

Submission from Straterra to the Economic Development, Science and Innovation Committee Crown Minerals Amendment Bill September 2024

Introduction

1. Straterra is the industry association representing the New Zealand minerals and mining sector. Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
2. We welcome the opportunity to make this submission on the [Crown Minerals Amendment Bill](#) but we note that the timeframe provided for public consultation is truncated.
3. Our primary interest in the bill is:
 - The reintroduction of the term "promote" into the purpose statement of the act.
 - The introduction of a mechanism for a Government Policy Statement.
 - The introduction of a new tier of mineral permitting.
4. We support each of these as discussed in this submission.

Submission

The purpose statement of the act

5. We support the provisions reintroducing the term "promote" into the purpose statement of the Crown Minerals Act.
6. The use of the word "promote" in the purpose statement is a standard feature of a number of New Zealand acts of parliament, governing a range of sectors and activities. A handful of these relevant to our sector include the Conservation Act, the Resource Management Act, the Energy Efficiency and Conservation Act, the Exclusive Economic Zone and Continental Shelf Act.
7. Its an important part of the Crown Minerals Act because as owner of the Crown Minerals, the Crown has a responsibility to ensure minerals are developed for the benefit of New Zealand and the purpose statement needs to reflect that.
8. When the Act was amended in 2023, the removal of "promote" from the Purpose Statement sent a strongly negative signal to investors and other governments, suggesting that New Zealand is anti-mining. This was damaging on a number of fronts. It encouraged the view among sections of the public

that mining should not be supported and perpetuated the myth that modern mining in New Zealand is not environmentally responsible.

9. Reintroducing “promote” into the the purpose statement sends an important message that the Government is supportive of the minerals sector. It will go some way towards signaling that New Zealand is open for business when it comes to investment in the sector.
10. We also support Clause 10 which amends the Minister’s functions under the act to “attract permit applications” which aligns with the change in purpose.
11. We welcome the Government’s reinstated programme of marketing campaigns to promote New Zealand minerals offshore, which is consistent with this legislative change. We note however, that clear signals from the Government that it is supportive of mining and mineral processing is the most important contributor to attracting necessary investment in the New Zealand minerals sector.

A Government Policy Statement

12. We support the provisions in the bill (particularly Clause 12) which allows for the option of a Government Policy Statement (GPS) covering mining of petroleum and Crown-owned minerals. A GPS would be used to identify focus areas for the Government, provide strategic guidance to the regulator on how it should manage its functions, and inform the sector and general public of the Government’s priorities for the sector.
13. Enabling governments to signal their policy stance in this way without undertaking major legislative change has a lot of merit. Straterra argues that, because of the long lead times required for mining investments, a cross-party approach for attracting investment is needed – at least as much as is possible to achieve. A GPS would provide a small step in this direction and would be significantly preferable to successive government’s making major changes to the legislation, which is hugely disruptive.

A new tier of mineral permitting

14. We support the provisions in the bill (particularly Clause 6) which provide for the creation of a new mineral permitting class for small-scale, non-commercial ‘hobby’ or ‘recreational’ gold mining operations. The new permit for these small-scale operations, administered by New Zealand Petroleum and Minerals and called Tier 3, will be subject to a simpler and quicker application process and less onerous reporting requirements.
15. As well as lowering the regulatory burden on non-commercial miners (application and annual reporting compliance costs etc), the creation of the new tier would reduce administrative costs for New Zealand Petroleum and Minerals allowing it to better allocate its resources and focus more on higher risk and value commercial applications. This will be beneficial for the sector as a whole as well as for the bureaucracy.

Recommendation

16. We support the bill and recommend it proceed to the next stage.