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Editorial Note

In the late 1970s and early 1980s the New Zealand Government embarked on a set of massive investment projects, under the generic title 'Think Big'. The hostile public reaction sparked by that drive for large-scale industrial development left a big imprint on national politics for two decades. Dissatisfaction with the lack of public input under the previous planning statute, the Town and Country Planning Act, led to its replacement by the Resource Management Act 1991. The extreme difficulty of extracting from official sources the necessary information to allow properly-informed public debate and participation gave popular impetus to passage of the Official Information Act 1982. A widespread feeling of unease that an unholy alliance of big-industrial developer interests with key Ministers and officials had overridden the system's few checks and balances on unbridled 'development' at the expense of the environment and the wider economy led to the 1985 Environment Summit and the subsequent establishment of the Department of Conservation and the Ministry for the Environment. The government departments at the forefront of Think Big – Works, the Forest Service, Energy, Trade and Industry – were abolished.

Opposition to Think Big came in a variety of forms, and the lessons drawn from the expensive (for taxpayers) failure of the programme were correspondingly diverse. For some participants, Think Big seemed proof of the neoliberal claim that governments cannot 'pick winners' and hence should not try. For others (including the present writers) the problem was not the practice of project selection *per se* – since this is inescapably a task faced in various guises by any modern government – but the particular approach adopted by the Muldoon administration. The hallmarks were use of a parliamentary majority to override normal regulatory checks and balances; a contempt displayed towards ordinary members of the public in the course of a debate in which official information was withheld and manipulated as a means of disempowering constructive public participation; and heavy dependence by Ministers and officials on analyses, arguments and promises served up by project promoters and their allies among local lobby groups.

For veterans of Think Big politics, the events of 2010 had a strong element of *déjà vu*. In March, the Ministry of Economic Development produced a discussion paper promoting the extension of mining into parts of the conservation estate protected under schedule 4 of the Crown Minerals Act. The paper conspicuously lacked any substantial economic analysis of the costs and benefits of the proposed policy. Over the following nine months no such official analysis emerged into the light of day. No systematic analytical work was even attached as background to the Cabinet papers for the meeting in July 2010 when the sanctity of Schedule 4 was reaffirmed. The public submissions process, street demonstrations, and eventual Government about-face, arose basically from an instinctive unease well-founded in folk memory, and from a sense of important industry policy being made on the basis of ideology and industry lobbying rather than careful, reasoned analysis by officials.

Hoping to fill the analytical gap, the Institute of Policy Studies convened a symposium on the Schedule 4 debate in August 2010. This issue of *Policy Quarterly* carries five of the papers presented at that event, or written up afterwards by presenters. Philip Woollaston, the Minister of Conservation at the end of the Fourth Labour Government, reviews the origins of the legislative changes surrounding mining development in the Crown Minerals Act 1991, and the legal difficulties that prevented mining from being covered along with all other sectors by the provisions of the Conservation Act 1987. He points to 'vague language and limitations placed on the requirement to consult' as serious weaknesses of the

Crown Minerals Act, and hints at the desirability of bringing mining into the Conservation Act on the same footing as other commercially-motivated developments.

Tom Bennion reviews the origins of the common-law 'severed estate' under which ownership of the land surface is separated from Crown ownership of minerals on and under the surface, and summarises the legal procedures covering mining access to private land, Crown land, the conservation estate in general, and Schedule 4 land. He suggests that new legislation being proposed by the Government in late 2010 is likely to turn the clock back to the pre-1991 situation of direct conflict between mining legislation and the principles of the Conservation Act, and wonders whether placing the minister of energy alongside the minister of conservation in the proposed new decision-making system could have perverse consequences, possibly unforeseen.

Geoff Bertram assembles some of the quantitative information required as input to an informed public debate, and produces a league table of varieties of mining in order of probable net benefit (if any) to the economy in the broad sense. His conclusion – that quarrying gives the best quantifiable economic payoffs, and gold and silver the worst – points to the importance of treating project proposals separately on their individual merits, not generically on the basis of any preconceived view that mining is either a saviour or a nemesis. He reviews some important work commissioned a decade ago (and apparently forgotten since) by the New Zealand Government on the economic impact of a negative shock to the nation's 'clean green' branding image, and on the proper valuation of the country's mineral endowment as an asset.

Gundars Rudzitis reflects on US historical experience with large-scale mining and surveys some of the empirical literature on development in the US West, which in his view demonstrates the superior durability and quality of 'amenity-driven development' as an alternative (and successor) to mining. Counties which rely upon high environmental quality to attract tourism and services employment appear to have superior economic performance over time relative to mining counties, reflecting the latter's great job insecurity, lower wages, and high costs of cleaning up after departing miners. Whether New Zealand can improve on the US record is not clear, but Rudzitis argues strongly for keeping mining development out of the most sensitive parts of the conservation estate and away from key tourism destinations.

Chris Baker presents the mining industry view, rehearsing many of the arguments put forward by Strata Energy during the 2010 public debate, and arguing that the eventual abandonment of the Government's plans for Schedule 4 was the result of media bias, public ignorance, and emotive campaigning. In his view, properly-conducted economic analysis would demonstrate the general desirability of expanding large-scale mining.

The IPS provided the Ministry of Economic Development with an opportunity to contribute, both to the symposium and to this issue of *Policy Quarterly*. Unfortunately, because of the sensitivities surrounding the issues, this was not possible. Nevertheless, in the forthcoming public debates over mining of non-Schedule 4 conservation lands, and the proposed development of a huge lignite-mining operation in Southland by the SOE Solid Energy, the Ministry could do the public of New Zealand a considerable favour by producing credible, independent and well-grounded analysis of the economics.

This issue of *Policy Quarterly* includes three other important articles: Stuart Birks assesses the proposed changes to the child support formula; Maureen Baker explores the political economy of child care, with particular reference to Canada and New Zealand; and Elizabeth Eppel, Anna Matheson and Mat Walton reflect on the contribution of complexity theory to public policy. All in all, we trust that readers will find much to stimulate and challenge them in this issue.

Geoff Bertram
Jonathan Boston