



## Natural resources industry moves to dispel myths

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The natural resources industry has urged the public to take a “rational and sensible” look at the true facts around the Schedule 4 debate before the May deadline for submissions.

Chris Baker, acting CEO of industry group Straterra, said the opportunity for a reasoned debate had been hampered by the mass of false claims and inaccuracies spread by opponents.

“The Government and industry had proposed a fair and balanced debate based on the full facts,” said Baker.

“Unfortunately, this has been made very difficult by objectors constantly releasing total inaccuracies and distorted information to the public and to the media.

“This is an extremely important matter for the NZ economy and we urge New Zealanders, including the thousands who invest in the natural resources industry, to consider the real facts and make a submission based on those to the Government by May 26 (this Wednesday).”

Baker said that one of the major misconceptions among the public was that any land transferred out of Schedule 4 would automatically be mined.

“That is certainly not the case. Even if a commercially attractive resource was indentified, and that would only happen after tens of millions of dollars had been invested in economic and environmental assessment, then an access arrangement would have to be negotiated with DoC and the proposal would be subject to all the stringent processes of the Resource Management Act before any decision could be made.”

Straterra board member Gordon Ward, chief executive of Pike River Coal, which successfully operates on DoC administered land on the edge of the Paparoa Ranges, has also written to his company’s investors to dispel the many “myths” in circulation.

The letter, to 8,900 investors -- including 7,820 in New Zealand -- points out that mining minerals and petroleum in NZ currently generates \$6.9 billion of revenues a year from less than 40 square km of land.

Ward said myths include:

**Myth:** Our National Parks are going to be mined. □

**Fact:** the Government has only proposed exploring the mineral potential of some land in Paparoa and Rakiura National Parks.

**Myth:** Prospecting and exploring has significant impacts on the environment. □

**Fact:** The type of prospecting techniques typically used will be airborne surveys, ground mapping, sampling by hand and drilling that requires an area no more than 10 metres by 20m. If vehicle access is not available a drilling rig can be flown in by helicopter.

**Myth:** Mining will kill the tourism industry and wreck the “pure” New Zealand brand. □

**Fact:** The two industries clearly can co-exist. Mining revenues on the West Coast have increased by more than 300% since 2001. Tourism in the area has increased by 31% in the

same period. Historic and modern mining sites are an important part of tourism -- the Waihi gold mine on the North Island attracted 40,000 visitors last year.

**Myth:** The Government only gets \$6 million a year in royalties from minerals. □

**Fact:** Annual royalty payments from minerals in 2007/8 were \$13 M and that is only a fraction of the total tax take from mining. Economists estimate the total royalty, levy and tax payments by the mining sector, including PAYE on staff salary and wages, was \$961 M for 2008. Mining is a high productivity sector. The industry generates \$1.3 M of total revenues annually for every person employed.

**Myth:** All Schedule 4 Land is the same as National Parks. □

**Fact:** New Zealand has more than 34,000 square km of land in Schedule 4. National Parks make up part of this but much of the rest is made up of land with a range of conservation values.

**Myth:** There are no benefits from looking to open up new mining areas. □

**Fact:** If the economic contribution from the mining sector could be doubled, there would be massive economic benefits for the country. For instance, the value of minerals produced from the West Coast has more than trebled in the past seven years to \$900 M. For every \$100 M earned by the Government from taxes and royalties, another 2,100 teachers or nurses could be employed. Additional taxes could fund initiatives from new hospitals and increased surgery to road building.

Straterra, which launched in September 2008, aims to provide a united voice for companies working in the oil, gas, aggregates, minerals, metals and coal industries. The sector has annual revenues exceeding \$4 billion and exports of around \$2 B.

Independent studies demonstrate the potential to double these revenues and provide much needed employment in the New Zealand economy.