

25 MAY 2009

RESOURCE MANAGEMENT ACT 1991

SUBMISSION ON A PUBLICLY NOTIFIED PROPOSAL FOR POLICY STATEMENT

CLAUSE 6 OF FIRST SCHEDULE AND SECTION 79 OF THE ACT

To: The Chief Executive
Wellington Regional Council
PO Box 11646
WELLINGTON

Submission by **Crown Minerals**, a group within the Ministry of Economic Development.

Address for Service: Rob Robson
Crown Minerals
Ministry of Economic Development
PO Box 1473
33 Bowen Street
WELLINGTON
Tel: 04 474 2881
Fax: 04 499 0968

This is a submission on **Proposed Regional Policy Statement for the Wellington region 2009 ('the Proposal')**:

Crown Minerals is a group within the Ministry of Economic Development. It is the government's business group that manages Crown owned oil, gas, minerals and coal resources, collectively referred to as the Crown mineral estate¹. The Ministry's aim is to ensure that the business environment promotes a higher rate of sustainable income growth for New Zealanders. The development of mineral resources, including petroleum and aggregate, is seen by government as being a significant contributor to national and regional economic development.

Crown Minerals Group, by virtue of its management the Crown mineral estate, is an interested and a potentially affected party in the development of the proposal.

¹ The Crown mineral estate comprises about half of New Zealand's in-ground coal, metallic and non-metallic minerals, industrial rocks and building stones, and all petroleum, gold, silver, and uranium.

Crown Minerals submissions in opposition

Opposes

Crown Minerals opposes Policy 60: Utilising the region's mineral resources consideration (page 123).

Reason 1

As Policy 60 currently stands, mineral resources that are seen as either only of importance to 'current' needs or only of importance to 'future' needs, would be excluded from the 'significant mineral resources' and accordingly would be excluded from the protection such a classification affords (protection from incompatible and inappropriate use alongside).

Mineral resources that are important for the current *or* future minerals needs of the region however should also be included in the definition of 'significant minerals resources'.

As the demand for minerals such as high-grade aggregate continues to increase in the Greater Wellington Region due to population growth and infrastructure requirements, mineral resources that lie as yet untapped are potentially of high importance to the future mineral needs of the region. Were such minerals excluded from the definition of 'significant mineral resources' and its corresponding protection, simply because they were not currently the subject of extraction, this would undermine the benefits of the policy and its corresponding objective (objective 30, page 71).

Similarly, it is conceivable that operations extracting 'currently' but not planning to do so in 'the future' should be classed as significant mineral resources.

This last point depends on the meaning given to 'current' and 'future' needs. If 'current' can overlap with 'future', for example by virtue of the fact that currently extracted minerals may be used in the future, the limiting effect of the 'current *and* future' term is somewhat lessened.

However, the definition to be used still needs to encompass the situation where minerals, the extraction of which is of importance to the *future* mineral needs of the region but not the current needs, are considered significant mineral resources.

Reason 2

Policy 60 does not take into account the fact that extraction of minerals deposits within the Wellington region may be of importance in order to meet the minerals needs (current or future) outside the region.

Such minerals deposits may be of national significance and should be recognised as such and afforded classification as 'significant mineral resources'.

Reason 3

Policy 60 unnecessarily narrows the current or future needs of the region to 'mineral needs'. This neglects the fact that significant mineral resources are of importance to meet a number of different regional and national needs. Significant mineral resources are of importance to national and regional infrastructural and economic needs for example.

Describing 'needs' as 'mineral needs' is unnecessarily limiting. The term should be left open so as to allow the term to encompass the various needs significant minerals resources may fulfil.

Leaving 'needs' open in this way also ties the definition of significant mineral resources more meaningfully to Policy 60(a), that particular regard shall be given to the social, economic, and environmental benefits from utilising mineral resources within the region.

Reason 4

The implementation of Method 51 (Identify the region's significant mineral resources) may take some time. As Policy 60 is currently expressed, there exists no alternative mechanism by which to identify locations of significant mineral resources. This means that current minerals locations (such as the Belmont and Horokiwi quarries) which are deserving of such a description are deprived of this identification until Method 51 has been implemented.

Such existing commercial quarries should be automatically defined as significant mineral resources because as such, they would be afforded the benefits of the definition from when plan becomes operational, rather than at the stage when Method 51 is implemented.

Reason 5

Policy 60 includes examples of methods to protect significant mineral resources. The use of examples in a policy document is neither necessary nor good practice and here may even be detrimental to meeting the objective of protecting significant mineral resources. The examples used in Policy 60 may limit the methods by which significant mineral resources can be protected.

Additionally, the examples used do not make it clear who would be the responsible for any 'noise reduction measures and visual screening'. Were the burden on operations developing significant mineral resources, this would undermine the protection from incompatible and inappropriate land use alongside they should enjoy.

Relief sought

Amendment of the definition of significant mineral resources (Policy 60) as follows:

"Significant mineral resources are deposits of minerals, the extraction of which is of importance in order to meet the current or future mineral needs of the region or nation".

And The addition to Policy 60 as follows:

"Significant mineral resources are ... the region or nation.

Existing commercial mineral quarries in the region may be considered significant mineral resources.

Method 51, when implemented, will identify further the locations of significant mineral resources within the region.

And Removal from Explanation (Policy 60) of the sentence as follows:

~~*"Examples of methods to protect significant minerals resources include the use of buffer areas in which sensitive activities may be restricted, and the use of noise reduction measures and visual screening."*~~

And Such further relief or alternative relief as is appropriate to give effect to the relief sought (including any consequential changes to relevant sections).

Opposes

Crown Minerals opposes 4.5.1 Regulatory Methods; Method 51 (page 144).

Reason

As it stands currently, Method 51 neglects the need that exists to create a Regional Aggregate Strategy for the Greater Wellington Region.

Minerals are essential to the development of the Greater Wellington Region. Aggregates, the minerals of primary economic value in the region, are essential for developing infrastructure and hence are of critical importance to New Zealand's economy.

In 2007, New Zealand produced 46.34 million tonnes of aggregates worth \$592 million. With an estimated population of 4,250,000, this quantity is equivalent to each New Zealander consuming a truckload (10.9 tonnes) of aggregates every year. Over half the aggregate produced is used on roads and a further 21% is used to construct commercial and residential buildings. The economic benefit to our country (direct, indirect and induced) is \$2.1 billion and approximately 10,000 jobs.

The rate of consumption of aggregate produced from the Wellington region's existing quarries currently matches the requirements for upgrade and maintenance of the

region's existing roads, and also the needs of the built environment (a typical new house contains about 150 cubic metres aggregate; a large building may contain up to 60,000 cu metres aggregate).

In the last decade aggregate usage has increased dramatically. The technological advances that saw more efficient use of aggregate no longer suppress its demand and demand itself is for increasingly high specification aggregate. The location of aggregate supplies in relation to demand has a major impact on costs and the impacts of aggregate transport by road are becoming increasingly significant as transported tonnages grow.

A one-off demand for high grade aggregate (for example for an infrastructural roading development) where there is already market pressure on aggregate supply may become a factor that hinders regional economic development.

The addition of a Regional Aggregate Strategy to the Methods would serve to better fulfil Policy 60(a) and its corresponding objective (that the demand for mineral resources is met from local sources as much as possible).

A Regional Aggregate Strategy would identify the extent of the aggregate resource within a region, its quality and quantity, and make provision for the optimum use of that aggregate within that region. Such a strategy would also need to be mindful of reverse sensitivity issues and ensure that aggregate resources are not sterilised by other activities.

Relief sought

Creation of a new method providing for the construction of a regional aggregates strategy for the Greater Wellington Region as follows:

Method 51(A): Develop a Regional Aggregates Strategy for the Greater Wellington Region.

Implementation: Wellington Regional Council.

And Such further relief or alternative relief as is appropriate to give effect to the relief sought (including any consequential changes to relevant sections).

Opposes

Crown Minerals opposes 4.5.1 Regulatory Methods; Method 4 (page 137).

Reason

As it stands currently, Method 4 neglects to implement Policy 1 when considering a resource consent, notice of requirement, or when changing, varying or replacing a district or regional plan.

It is vital that Policy 1 (reverse sensitivity associated with odour, smoke and dust-district plans) is implemented in the consideration of a resource consent, notice of requirement, or when changing, varying or replacing a district or regional plan. Reverse sensitivity associated with odour, smoke and dust is a pertinent issue for minerals operations in the region.

Relief sought

Amendment of Method 4 to include the implementation of Policy 1 as follows:

“Policies 1 and 34 to 60 will be implemented when considering a resource consent, notice of requirement, or when changing, varying or replacing a district or regional plan.”

Crown Minerals submissions in support

Supports

Crown Minerals supports the matters raised under Issues and Objectives 3.11 Soil and Minerals; point 5: Limited mineral resources.

Supports

Crown Minerals supports Method 51; page 144.

Discussion

The purpose of identifying mineral resources is to establish where minerals are regionally significant and where future mineral potential exists. This includes identifying:

- Existing mining operations;
- Proven but undeveloped resources;
- Areas already subject to prospecting and exploration activity; and
- Areas which are potentially prospective.

This information can be sourced from:

- Crown Minerals, Ministry of Economic Development, which maintains a comprehensive resource database that is accessible via the internet;
- GNS Science (Institute of Geological and Nuclear Sciences) which maintains a geological and resource database and has published several regional resource assessments;

- The industry, which is generating new information continuously; and
- Council records, which include the location of current operations.

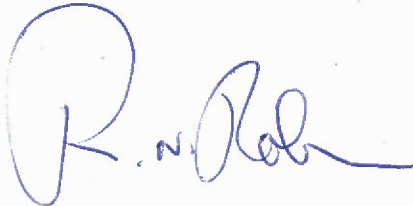
This existing information can be compiled to provide a good overview of the region's mineral resources and its relative prospectivity without the need for costly, new investigations.

Conclusion

Crown Minerals seeks that Wellington Regional Council makes the changes requested above under each 'relief sought' heading, for the reasons given.

Crown Minerals does wish to be heard in support of its submission.

If others make a similar submission, Crown Minerals will consider presenting a joint case with them at the hearing.



Rob Robson
Manager, Petroleum and Mineral Resources
Crown Minerals, Ministry of Economic Development
Date: 25 May 2009