

Submission from Straterra to the Finance and Expenditure and Primary Production Committees Inquiry into Banking Competition September 2024

Introduction

1. Straterra is the industry association representing the New Zealand minerals and mining sector (including coal). Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
2. We are making this submission on the [Inquiry into Banking Competition](#) to draw the committees' attention to the practice of some banks withholding business, including lending and transactional accounts, from companies engaged in coal mining.

Submission

3. Coal is critical to New Zealand's national energy security. The Climate Change Commission acknowledges that New Zealand is going to require coal up to at least 2040.
4. Withholding banking services from New Zealand coal mining companies, which supply New Zealand energy users, puts our energy supply at risk and threatens New Zealand's national energy security.
5. The answer does not lie with:
 - importing coal because of the:
 - ever-present threat to supply security. We have seen this recently where there is an escalation of conflict, or a global pandemic, which reduces shipping and supply to New Zealand, and
 - associated carbon footprint, or
 - alternative energy sources because there are often no alternatives that are available, affordable or reliable.
6. While Government goals seek a transition away from fossil fuels and a reduction in carbon emissions, we feel it is misguided for providers of critical banking services to assume this mantle and adopt anti-coal policies and impose restrictions which:
 - impact our coal mining companies' ability to undertake their legal, legitimate and environmentally responsible activities; and
 - at worst, without transactional banking, forcing the exit of some coal mining companies; therefore:
 - putting at risk our domestic and export industries which rely on this coal; and in turn

- threatening New Zealanders' day to day living, as well as our domestic and export economies which are essential to New Zealand's economic survival.
7. We request that the Finance and Expenditure and Primary Production Committees provide a signal to the banking institutions that:
- their restrictions pose unwarranted harm to New Zealand's national energy security as well as our domestic and export economies,
 - it is imperative that lawfully established coal mining companies have access to New Zealand banking services and that this does not have to be at the expense of fossil fuel or carbon emission goals,
 - any changes in extraction and use of fossil fuels will occur naturally and it is not for banks to decide New Zealand's climate change policy.