

# Submitter information

The Ministry of Business, Innovation and Employment (MBIE) would appreciate if you would provide some information about yourself. If you choose to provide information in the "About you" section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

## A. About you

Name:

Robert Smillie

Email address Privacy of natural persons

## B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes

No

## C. Are you making this submission on behalf of a business or organisation?

Yes

No

If yes, please tell us the title of your company/organisation:

## D. The best way to describe your role is:

Academic/researcher

Consultant (please specify below)

Tradesperson (please specify below)

Industry group (please specify below)

Industry participant (please specify below)

Independent expert (please specify below)

Business owner (please specify below)

Student (please specify below)

Other (please specify below)

Prefer not to say

Please specify here:

RWS Consulting – Principal

**E. Privacy information**

- The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions, or a summary of submissions, received to MBIE's website at [www.mbie.govt.nz](http://www.mbie.govt.nz). If you do not want your submission or a summary of your submission to be placed on our website, please check the box and type an explanation below:

**F. Confidential information**

- I would like my submission (or identifiable parts of my submission) to be kept confidential and have stated my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have checked this box, please tell us what parts of your submission are to be kept confidential.

# A Minerals Strategy for New Zealand to 2040

MBIE is developing a *Minerals Strategy for New Zealand to 2040* to enable us to take a long-term, strategic approach to how we develop our mineral resources. This does not include petroleum which already has an advanced regulatory regime.

Minerals play an essential role in New Zealand’s economic growth through high-paying jobs, Crown royalties, direct positive impact in the regions where mining takes place, and through export revenues. Minerals are also critical inputs into products that are necessary for other sectors to thrive, including the use of aggregates in construction and infrastructure.

Minerals will continue to play a major role in New Zealand’s export-led economic growth and contribute to our economic functions, but the minerals sector faces some risks and challenges. These include lack of complete understanding about our minerals ecosystem, supply risks, social license, and a regulatory system that needs to be improved to enable investments.

These challenges require a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner. Developing a minerals strategy is a fundamental first step in ensuring that we have a strategic framework for resource production.

The Minerals Strategy Discussion Document seeks feedback on the context and design of the strategy. It discusses key strategic issues, challenges and opportunities facing the minerals sector in New Zealand, and how we could address them.

The strategy is built on three key pillars, **Enhancing prosperity for New Zealanders**, **Demonstrating the sector’s value**, and **Delivering minerals for a clean energy transition**, and identifies specific actions the Government could take to position the minerals sector to deliver value in an environmentally responsible manner.

Please see the Minerals Strategy Discussion Document for more information.

## Questions for the consultation

1. Are the strategic pillars of the Draft 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?

Yes, they are suitable

No, they are not suitable

Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice? Or is there more we need to consider?

The Strategic Pillars are suitable, however a potential 4<sup>th</sup> pillar could be “To support and ensure the longevity and on-going sustainability of the NZ minerals industry”.

This could perhaps be included as part of “what success looks like” for the 2<sup>nd</sup> pillar, “Demonstrating the sectors value”, however it is being more explicit about the government having a clearer role in supporting the industry beyond regulatory efficiency – including in the exploration space for high-value and critical minerals (see further).

I also consider that reviews of the strategy should be annually rather than every 3 years to allow for more effective monitoring and any timely amendments to the strategy.

2. Are the key actions the right ones to deliver on our strategic pillars, and are they ambitious enough?

- Yes, the actions are the right ones and are ambitious enough  
 No, the actions are not the right ones and not ambitious enough  
 Not sure/no preference

If **No**, what else might we need to consider?

Most actions are appropriate, however key actions specifically around *exploration* need to be addressed. Exploration is separate from mining and development and is missing from the strategy.

There is benefit in considering a *National Exploration Strategy* rather than just a Minerals Strategy. This is especially the case for high-value critical minerals where the Crown relies 100% on the exploration investment appetite and decisions of commercial companies that have a global market to choose from and differing underlying drivers from the Crown. A national “stocktake” is a start, but not bold enough, in my view,

NZ is at the bottom of the world, in global market place for exploration, and runs the risk of falling off the “exploration radar”. Attending Trade Shows and providing free data over the internet is helpful, but will not be enough going forward. Much more consideration needs to go into *how to attract and retain quality exploration companies with access to capital and technical expertise*, as it is these entities that will determine whether or not most of the Crown’s strategy is successful over the long term.

The Crown can take greater steps to reduce barriers to entry to high quality explorers and ensure better outcomes (more exploration success) by giving the exploration pipeline a good “shove” – see below.

3. Are there opportunities for our minerals sector we haven’t considered?

- Yes, there are       No, there are none       Not sure/no preference

If **Yes**, what are the opportunities for our minerals sectors we should consider?

The Crown is owner of the Mineral Estate and from an exploration and development viewpoint therefore would benefit from taking a more “hands-on approach” in ensuring delivering value from the Estate, going beyond focusing on permit processing times and a national stocktake.

Rather than just focusing on improving efficiencies in processing times for permits, the strategy would benefit from considering greater emphasis towards *how effective commercial exploration companies are at giving effect to these property rights* as these pertain to the Government’s chief objective of developing NZ’s mineral estate for the prosperity of all New Zealanders. As the owner of the mineral estate, much effort needs to be expended in managing the mineral estate through the permit holders to ensure the right outcomes and in a timely manner. This means having a highly technical regulator that is as good as the industry itself.

Secondly, if the Crown truly wishes to advance exploration in critical minerals, the case could be made for the Crown getting more involved in the early stages of exploration itself - potentially through entities such as GNS Science, as the Crown’s “Geological Survey”. Such Govt-funded exploration should be well-aligned with targeted and applied mineral research funding, allowing the Crown, as owner of the mineral estate, to advance its’ understanding of the location and potential amount key critical minerals on its’ own terms and timeframes. Early-stage exploration is relatively cheap and generates new high-quality data for explorers. Such a bold approach would further reduce barriers to entry, de-risk exploration investment for commercial companies, help attract quality

explorers with capital and expertise, and ultimately lead to faster development of NZ's critical minerals.

**4. Are there challenges for our minerals sector we haven't considered?**

- Yes, there are other challenges not considered
- No, all challenges have been considered
- Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

New Zealand struggles for exploration investment, which is cyclic depending on global commodity prices, and is key to developing much of the mineral estate, in particular high-value critical minerals, as well as Tier 1 gold deposits yet to be discovered.

Our local industry lacks depth and ready access to exploration capital. We are at the bottom of the world, and off the radar for most of the global exploration industry, most of whom consider NZ unprospective for new discoveries.

This commonly results in the same local players doing the same thing over decades, with little innovation or new approaches taken in the exploration investment needed for making new discoveries. Overcoming this situation is a major challenge, and while stating that NZ is open for business is a good start, convincing well-funded and successful explorationists to stump up in NZ will be key to ensuring delivery of much of the Minerals Strategy.

**5. Are there any other things we have missed that we should include, or things we should not include?**

These things could be economic/financial, environmental, health and safety related, or other areas.

As mentioned above, the Strategy would benefit from greater consideration on the role of mineral exploration to advance the mineral estate, particularly high-value critical minerals such as Li, REE, Pt etc, that are difficult to locate in commercial quantities.

# Thank you

Thanks for your feedback, we really appreciate your insight. It helps us establish a long-term strategic approach to ensure that resource development for our economic prosperity happens in a responsible manner.

To help us continue to develop a Minerals Strategy for New Zealand to 2040, we would appreciate any additional suggestions or comments you may have.

Please leave your feedback here:

The Crown would benefit from considering more broadly who the minerals “sector” actually comprises, as commonly *mining* dominates the sector in New Zealand compared to *exploration* when it comes to the “national conversation”. These are fundamentally different activities that need to be addressed separately yet are commonly bundled together.

Exploration underpins the future of mining. Exploration is the only way that the Crown gets to better understand its own mineral estate. It can use this new knowledge to make better decisions for planning in the future. Exploration is the same activity as R&D. The outcome from exploration is knowledge and information. The outcome from mining is minerals, and (hopefully) sustainable prosperity. The Strategy would benefit from articulating these differences and addressing inherent challenges for each accordingly.

For the reasons I’ve stated in my submission, fostering innovation and value-add in the *exploration sector* should be a major part of the strategy to ensure the development of NZ’s high-value critical mineral and for the long-term sustainability of NZ’s mining industry.