

22 November 2022

Legislative statement: Crown Minerals Amendment Bill First Reading

Presented to the House of Representatives under Standing Order 272

Overview

The Crown Minerals Amendment Bill (the Bill) proposes to amend the Crown Minerals Act 1991 (the Act) to:

- enable a more flexible approach in the management and allocation of rights to Crown-owned minerals by amending the Act’s purpose statement
- improve permit/licence holder engagement with hapū and iwi, and
- clarify decommissioning-related provisions.

The following is a brief outline of the policy matters covered by this Bill.

Changing the Act’s purpose statement to increase flexibility in the management of Crown-owned minerals

The Bill proposes amendments to allow for more discretion as to how the Crown manages and allocates rights to petroleum and minerals for the benefit of New Zealand, including around the timing and frequency of public tenders for petroleum exploration permits. To do this, the Bill proposes to amend:

- the Act’s purpose statement in section 1A, including replacing the word “promote” with “manage”, and
- provisions associated with section 1A, such as section 5 “Functions of the Minister”, to reflect the proposed changes to the Act’s purpose.

Improving permit/licence holder and permit applicant engagement with iwi and hapū

The Bill proposes amendments to improve permit/licence holder engagement with iwi and hapū. The proposed amendments include:

- requiring permit holders who must prepare an annual report on iwi engagement to provide this report to relevant iwi or hapū for review prior to the report going to the Minister
- requiring the annual iwi engagement report to satisfy minimum prescribed content requirements, which may be set out in regulations
- enabling relevant iwi and hapū to request that the Chief Executive of the Ministry of Business, Innovation, and Employment (MBIE) arrange an annual review meeting with the permit holder to discuss an iwi engagement report

- clarifying that, in making permit allocation decisions, decision-makers may have regard to feedback from iwi and hapū about the quality of a permit applicant's past engagement with them, in the applicant's capacity as a previous or current permit holder, and
- inserting a regulation making power for regulations setting minimum prescribed contents for iwi engagement reports.

Clarifying provisions related to decommissioning

The Bill proposes minor clarification amendments in relation to changes introduced through the Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021. These amendments include clarifying that:

- the Minister must be satisfied a permit holder is highly likely to comply with their decommissioning and post-decommissioning obligations when considering whether to grant a permit, consent to the transfer of a permit, or consent to the change control of a permit operator, and
- if a person has decommissioning obligations under the Act, that these apply regardless of the person's status (for example, applicant or transferee) or any other issues related to their application.

Transitional provisions

Any application that was lodged or submitted, but not determined, before the day after the date on which the Bill receives the Royal assent will be determined in accordance with this Act as in force on the day after the date on which the Amendment Act received the Royal assent.