscal risks to the Crown and New Zealanders. New Zealand has reputation for high environmental standards. We want to leverage this reputation and establish a regulatory system that is consistent with global standards but also position ourselves as a worthy example of where responsible mining happens.

Technological innovation and responsible recycling of materials need to be part of a responsible minerals regime – Embracing technology and innovation can enhance productivity and reduce financial, social, environmental, and governance costs associated with minerals development. We also need to be proactive in how we recover minerals for their re-use and recycling. This could help us avoid or significantly minimise the environmental impacts associated with scrapped or decommissioned components made from minerals and could ease the scarcity of critical minerals. For example, projections by the International Energy Agency suggest that recycled amounts of lithium, nickel, copper, and cobalt could reduce the global primary supply requirements of these minerals by 10 per cent by 2040.

We need to attract the right investment for our economic growth and access international markets – There are significant economic opportunities which our minerals sector offers. But capital investment is also required to tap into the economic opportunities. We need to explore measures to attract and retain international investment in the minerals sector. As we think about our national minerals sector, we also need to create channels to access international markets through leveraging existing trade agreements and export promotion initiatives.

Avoiding unintended consequences – While we know that some of our regions have grown on the back of the minerals sector, we also want to avoid any unintended social and environmental consequences that could occur due to increased minerals activities. There will be a need to work with other agencies to design measures to plan for any increased demands across our regions.

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We need to make informed choices about how we wish to develop our minerals

We are anticipating opportunities for the sector. We have potential to scale up production of existing minerals, that we know are valuable exports now and will continue to be in years to come. Gold is projected to contribute significantly to New Zealand's minerals export earnings in the mid- to long-term future. New Zealand also has significant amounts of different types and grades of coal deposits, with major opportunities in high grade coking coal used internationally to make steel. Thermal coal also plays a role in keeping the lights on when there is intermittent renewable or gas supply. There are industrial processes in New Zealand that still rely on coal (for example domestic steelmaking which deploys a unique steelmaking process around the chemical properties of the Waikato thermal coal). We need to make informed choices and adopt a strategic direction on how we manage our extensive coal reserves and address the challenges and risks described above and other challenges facing the minerals sector.

Some clean-tech minerals may also be able to be produced in New Zealand and sold into global supply chains. Like other export-led industries, the sector can leverage New Zealand's high standards and reputation for transparency to secure access in international trade. There is potential to scale this contribution and add value along the way, through domestic processing and refining, to realise more of the opportunity.

A plan for action in the minerals sector will allow an all-of-government approach to anticipate, prepare and act on complex challenges and potential opportunities that require joined up action and collective impact.

It's a plan for all-of-government and other participants to coalesce around and sets measurable and achievable actions to drive progress

The split of Crown and privately owned minerals, the nature of permitting and consenting processes regarding extraction, and other factors within the minerals sector means that this strategy sits in the context of a range of other intersecting government strategies and work programmes.

The strategy is being led by the Ministry of Business, Innovation and Employment. But there are other government agencies that have an important part to play in achieving our outcomes such as the Ministry for the Environment, the Department of Conservation, WorkSafe, New Zealand Trade and Enterprise and the Ministry of Foreign Affairs and Trade. There are also important roles in the system for Treaty partners, local government, industry, businesses, regions and communities.

The strategy recognises the interests of Treaty partners in the protection and management of mineral resources

Iwi and hapū have significant interests and rights in relation to the protection and management of natural resources. The Government recognises many iwi and hapū wish to have greater participation in natural resource management, given the long-standing cultural, historical, spiritual, and traditional association to specific minerals. Additionally, iwi and hapū may have specific interests in minerals development, either directly as participants in mining activities or indirectly with a view to regional employment and development.

In recognition of these rights and interests, many iwi and hapū have, or are in negotiation, with the Crown, on crown minerals protocols expressed through their Deed of Treaty Settlements. These may include vesting or fossicking rights, and a commitment to ensure iwi and hapū are consulted with on the issuing of mining permits and the management of minerals.

Iwi also have broader perspectives relating to resource development. Activities associated with mineral extraction may have impacts on other kinds of rights and interests. This strategy is a chance to recognise these views and interests, in the development of mineral resources.

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How we'll get there

The following strategy actions will drive progress

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.

Within the first three years

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

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.
- 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

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.
- 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.
- 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.
- 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.
- 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.

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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 investigation, 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.

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.
- 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.

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.

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.
- c. We will support New Zealand companies to participate overseas in diversified, responsible, and transparent supply chains
- d. We will work with and support international partners to diversify global mineral supply to build secure, resilient, and sustainable supply chains.

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Review cycle

We will take an iterative approach to this strategy, with a one-year review. Following this, we plan to conduct reviews at least every three years.

Measuring success

All actions in this strategy will be evaluated, monitored, and incorporated into established governance and accountability arrangements across relevant government agencies, with the Ministry of Business, Innovation and Employment acting as lead agency. We will measure success across the three pillars of the strategy.

Our strategic pillars	What does success look like?	How will we measure our progress?
Enhancing prosperity for New Zealanders.	Regulatory efficiency and economic value.	Complete annual impact assessments against the following indicators: <ul style="list-style-type: none">• Tracking export revenues and Crown revenue from the New Zealand minerals sector.• Tracking growth in mining-related jobs.• Tracking processing timeframes for minerals permit applications and volume of applications waiting in permitting queue.
Demonstrating the sector's value.	Strategic development of New Zealand's minerals delivering net social, environmental and economic benefits.	Complete annual benchmarking against the following indicators: <ul style="list-style-type: none">• Improved health and safety outcomes across mining operations.• Growing sector investment in research, development, and innovation.• Improved reporting on environmental, cultural, and social net benefits to their communities
Delivering minerals for a clean energy transition.	New Zealand contributes to stable and resilient global mineral supply chains	Complete an annual assessment to check: <ul style="list-style-type: none">• Clear understanding of New Zealand's export opportunities for minerals enabling clean technologies.• International collaboration on ways to develop secure supply of the minerals needed for the clean energy transition.

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Having your say

We are seeking feedback on our draft Minerals Strategy for New Zealand. We welcome all submissions but are particularly interested in the questions below:

1. Are the strategic pillars of the 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?
2. Are the key actions the right ones to deliver on our strategic pillars, and are they ambitious enough? What else might we need to consider?
3. Are there opportunities for our minerals sector we haven't considered?
4. Are there challenges for our minerals sector we haven't considered?
5. Are there any other things we have missed that we should include, or things we should not include?

How to submit

Send your submission to resourcesfeedback@mbie.govt.nz by 5pm on 31 July 2024.

For any questions or help with submission, please contact resourcesfeedback@mbie.govt.nz.

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