



MAJOR ELECTRICITY USERS' GROUP

24 May 2010

Mr Chris Kilby
Group Manager, Crown Minerals
Schedule 4 Stocktake
Ministry of Economic Development
By email to schedule4@med.govt.nz

Dear Mr Kilby

Submission on Stocktake of Schedule 4 of the Crown Minerals Act

1. This is a submission by the Major Electricity Users' Group (MEUG) on the joint Department of Conservation (DOC) and Ministry of Economic Development consultation paper "Maximising our Mineral Potential: Stocktake of Schedule 4 of the Crown Minerals Act and beyond", published 22nd March 2010¹.
2. MEUG supports the overarching objective of improving our knowledge of mineral resources in order that informed trade-offs between various policy goals can be made. The same should apply to petroleum and water resources.
3. Provided that the effects on the environment from the stocktake are benign, then that first step should proceed. More difficult will be making the trade-off between competing policy goals once a better understanding of possible mineral resources is known. This will need to be made on a case-by-case basis. MEUG stresses that how various policy goals are weighed needs to be conducted in as transparent manner as possible. As little as possible should be left to ad hoc decision making and as much quantified as possible. This is a difficult area to work in but there are various analytical techniques that can and should be used to quantify the range of what many commentators claim are intangible factors.
4. MEUG supports the proposed change whereby approval of both the land-holding Minister and the Minister of Energy and Resources will be required to access Crown land for mineral development. We were surprised DOC does not have a standard nationwide procedure and timeline for considering access arrangements; the proposal to remedy that is therefore welcome. Finally MEUG agrees with the concerns of Treasury that the proposed contestable conservation fund should be linked to royalty income². We suggest a contestable conservation fund will be useful but the level should be determined each year in the normal government budget process when all expenditure programmes are prioritised rather than being dependent on royalties.

Yours sincerely

Ralph Matthes
Executive Director

¹ Refer http://www.med.govt.nz/templates/StandardSummary_42577.aspx

² Joint Ministers paper considered by Cabinet Economic Growth and Infrastructure Committee 22nd March 2010, "Release of a discussion paper on the stocktake of Schedule 4 of the Crown Minerals Act 1991", paragraphs 79 to 81.