



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021: infringement offence regulations and consequential changes to programmes	Date to be published	19 July 2023

List of documents that have been proactively released

Date	Title	Author
25 May 2023	Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021: infringement offence regulations and consequential changes to programmes	Office of the Minister of Energy and Resources
31 May 2023	Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021: infringement offence regulations and consequential changes to programmes DEV-23-MIN-0091 Minute	Cabinet Office
2 May 2023	Regulatory Impact Statement: Infringement offence regulations under the Crown Minerals Act 1991	MBIE

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021: Infringement Offence Regulations and Consequential Changes to Programmes

Portfolio Energy and Resources

On 31 May 2023, the Cabinet Economic Development Committee:

Background

- 1 **noted** that following the enactment of the Crown Minerals (Decommissioning and Other Matters) Amendment Act 2021, the Crown Minerals Act 1991 provides the Ministry of Business, Innovation and Employment (MBIE) with additional enforcement powers to accept enforceable undertakings, issue compliance notices, and issue infringement notices;
- 2 **noted** that to enable MBIE to issue infringement notices, the infringement offence and infringement fee must be prescribed in regulations;
- 3 **noted** that without the ability to issue infringement notices, there is no proportionate and cost-effective way to deal with low-level offending within the Crown minerals regime;

Proposed infringement offences, fees and fines

- 4 **agreed** to prescribe in regulations infringement offences relating to the failure to:
 - 4.1 comply with permit, licence or land access requirements;
 - 4.2 submit information, records and reports, in the correct form, or within the time specified or by the due date;
 - 4.3 provide royalty returns and failure to pay royalties by the due date;
 - 4.4 make required payments, such as annual fees, within the time specified or by the due date;
 - 4.5 comply with certain decommissioning-related information, reporting or notification obligations;
- 5 **agreed** to prescribe in regulations infringement fees of:
 - 5.1 \$1,000 for an individual and \$3,000 in any other case for offences relating to Tier 1 permits and licences;

- 5.2 \$500 for an individual and \$1,000 in any other case for offences relating to Tier 2 permit and licences;
- 6 **noted** that the Crown Minerals Act provides that infringement fines may be prescribed in regulations to be imposed by the Courts in the event of non-payment of infringement fee, if an infringement fee is unsuccessfully challenged or if a defendant is found guilty of, or pleads guilty to, an infringement offence;
- 7 **agreed** to prescribe in regulations maximum infringement fines of:
- 7.1 \$2,000 for an individual and \$6,000 in any other case for offences relating to Tier 1 permits and licences;
- 7.2 \$1,000 for an individual and \$2,000 in any other case for offences relating to Tier 2 permit and licences;

Legislative implications

- 8 **agreed** to the release of an exposure draft of the regulations;
- 9 **invited** the Minister of Energy and Resources to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs (including, if required, issuing updated drafting instructions after considering any submissions on the exposure draft of the regulations);
- 10 **authorised** the Minister of Energy and Resources to make minor or technical changes to the policy decisions outlined above, consistent with the general policy intent, on issues that arise in drafting;
- 11 **authorised** the Minister of Energy and Resources to make additional policy decisions, consistent with the general policy intent, on issues that arise in drafting, or after considering submissions on the exposure draft of the regulations.

Sam Moffett
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Kiri Allan
Hon Damien O'Connor
Hon David Parker
Hon Priyanca Radhakrishnan
Hon Kieran McAnulty
Hon Barbara Edmonds
Hon Dr Duncan Webb
Hon Rino Tirikatene
Hon Dr Deborah Russell
Hon Rachel Brooking
Hon Jo Luxton

Officials present from:

Office of the Prime Minister
Officials Committee for DEV