

## Submission from Straterra To Ministry for the Environment Proposed fees and levies for Fast-track Approval applications October 2024

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### 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 are responding to the Proposed fees and levies for Fast-track Approval applications as set out in the slide pack Proposed Fast-track Approvals initial fees and levies (the slide pack).
3. As background, we support the Fast-track Approvals Bill. It is a necessary disrupter after years of stalling and delays in the resource management system and associated consenting processes. We support New Zealand's high environmental standards and neither want nor see this bill as undermining these.
4. We are aware some of our members have made applications under the fast-track process and may be responding to this request for feedback under their own name. We are making these comments from an industry-wide perspective.

### The Fast-track process needs to be well resourced

5. The Fast-track process needs to be well resourced for it to function properly and achieve what it sets out to do. This includes a permanent, embedded, and fully funded secretariat to provide strong economic and environmental analysis.
6. It will also be important that the Expert Panels are adequately resourced in order to attract the necessary talent. Panel members need to be people who are familiar with large, complex projects. Finding the right and available expertise to make up a panel could be one of the major choke points for fast-tracked applications and quality decisions.

### Panel remuneration

7. The slide pack is silent on expert panel remuneration. There needs to be appropriate remuneration provided to the convenor and panellists to attract good people; to ensure sufficient panellists are available so the large number of applications can be processed efficiently; and so that quality decisions are made.
8. We note Clause 8, Schedule 3 of the Fast-track Approvals Bill, as reported back by the select committee, links remuneration of the panel convenor and members to the government fees framework. Using the Covid-19 Recovery (Fast-track Consenting) Act 2020 fees as an example, we think this will be inadequate under the circumstances to consistently attract the calibre of person the processes need to make important decisions and to ensure the fast-track process is successful.

9. We also note that this clause is contrary to the impression given by Ministers publicly that remuneration will be higher than normal to ensure the necessary expertise can be attracted, and that panellists will be paid market rates.

## Cost recovery from applicants

10. We support the full cost of the fast-track process being borne by the applicants. However, cost recovery should be subject to rigorous principles to ensure that there isn't over-recovery.
11. Cost recovery mechanisms can often provide an incentive for inefficiency or, in worse cases, enable opportunistic over-recovery and in this instance, there is a risk that the agencies involved will overwork their role. In the area of resource consenting, for example, there is already a perception that some councils take advantage of applicants in some cases.
12. There needs to be a mechanism to be able to challenge the reasonableness of costs and to ensure that the spending to be recovered is efficient.

## The proposed fees and levies

13. We have considered the proposed fees and levies as set out on page 11 of the slide pack. These appear to be commensurate with the level of government resourcing that will be required to deal with them appropriately, and commensurate with the costs associated with applications under the existing resource management system, especially where the courts are involved.
14. The proposed fees are not trivial, but they are in line with the targeted scale of the nationally and regionally significant projects expected to be given access to the fast-track approvals process.

## Principles for approaching cost recovery

15. We support the principles for approaching cost recovery as set out in slide 12, which are consistent with what we have said above i.e. costs should be fully funded by users of the system etc. and where they can be attributed to a specific user, they should be borne by that user.
16. In terms of principle two: Costs to users should be reasonable and functions should be carried out efficiently, more specificity is needed to ensure this efficiency and to give confidence that over-recovery doesn't occur.
17. We support the centralisation of the administration of the cost-recovery regime with the Environmental Protection Authority (EPA) being responsible for collecting fees and levies as set out in the slide pack.

## Conclusion

18. We support cost recovery of fees and consider the proposed fees and levies as set out on page 11 of the slide pack to be reasonable.
19. We request a mechanism be introduced to ensure the reasonableness of costs and to ensure that the spending to be recovered is efficient.
20. There needs to be appropriate remuneration provided to the convenor and panellists to attract good people. We are concerned Clause 8, Schedule 3 of the Fast-track Approvals Bill, as it stands as of 25 October 2024, does not allow for this.