

BRIEFING

Petroleum and Minerals Resource Strategy – first draft overview

Date:	31 January 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2145 18-19

Action sought		
	Action sought	Deadline
Hon Dr Megan Woods Minister of Energy and Resources	<p>Note that you previously agreed to the development of a draft Petroleum and Minerals Resource Strategy for your consideration and to support your engagement with relevant Ministers.</p> <p>Agree to discuss the scope and draft overview of the Strategy with MBIE officials.</p> <p>Indicate your initial preference for the following scope aspects of the Strategy:</p> <ul style="list-style-type: none"> a. A Strategy with specified actions? b. A Strategy focussed on both petroleum and minerals? c. A Strategy that looks beyond the next five years 	7 February 2019

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Sarah Stevenson	Manager, Resource Markets Policy	Privacy of natural persons	✓
Joey Au	Principal Policy Advisor, Resource Markets Policy		
Marissa Quinn	Policy Advisor, Resource Markets Policy		

The following departments/agencies have been consulted
MBIE (Just Transitions Unit and Provincial Development Unit).

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

Petroleum and Minerals Resource Strategy – first draft overview

Date:	31 January 2019	Priority:	Medium
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Purpose

To provide you a first draft overview of a Petroleum and Minerals Resource Strategy ("Strategy") to support your early engagement with relevant Ministers.

Executive summary

You previously agreed to the development of a Petroleum and Minerals Resource Strategy to underpin tranche two of the review of the Crown Minerals Act 1991 (CMA). The development of the Strategy will provide a mechanism for the Government to articulate its priorities and long-term vision for the petroleum and mineral sectors and allows for targeted engagement with iwi partners and other stakeholders about how New Zealand can sustainably derive value from its petroleum and mineral resources.

The Strategy will help progress the Government's priorities (e.g. building a productive, sustainable and inclusive economy) and will complement existing Government policies (e.g. KiwiBuild), strategies (e.g. NZ Biodiversity Strategy 2020-2040) and legislative reviews (e.g. Stage Two review of the Resource Management Act 1991).

The Strategy will also complement and not undermine the Department of Conservation (DOC) led "no new mines on conservation land" policy and process. The Strategy seeks to frame the "no new mines on conservation land" policy under a wider Government Strategy for the minerals sector that is entirely consistent with it.

In developing the Strategy we seek an indication from you regarding its scope. In particular, your preference for:

- **The form:** A strategy with:
 - a short vision statement with objectives only; or
 - a detailed strategy including actions.
- **The focus:** A strategy focussed on:
 - both petroleum and minerals; or
 - minerals only.
- **The time horizon:** A strategy covering:
 - a short time horizon (say five years); or
 - a longer time horizon (say 20 years).

Decisions on the scope have implications for when we can deliver the Strategy, and for our resourcing and suggested approach. If a more detailed Strategy is preferred, we recommend that it is produced in collaboration with Treaty Partners and key stakeholders (including industry and environmental groups). To allow time for this, the delivery date of the Strategy would be pushed out a few months, albeit still delivered before the proposed 30 September 2019 release date of the CMA discussion document.

To inform your thinking about the possible contents of a Strategy, including scope, we have pulled together a draft version for your feedback. The version below is based on a detailed strategy including actions (the form), both petroleum and minerals (the focus) and a short time horizon (five years).

A Petroleum and Minerals Strategy for New Zealand: 2019-2024

Vision: *“An environmentally responsible mining sector that delivers for all New Zealanders”.*

Purpose: To manage New Zealand’s petroleum and mineral resources, in a safe and environmentally responsible way, to support the transition to the low emissions future and a productive, sustainable and inclusive economy.

Objectives for the mining sector

- A mining sector that fully contributes to building a productive, sustainable and inclusive economy, including a low emissions future.
- A mining sector that responsibly delivers value to New Zealand (where value incorporates economic, social, environmental and cultural aspects).
- A mining sector that is competitive and innovative.
- A mining sector that is efficiently and effectively regulated.

Principles

Working in partnership, the following principles will guide our actions towards meeting our objectives:

- The Crown is a responsible Treaty partner.
- The principles of the Treaty of Waitangi are upheld.
- There is a fair financial return to the Crown for its minerals and petroleum.
- The environment, ecosystems and biodiversity are respected, now and in the long-term.
- Existing rights are protected.
- Regulators are fair, reasonable and proportionate.
- Health and safety is paramount.
- Decision making is clear, transparent and informed by evidence.

Strategic objectives and actions

- a. Modernising the CMA so that it is fit for purpose and aligns with the Strategy.
- b. Ensuring we have access to the resources required to build a productive, sustainable and inclusive economy, and a low emissions future.
- c. Improving iwi (and community) engagement and participation.
- d. Greater research and development.
- e. Improving industry compliance.
- f. Implementing “no new mines on conservation land”.

Recommended actions

The Ministry of Business, Innovation and Employment recommends that you:

a **Note** you previously agreed to the development of a draft Strategy for your consideration and to support your engagement with relevant Ministers.

Noted

b **Note** the Strategy will not undermine the DOC led process or policy focus of “no new mines on conservation land” but attempts to frame it under a wider Government strategy for the minerals sector.

Noted

c **Note** that decisions on the scope of the Strategy will need to be made.

Noted

d **Agree** to discuss the scope of the Strategy with MBIE officials.

Agree / Disagree

e **Indicate** your initial preference for the following scope components of the policy.

a. The form: a Strategy with specified actions?


To discuss / Yes / No

b. The focus: a Strategy focussed on both petroleum and minerals?

To discuss / Yes / No

c. The timeframe: a Strategy that looks beyond the next five years?

To discuss / Yes / No


Sarah Stevenson
Manager, Resource Markets Policy
Building, Resources and Markets, MBIE

Hon Dr Megan Woods
Minister of Energy and Resources

8/1/19
..... / /

..... / /

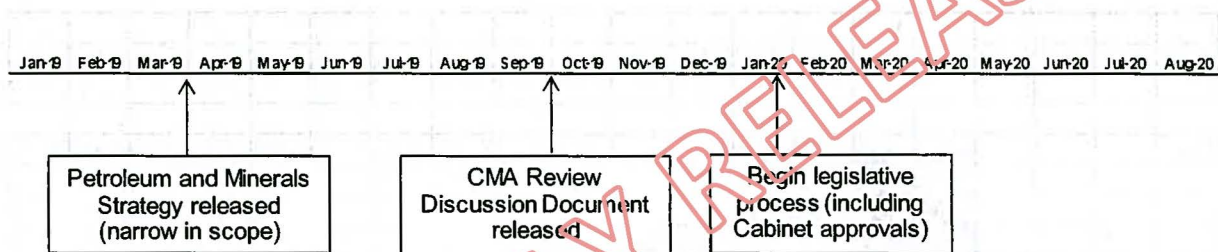
Background

You agreed to have a draft Strategy developed for your consideration...

- 1 On 14 December 2018 we provided you a briefing with some approaches and key objectives for the proposed review of the Crown Minerals Act 1991 (CMA) (briefing 1834 18-19 refers).
2. You agreed to our approach to:

“develop a Petroleum and Minerals Resource Strategy (with engagement with iwi partners and key stakeholders), followed by consultation on a discussion document. This option seeks to underpin the CMA review with a broader strategy focused on the Government’s long-term vision for the sector. This approach also allows for targeted engagement with iwi partners and other stakeholders on how New Zealand can sustainably derive value from its resources.”

Shown below, is the indicative timeframe for this approach.



...and you would like a draft overview of the Strategy to engage with relevant Ministers.

3. In your discussion with MBIE officials on 17 December 2018 you noted that we should allow flexibility in the timeframes and you would like a short briefing on what the Strategy could look like in order to start engaging with relevant Ministers.

Strategic context for the Strategy

A Strategy that helps progress the Government’s priorities

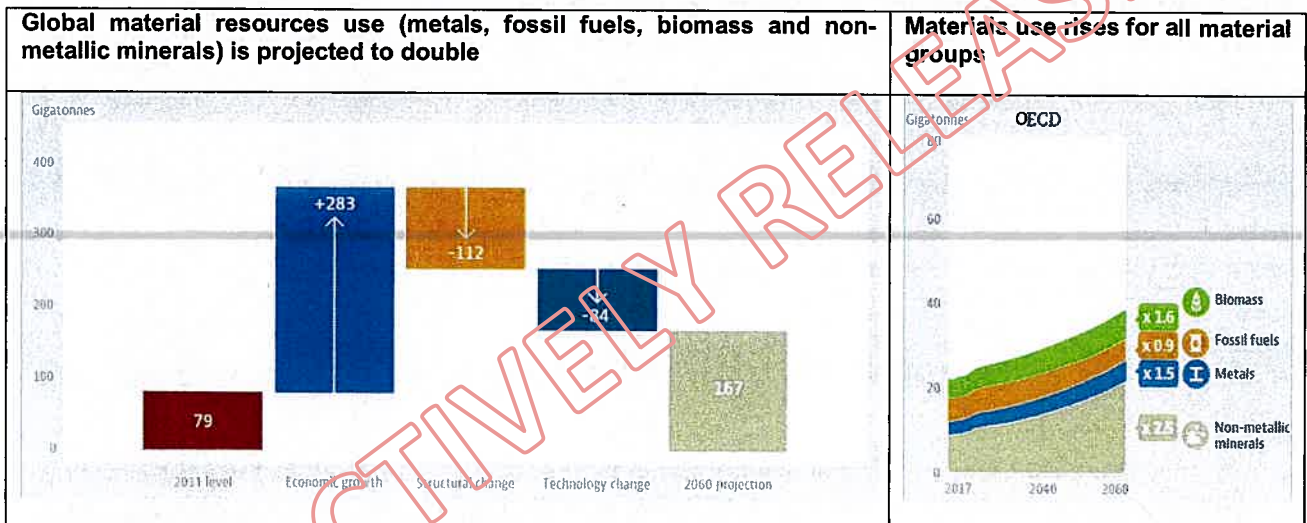
4. The petroleum and minerals sector contributes to the New Zealand economy. It contributes to Crown revenue through royalties and taxes, and to jobs, many of which are skilled and based in New Zealand’s regions. However, the Government’s priority is focussed on building a productive economy that is also sustainable and inclusive.
5. To aid in this priority, the Government is phasing out offshore oil and gas exploration over time so there is a just transition. Specifically, the Government’s economic priority is transitioning to a clean, green, carbon-neutral New Zealand.

Include a focus on clean-tech minerals to support the transition

6. The transition to a low-emissions economy will be supported by advances in the development and uptake of battery technology, particularly used in electric vehicles (EVs). New Zealand could support the transition to a low-emissions future through the supply of clean-tech minerals which are used in the development of lithium-ion batteries and other technology (Aide-Memoire 0855 17-18 refers).

Include a focus on New Zealand's future resource requirements, especially aggregates

7. Minerals are fundamental to New Zealanders' way of life, and to advancing the Government's priorities. It is important that New Zealand has access to an adequate, economic and reliable supply of critical minerals, whether this is minerals extracted within New Zealand or imported from overseas. Minerals security of supply cannot be assumed but needs to be carefully planned, monitored and managed.
8. The OECD has estimated that the global material resources use (metals, fossil fuels, biomass and non-metallic minerals) is projected to double by 2060 from 2011 levels (already accounting for reduced material use due to technology and structural changes in the economy) – see graphs below. The world needs minerals and there is an opportunity for New Zealand to be a larger and more competitive supplier of minerals globally. New Zealand may also wish to reduce its potential reliance on only a few countries for its mineral needs, in particular those with less environmentally friendly extraction methods or less robust labour regulations.



Source: OECD HIGHLIGHTS Global Material Resources Outlook to 2060 – Economic Drivers and Environmental Consequences-
<http://www.oecd.org/publications/global-material-resources-outlook-to-2060-9789264307452-en.htm>

9. Access to aggregate (crushed rock, gravel or stone) is fundamental to a growing economy. Aggregate from quarrying is a critical input into building construction, as well as roads and broader infrastructure. Aggregate makes up 75 to 90 per cent of all the concrete used in buildings, roads, pipes and other infrastructure like airport runways and bridges. As population, infrastructure development, and maintenance increases, so too does the demand for aggregate.
10. New Zealand must ensure it has enough aggregate to meet our future resource requirements. The cost of transporting aggregate increases dramatically with distance. For example, for each tonne of aggregate produced, the first 30 km it has to travel doubles the overall cost. This means aggregate must be sourced from New Zealand, and ideally in close proximity to where the aggregate will ultimately be used. In addition, not all aggregate is suitable for particular end-uses. Aggregate for roading and construction often needs to meet minimum quality specifications to ensure the safety and resilience of roads, infrastructure, and buildings. This places additional importance on identifying and sourcing quality aggregate resources close to where they are needed.
11. The supply of high-quality aggregate is crucial to support the Government's priority of ensuring everyone has a warm dry home. In order to meet the Government's objectives of building 6,400 public houses and building 100,000 affordable homes for first-home buyers through KiwiBuild, it is essential there is a secure and affordable supply of aggregate and steel. This is also necessary for cost-effective maintenance of our transport infrastructure.

Include a focus on improving the Māori -Crown partnership

12. In 2018, Cabinet agreed to establish an agency to oversee the Government's work with Māori in a post Treaty settlement era. The Office for Māori-Crown Relations - Te Arawhiti - will support the Government to establish enduring relationships with Treaty partners.
13. One key focus is to change the way Government engages and works with Māori, and to change how policy is developed. This will mean a shift from a more reactive relationship that mainly focusses on meeting settlement and legislative obligations, into one that focusses on a Treaty partnership that is proactive and enabling, seeking mutually beneficial outcomes that will benefit all of New Zealand.

A Strategy that complements the “no new mines on conservation land” policy

Include a focus on protecting conservation land with high conservation values

14. In November 2017, the Government announced in the Speech from the Throne that there would be “no new mines on conservation land”. A discussion document will be released in the coming months and “feedback from the public will be sought to ensure conservation land is protected without unnecessarily restricting the important contribution the mining industry makes to the New Zealand economy”¹.
15. A draft version of the discussion document² notes that the Government recognises the value of mining to New Zealand and the policy is about making sure that mining is done in the right place, in the right way. There is also a need to ensure that resource extraction is done well - so avoiding, remedying, or mitigating any adverse effects on the environment.
16. The Strategy will not undermine nor take over the DOC led process or policy focus of “no new mines on conservation land”. The Strategy will frame the policy under a wider Government Strategy for the Minerals sector that is entirely consistent with the policy.

Include a focus on safe and environmentally responsible mining

17. It is important to ensure that mining activities are done well, not just on conservation land but on all land in New Zealand. The environment must be considered and respected.

A Strategy that complements other government strategies and legislative reviews

18. We are currently aware of the NZ Biodiversity Strategy, the green paper on hydrogen, the Zero Carbon Bill and the stage two legislative review of the RMA. The Petroleum and Minerals Strategy needs to be aligned with these other government strategies and reviews.

Include reference to the New Zealand Biodiversity Strategy

19. The NZ Biodiversity Strategy intends to place nature at the heart of New Zealand's success, through new ways of valuing biodiversity such as its role in ecosystem services, natural capital and health and wellbeing, as well as addressing new pressures like the impact of climate change. The biodiversity strategy is due to be submitted to Cabinet for approval by December 2019.

Ensure consistency with the hydrogen green paper and the wider energy framework

20. A green paper on New Zealand's hydrogen future is due to be developed by the end of April 2019, ahead of the national Just Transitions Summit in May in New Plymouth. The purpose of the green paper is to present a vision covering the potential scope of green hydrogen in New Zealand and its ability to contribute to New Zealand's energy, emissions and economic goals. Once completed this work can be integrated into a wider renewable energy

¹ <https://www.doc.govt.nz/about-us/our-role/managing-conservation/mining-on-conservation-land/no-new-mines-on-conservation-land-policy/>

² Version from the Department of Conservation (DOC) as at 25 October 2018.

framework that will account for the recommendations of the Interim Climate Change Committee.

Include reference to the RMA legislative review³

21. The Government is proposing changes to the resource management system. It wants the RMA to support a more productive, sustainable and inclusive economy and be easier for New Zealanders to understand and participate in. The reform programme is being developed in two stages.
 - a. Stage one: The Government plans to introduce an amendment bill to Parliament in early 2019. The aim of the bill is to make the RMA less complex, give people more certainty on RMA issues and to increase public participation.
 - b. Stage two: A comprehensive review of the resource management system will begin in 2019. While the scope is still being worked through, this review will provide an opportunity for fundamental system changes to support a more productive, sustainable and inclusive economy.

Include reference to the Zero Carbon Bill legislative introduction⁴

22. The Zero Carbon Bill has been under development as one of the priority pieces of legislation since the Coalition Government took office in 2017. The bill is intended to be a cornerstone of New Zealand's transition to a low emissions, climate-resilient future. The Bill is anticipated to establish an emissions target to provide certainty about our long-term goals, and create the institutions to help New Zealand achieve its target(s). A discussion document was released for public consultation last year and decisions by Cabinet are expected to be made / released shortly.

Scope of the New Zealand Strategy

A Petroleum and Minerals Statement or a Strategy with actions?

23. When we originally proposed the idea of a Strategy we noted that there were options regarding the scope. In particular, the scope of the Strategy could be as short as a vision statement, or something more extensive with strategic objectives and action areas etc.
24. Decisions regarding the scope of the Strategy have implications for timing of its delivery, our resourcing, and our advice on the approach. If a more detailed Strategy is preferred, we recommend that in addition to engaging with our Treaty Partners and key stakeholders (including industry and environmental groups) it is produced in collaboration with them as well – this aligns with approaches overseas to resources strategies. To allow time for proper engagement and collaboration this would push the delivery date of the Strategy out a few months, albeit still before the proposed 30 September 2019 release date of the CMA discussion document.
25. Our initial and indicative release date of 31 March 2019 for the Strategy was based on a vision statement and some strategic objectives only which would require less time engaging and consulting with our Treaty Partners and key stakeholders.
26. Finally, in deciding on the release date of the Strategy you may wish to consider the potential release date of the “no new mines on conservation land” discussion document and the following events:
 - a. Just Transition Summit⁵: 9-10 May 2019.

³ <http://www.mfe.govt.nz/rma/improving-our-resource-management-system>

⁴ <http://www.mfe.govt.nz/have-your-say-zero-carbon>

⁵ <https://www.justtransitionsummit.nz/>

- b. Minerals Forum⁶: 28-29 May 2019.
- c. New Zealand Petroleum Conference⁷: October 2019 (date to be confirmed).

Petroleum and Minerals, or Minerals Only?

- 27. A majority of international approaches tend to split minerals and petroleum into separate strategies. Minerals are usually dealt with in their own strategy and petroleum tends to be dealt with under a separate energy strategy.
- 28. A single strategy that outlines the Government's intentions for the sector and the use or non-use of its Crown-Owned Minerals (petroleum and minerals) would more usefully guide the review of the CMA which covers both petroleum and minerals. The Government's long-term vision for minerals could potentially be very different to its vision for petroleum, with objectives to continue or increase mining of certain minerals, while managing a just transition to a low emissions future. However, minerals and petroleum could still be dealt with in a single strategy with a separate vision outlined for each as required.

A 5 year, 10 year or 20 year plus Strategy?

- 29. The timeframe of international strategies reviewed ranged from a specific period of time (say five years) to no fixed timeframe.
- 30. In thinking about timeframes for the New Zealand Strategy you may wish to consider some of the following factors.
 - a. Timeframes of other, related, government objectives or initiatives.
 - i. The Government's proposed Zero Carbon Bill – net zero emissions by 2050.
 - ii. NZ Biodiversity Strategy - A framework for action to halt the decline of indigenous biodiversity from 2020 to 2040.
 - b. A longer-term Strategy (e.g. 10 year plus) is more difficult to produce and should be guided by a similar longer-term economic strategy.

Using the Strategy to underpin thinking about future policies

- 31. In addition to the Strategy being used to underpin the CMA Review, it could also provide a framework to underpin future thinking and decisions on potential policies such as:
 - a. The mining of certain minerals (e.g. clean tech minerals, coal).
 - b. The mining of minerals offshore (e.g. seabed mining).
- 32. MBIE can provide information, analysis and advice to support you in these areas if you would like.

Draft overview of the Strategy for your consideration and feedback

- 33. To inform your further thinking about the possible contents of a Strategy (including scope), a draft version has been developed below for your feedback. The version below lacks many details, reflecting its early stage of development, and should be viewed as a work in progress for early feedback only. Some of the future actions presented are ideas only and will be developed further in discussion with you. The version of the Strategy is based on (a) a detailed strategy including actions (b) both petroleum and minerals and (c) a short time horizon of five years.

⁶ <https://www.mineralsforum.co.nz/>

⁷ <http://www.petroleumconference.nz/>

34. In developing the draft Strategy we looked at a number of resource strategies overseas. Annex One summaries two of the international resources strategies we reviewed while Annex Two lists 10 of the more than 20 strategies reviewed.

35. **A Petroleum and Minerals Strategy for New Zealand: 2019-2024**

36. **Table of Contents**

- a. Foreword
- b. Vision
- c. Purpose
- d. Outcomes
- e. Principles
- f. Action Areas
- g. Links to other Government Strategies and Priorities
- h. About minerals and petroleum
- i. Mining in New Zealand and the Mining Life Cycle
- j. New Zealand's Regulatory Regime

37. **Foreword**

- a. Minerals are fundamental to New Zealanders' way of life and for advancing the Government's priority to build a more productive, sustainable and inclusive economy.
- b. The Strategy is a living document to be delivered in collaboration with our Treaty Partners and all stakeholders including local communities, industry, research institutions and environmental groups.
- c. By working together we will achieve our vision of an environmentally responsible mining sector that delivers for all New Zealanders.

38. **Vision:** *"An environmentally responsible mining sector that delivers for all New Zealanders".*

39. **Purpose:** To manage New Zealand's petroleum and mineral resources, in a safe and environmentally responsible way, to support the transition to the low emissions future and a productive, sustainable and inclusive economy.

40. **Objectives for the mining sector**

- a. A mining sector that fully contributes to building a productive, sustainable and inclusive economy, and a low emissions future.
- b. A mining sector that responsibly delivers value to New Zealand (economic, social, environmental and cultural values).
- c. A mining sector that is competitive and innovative.
- d. A mining sector that is efficiently and effectively regulated.

41. **Principles**

42. Working in partnership, the following principles will guide our actions towards meeting our objectives.

- a. The Crown is a responsible Treaty partner.

- b. The principles of the Treaty of Waitangi are upheld.
- c. There is a fair financial return to the Crown for its minerals and petroleum.
- d. The environment, ecosystem and biodiversity are respected.
- e. Existing rights are protected.
- f. Regulators are fair, reasonable and proportionate.
- g. Health and safety is paramount.
- h. Decision making is clear, transparent and informed by evidence.

43. **Strategic objectives and actions**

a. **Modernising the CMA so that it is fit for purpose and aligns with the Strategy.**

- i. **Completed:** Royal assent of the Crown Minerals (Petroleum) Amendment Bill 2018 to give effect to the Government's announcement made on 12 April 2018 relating to offshore petroleum permitting.
- ii. **Present action:** A review of the CMA.
 - 1. A discussion document to be released in late 2019.
 - a. The purpose statement of the CMA.
 - b. The land access arrangement to conservation land.
 - c. Compliance.
 - d. Decommissioning and financial assurance.
 - e. etc.
- iii. **Future action:** Publish and consult on the discussion document.

b. **Ensuring we have access to the resources required to build a productive, sustainable and inclusive economy, and a low emissions future.**

- i. **Completed:** Mineral Potential Studies into lithium, rare earth elements (REE) and nickel-cobalt⁸
- ii. **Present action:**
 - 1. Further studies of the lithium potential in the Taupo Volcanic zone.
 - 2. Conducting a regional aeromagnetic survey in Queenstown.
 - 3. MBIE is in the process of improving New Zealand's geoscience databases to make them more transparent and easily accessible for all.
- iii. **Future actions:**
 - 1. Develop an updated state of New Zealand's currently known petroleum and minerals base (quantity and quality).
 - 2. Develop an updated state of New Zealand's mineral potential (including soil geochemistry surveys and aeromagnetic surveys).
 - 3. Undertake a study to better understand New Zealand's current and future demand and supply for aggregate.
 - 4. Develop a list of critical or strategic minerals for New Zealand.

⁸ <https://www.beehive.govt.nz/release/minerals-potential-revealed-study>

c. Improving iwi (and community) engagement and participation.

- i. **Completed:** Consulted with iwi in accordance with legislation on permitting activities and legislative reviews.
- ii. **Present action:** Reviewing aspects of the CMA relating to iwi engagement and community participation.
- iii. **Future actions:**
 1. Establish stronger relationships with iwi to better understand (and support as appropriate) how best they wish to utilise their mineral resources to improve outcomes for whanau, hapū and iwi.

d. Greater research and development.

- i. **Completed:**
 1. Established the New Zealand Institute of Minerals to Materials Research (NZIMMR). The institute aims to reposition the mining sector to convert minerals into higher-value advanced products.
 2. MBIE contracted CRL Energy, Landcare Research, Otago University, Canterbury University and O'Kane Consulting to complete a project called 'The NZ Mine Environment Life Cycle Guide'⁹.
- ii. **Present:** The work NZIMMR is doing.
- iii. **Future actions:** Establish a resource research strategy that focusses research that more clearly aligns with this wider Strategy and government objectives.

e. Improving industry compliance.

- i. **Completed.**
 1. Developed and completed our Compliance Framework and Regulatory Operating Model.
 2. Created a searchable national catalogue of mine plans in combination with WorkSafe NZ¹⁰.
- ii. **Present Action:** Developing guidelines to compliance.
- iii. **Future actions:** Developing a new royalty audit model.

f. Implementing "no new mines on conservation land".

- i. **Present action:**
 1. Developing the discussion document.
 2. Continuing to review Stewardship Land.
- ii. **Future actions:**
 1. Release the discussion document.
 2. Public consultation and submissions analysis.

⁹ The project has several purposes including improving processes for planning and operations of mine developments to minimise environmental impacts. A particular focus is ensuring that post-mining outcomes (e.g., site rehabilitation; revegetation; legacy water quality) are appropriately identified and can be achieved in the most cost-effective manner.

¹⁰ NZ Mine Plans aids regulatory oversight of mining activities in New Zealand to ensure the Health and Safety of our mining industry. Supports industry operators to ensure mine planning is informed and safe. Delivers increased knowledge of our mineral and energy resources.

44. **Links to other Government Strategies and Priorities**

45. The Government is focussed on building a modern economy that is fit for the 21st century and beyond. This Strategy supports this and in particular the three key themes outlined in "Our Plan"¹¹ (the Government's priorities for New Zealand).
46. The petroleum and mineral sectors contributes to the New Zealand economy. It contributes to Crown revenue through royalties and taxes, and to jobs, many of which are skilled and based in New Zealand's regions. However, the Government's priority is building a productive economy that is also sustainable and inclusive.
47. To aid in this priority, the Government is phasing out offshore oil and gas exploration carefully over time so there is a just transition. Specifically, the Government's economic priority is transitioning to a clean, green, carbon-neutral New Zealand. The Zero Carbon Bill sets the long-term commitment to transition New Zealand to a low emissions, climate-resilient economy.
48. To further support the global transition New Zealand could potentially aid in the supply of clean-tech minerals globally which are used in the development of lithium-ion batteries and other technology.
49. Managing New Zealand's petroleum and minerals in an environmentally responsible way, will enable us to build a more productive, sustainable and inclusive economy. It will contribute to the Government's priority to support thriving and sustainable regions. Most of New Zealand's mineral potential is located in the regions, and realising the full potential of these resources (including through support for development of processing capability, downstream applications, and value-added products) will benefit the regions with more jobs and growth in the local economy. This complements the role of the Provincial Growth Fund (PGF), which has an overarching goal to increase productivity in regions. The PGF has a role in developing new economic opportunities in regions affected by the move away from mining on conservation land and offshore oil and gas exploration.
50. The strategy aims to ensure that we have the resources required to build a productive, sustainable and inclusive economy. This includes ensuring a supply of aggregate to support the Government's objective of building 6,400 public houses and building 100,000 affordable homes for first-home buyers through KiwiBuild.
51. Finally, this strategy complements the work that is already underway with "no new mines in conservation land" and reforms to the RMA¹². The Government recognises the value of mining to New Zealand and the "no new mines on conservation land" policy is about making sure that mining is done in the right place, in the right way. There is also a need to ensure that resource extraction is done well and does not put pressure on our environment. A discussion document will be released in the coming months and feedback from the public will be sought to ensure conservation land is protected without unnecessarily restricting the important contribution the mining industry makes to the New Zealand economy.

52. **Significance of minerals and petroleum**

53. Minerals

- a. [Details not included here to keep briefing manageable].

54. Petroleum

- a. [Details not included here to keep briefing manageable].

¹¹ <https://www.beehive.govt.nz/feature/our-plan-modern-new-zealand-we-can-all-be-proud>

¹² <http://www.mfe.govt.nz/rma/improving-our-resource-management-system>

55. **Mining in New Zealand**

56. Minerals

a. [Tables, graphs and key facts not included here to keep briefing manageable].

57. Petroleum

a. [Tables, graphs and key facts not included here to keep briefing manageable].

58. **Mining Lifecycle in New Zealand**

59. We intend to have an infographic produced showing the mining lifecycle in New Zealand.

[Diagram below is illustrative only - Taken from the Victoria State Government Mineral Resources Strategy 2018-2023.]

Mining life cycle

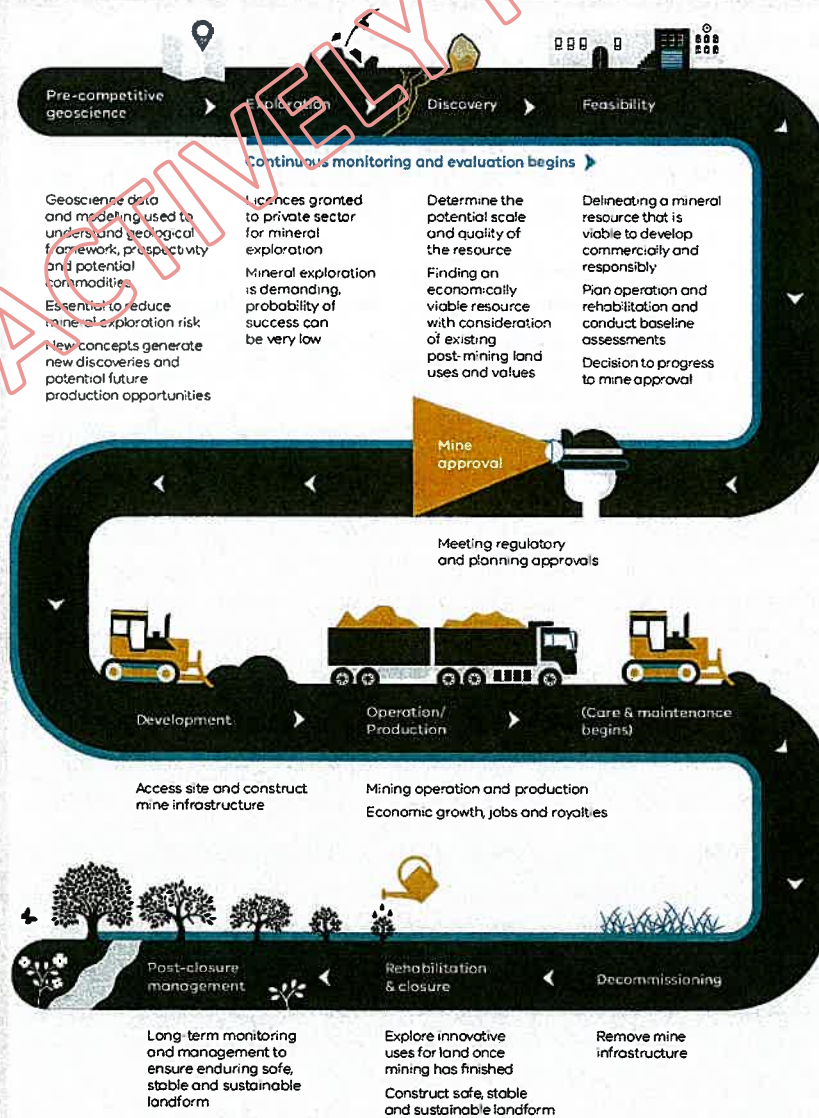
The following diagram depicts the life cycle of a mine, from pre-competitive geoscience through to the end of mining and subsequent land use.

Government

Government provides regulatory oversight to ensure industry is meeting community, environment and legislative requirements.

Industry

Industry has a responsibility to be monitoring social and environment (e.g. noise, sedimentation) considerations.



60. **New Zealand's Regulatory Regime**

61. New Zealand's regulatory system for petroleum and minerals comprises multiple pieces of legislation, each with a different purpose, and involves a number of central and local government organisations, administering these different acts, ensuring that statutory obligations and government priorities are discharged.
62. **Onshore:** Multiple government agencies, together with regional and district councils, share the responsibility for regulating onshore petroleum and minerals activities in New Zealand.

[Diagram below is illustrative only]



Source: <https://www.nzpam.govt.nz/assets/Uploads/our-industry/factsheets/onshore-regulatory-regime.pdf>

63. **Offshore:** Is similarly regulated by a number of agencies in New Zealand. The graphic below shows the responsibilities of central and local government agencies during the various stages.

[Diagram below is illustrative only]



Next steps

64. Given existing tight timeframes we will continue to develop the Strategy while we await your feedback and further direction. We are also preparing a briefing on an engagement plan for your consideration on 14 February 2019.

Annexes

Annex One: Summary of two international strategies

Annex Two: List of some international strategies

Annex One: Summary of two international strategies

Component	CANADA	AUSTRALIA
Vision	Newfoundland and Labrador – The way forward on Mineral Development. Mining the Future 2030. ¹³	Victoria State Government - State of Discovery: Mineral Resources Strategy 2018-2023. ¹⁴
Principles	<ul style="list-style-type: none"> • We will pursue safe, environmentally responsible exploration and development. • We will be competitive, innovative and technologically advanced. • We will advance socially responsible development through indigenous and community engagement and participation. • We will contribute meaningful economic growth, including advancing supply chain opportunities that foster sustainable communities, particularly in rural areas. • We will promote a highly skilled, competent, adaptive and diverse workforce through increasing indigenous and women participation rates. • We will pursue further processing of our mineral wealth. • We will educate our people on the importance of minerals to everyday living from smart phones to advanced medical technology. 	<p>The following principles were implicit throughout the strategy:</p> <ul style="list-style-type: none"> • Mining responsibly • Sustainable development of the minerals sector • Growing the minerals sector in a way that keeps the community clean and safe. • Regulator transparency • A socially and environmentally responsible minerals sector. • Best practice environmental management in the minerals sector.
Strategic objectives	<ul style="list-style-type: none"> • Competitiveness and efficient regulatory process • Public geoscience, marketing and education • Indigenous and community engagement • Innovation and emerging technologies. 	<ul style="list-style-type: none"> • Confident communities and responsible explorers • Advancing geoscience and encouraging minerals exploration and development • Victoria as a global hub • Improve regulatory practice and industry compliance • Deliver modern, fit-for-purpose laws.

¹³ https://www.nr.gov.nl.ca/nr/pdf/WF_Mining_2018.pdf

¹⁴ http://earthresources.vic.gov.au/data/assets/pdf_file/0003/1703532/Mineral-resources-strategy-2018-2023.pdf

Component	CANADA Newfoundland and Labrador – The way forward on Mineral Development. Mining the Future 2030. ¹³	AUSTRALIA Victoria State Government - State of Discovery: Mineral Resources Strategy 2018-2023. ¹⁴
Actions (an example of three actions)	Competitiveness and efficient regulatory processes: <ul style="list-style-type: none"> • Assess effectiveness and efficiency of federal/provincial regulatory processes and support improvements • Modernize the Mineral Act (1976) and Mining Act (1999) • Review current mining taxation regime and fee structures. 	Improve regulatory practice and industry compliance: <ul style="list-style-type: none"> • Simplify processes, sharpen risk focus, provide clear and timely information • Improve coordination between regulators • Build regulator capability to support industry compliance.
The significance of minerals and petroleum	An increasing population will require an increasing volume of products that require metals and minerals including cobalt for electric cars, rare earth minerals for wind turbines, copper for magnetic resonance imaging equipment, iron ore used in buildings, and nickel used in stainless steel applications.	
About the minerals and petroleum industry	Information about the region's mineral potential and contribution of the sector to employment and wider economy.	

Annex Two: List of some international strategies

International Strategy	Year	Resource covered	Vision
UK - Minerals strategy – meeting the demand for minerals and mineral products sustainably for the next 25 years.	2018	Minerals only	Ensure that the UK demand for minerals and minerals production is supplied sustainably for the next 25 years.
South Africa – National coal strategy	2018	Coal	Increase the profile of the coal mining industry in the face of seemingly negative public opinion around the use of coal in industrial processes.
Norway – Oil and gas technology strategy	2016	Oil and gas	To make the Norwegian continental shelf highly competitive with other petroleum provinces in the world through the application of safe, efficient, and productivity enhancing technologies.
Australia – South Australia's Copper Strategy	2016	Copper	By 2030, South Australia will be the major contributor to Australia's position as the world's third largest copper producer.
Australia – Domestic Gas Strategy	2015	Gas	To ensure the responsible development of coal seam, shale and tight gas resources for the benefit of Australians and position Australia to remain an energy superpower.
Greenland – Oil and minerals strategy 2014 - 2018	2014	Minerals and petroleum	To promote prosperity and welfare by creating new income and employment opportunities in the area of mineral resources activities and to further the chances of making further oil finds.
Sweden – Minerals strategy for sustainable use of Sweden's mineral resources that creates growth throughout the country.	2013	Minerals only	To create growth throughout Sweden by means of sustainable use of the country's mineral resources, in harmony with environmental, natural and cultural values.
Canada - Northwest Territories Minerals Development Strategy	2013	Minerals only	To realise – responsibly and sustainably – the full potential of our rich resource base and use it to ensure lasting prosperity for NWT residents and their community.
Finland – Minerals Strategy	2010	Minerals only	Finland is a global leader in the sustainable utilisation of mineral resources and the minerals sector is one of the key foundations of the Finnish national economy.
Germany – Raw materials strategy	2010	Non energy minerals	To safeguard a sustainable supply of non-energy mineral resources for Germany.

PROACTIVELY RELEASED
