

Working in partnership with industry

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Abstract

The Ministry of Economic Development has as its slogan “*Together, making the difference*”. The Ministry is required to work in partnership with the private sector, local authorities, Maori economic entities, trade unions and community groups to transform New Zealand’s industrial and economic base. The Government is seeking to achieve sustainable and balanced economic development by:

- being more actively involved in economic management;
- working in partnership with the public and private sector and with worker and business interests;
- focussing on adding value in industries (including primary industries) with long term potential; and
- bringing the tools of economic policy together in a coordinated way.

The Ministry, particularly through its operating group Crown Minerals, is committed to working with industry to achieve mutual goals and to obtain continuing investment in minerals and coal exploration and mining and an active New Zealand minerals industry.

Why partnership

The concept of partnership is central to the way in which the present Government seeks to work.

As the Prime Minister, Helen Clark, has said on various occasions, the challenges facing New Zealand cannot be met by Government action alone. The Government needs effective partnerships throughout the economy to achieve its goals for employment and prosperity. Effective partnerships with the key stakeholders across the economy and society are vital. Partnership is the essence of smart, active government 21st century style.

The Government’s stated approach to achieving sustainable and balanced economic development is to:

- be more directly involved in economic management;
- work in partnership with the public and private sector and with worker and business interests;
- focus on adding value in industries (including primary industries) with long term potential;
- bring the tools of economic policy together in a coordinated way; and
- set and monitor targets for the performance of the economy.

The Government wants to create the conditions for the rapid growth of new industries and new products, as well as existing industries, which are export and foreign exchange oriented and competitive. It is seeking an economy increasingly driven by knowledge, skill and technology.

Ministry of Economic Development has key partnership role

The Ministry of Economic Development and Industry New Zealand have been established to be key organisations to take a partnership and whole of government approach.

The Ministry has as its slogan “*Together, making the difference*”. This means working with the private sector, local authorities, Maori economic entities, trade unions and community groups to transform New Zealand’s industrial and economic base. The Ministry is charged with taking an overarching role providing a new dimension of developmental economic policy advice and direction as well as being involved in economic development operational strategy.

Key roles defined for the Ministry include both:

1. Creating an environment that provides greater certainty for, and positively encourages business innovation, development and growth.

2. Taking a direct role in facilitating and coordinating economic development for example by identifying and promoting into New Zealand international skills, expertise, investment, strategic alliances and aligning them with regional aspirations and opportunities.

Getting the business environment right

The Ministry of Economic Development has a particular role, as did its predecessor the Ministry of Commerce, in assisting the Government to get the business environment right. This is a goal shared in common with the private sector. Innovative companies and people thrive in any economy where investment and innovation are encouraged by fair investment rules, efficient prices and prohibition of anti-competitive practices, and where consumers are protected from misleading or deceptive business practices.

In the minerals sector, specific past efforts in getting the investment environment more clearly defined have included:

1. The issue of minerals programmes. The Minerals Programmes for Minerals and for Coal are now four years old and have proven to be robust documents clearly defining the policies and procedures related to the allocation and management of prospecting, exploration and mining permits. Having minerals programmes in place is one aspect of New Zealand's regime that is particularly attractive to international investors.
2. The issue of the Crown Minerals (Minerals and Coal) Regulations 1999. These regulations were written for clarity and to reduce compliance costs, particularly those related to uncertainty with respect to information needed to be included with applications for permits or permit changes. The regulations are supported by accompanying easy to use forms, that are accessible electronically from the Crown Minerals website as well as in hardcopy.

The Ministry of Economic Development's current work includes contributing to Government reviews of the Resource Management Act and the Local Government Act, particularly to ensure that business interests and economic development interests are addressed, and that there is quality of regulation with compliance and transaction costs minimised. It also includes contributing to the Government's Oceans Policy initiative.

The Oceans Policy project

The Oceans Policy project was launched by the Government on 12 October 2000. This project is being managed by the Hon Peter Hodgson who is leading a team of Government Ministers to develop an Oceans Policy for New Zealand. This team is being supported by an officials group and a five person Ministerial Advisory Committee.

New Zealand's ocean is huge. The 200 mile exclusive economic zone is 15 times our landmass and our legal

continental shelf extends beyond this. Mapping of this is currently being undertaken by the Government.

The New Zealand Government has jurisdiction of minerals on the seabed and the subsoil of all this area. The oceans are a source of considerable mineral potential. With the ongoing advances in technology economic deepwater mining could be reality in the not too distant future. There is already some interest in prospecting, with a prospecting application currently being processed.

At present the laws governing the oceans environment are fragmented and often overlapping, having been developed in an ad hoc manner. Often the legal environment is not sufficiently clear to facilitate investment or conflicts relating to competing users. The Continental Shelf Act that applies to minerals is unclear with respect to occupation rights compared to other users of the ocean in the same area. As well it is not clear with respect to dealing with environmental protection and related matters.

The desire for an Oceans Policy is driven by the need for clear policy as to the use of New Zealand's oceans. In brief, the project is akin to the Resource Management Law Reform exercise of 1988 to 1991, for the ocean. Stage 1 of the project is about defining a collective vision for the ocean environment. This will be a consultative process over the next 12 months that will be facilitated by the Ministerial Advisory Committee. The website address for the project is www.oceans.govt.nz for more information.

Fostering partnership with industry and other key organisations

The Government has directed the Ministry of Economic Development to be proactive in advising on economic development. It wants the economic development of New Zealand to have a high public profile. It wants to be well informed about the impact of issues and policies. Accordingly, the Ministry is required to take an overarching view of how things tie together, for example, to advise on: how conservation policy may impact on local economic development; and the review of the Local Government Act and how this affects business and economic development.

Specifically in respect of the minerals sector, this means that there needs to be a much greater understanding of the minerals business and its relationship to local regional economies and the New Zealand economy and more engagement with the sector. The minerals sector is fortunate that within the Ministry of Economic Development, the Crown Minerals group has a minerals sector focus. However, it means a change from the more restricted permitting and revenue collection focus required of the group in past years.

A project that has been committed to as part of improving this understanding, is to "undertake an assessment of petroleum and minerals exploration and mining operations

and their contribution to regional economies and the national economy”.

It is hoped that the work will be completed by June 2001. As a first step maps are being produced on a regional basis showing mining projects, infrastructure (roads, rail, electricity, gas) and main towns.

Another project that has recently been undertaken and will feed into the assessment of the contribution of the minerals industry to regional economies and the national economy is a survey of the amount and value of aggregates production in New Zealand. Statistical data on aggregates production was previously collected in association with levy payments to mining inspectors. This stopped in 1998. Statistics on the amount and value of gold, silver, coal and other minerals production can be compiled from royalty returns and production returns required under the Mining Act. Having aggregates production information allows for a more complete statistical compilation.

With respect to facilitating economic development in the minerals sector, the Crown Minerals Group of the Ministry of Economic Development has a key role. This ranges from the key function it has in managing the Resource Data Library, through to promoting awareness of the value and contribution of the Crown minerals estate to New Zealand and to promoting investment in the minerals industry.

The Resource Data Library is an example of direct Government funding to facilitate investment. The

Government receives copies of all prospecting and exploration records and reports and then after a period of confidentiality of up to five years, the records and reports in the library can be accessed by explorers, investors and researchers.

The library provides mineral explorers with a wealth of potential information. Explorers can obtain technical reports and electronic data. Access to core is also possible. Having access to past exploration records avoids the need for rework and having to negotiate to obtain the information from previous explorers. With new technology, there is considerable potential for data to be made more accessible and reworked.

Promoting awareness about the minerals industry in New Zealand is the objective of this conference, being run by the Crown Minerals group of the Ministry. It provides for those investing in the industry through to those affected by the industry through employment, as consumers, as local government and so forth to come together to discuss the industry and its role in New Zealand.

Conclusion

As stated “Partnership is the essence of smart, active government 21st century style”. “Together making a difference”. The Government is committed to economic development in New Zealand and to working in partnership with the private sector and the community to achieve common goals of growth and prosperity. The Government’s commitment is the catalyst for the private sector to lever off.

Author

EVELYN COLE is the Unit Manager, Policy and Strategy in the Crown Minerals Group within the Ministry of Economic Development. Evelyn has been with Crown Minerals and its predecessors for 13 years. Her responsibilities have included preparing the Minerals Programme for Minerals 1996 and the Minerals Programme for Coal 1996, the Crown Minerals (Minerals and Coal) Regulations 1999 and managing minerals and coal permitting from 1992 to 1996. She is currently on secondment to the Resources and Networks Branch of the Ministry as Acting Manager, Natural Resources and Environmental Policy.