



## COVERSHEET

<b>Minister</b>	Hon Shane Jones	<b>Portfolio</b>	Resources
<b>Title of Cabinet paper</b>	Further policy decisions for the Crown Minerals Amendment Bill 2024	<b>Date to be published</b>	19 November 2024

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
31 October 2024	Further policy decisions for the Crown Minerals Amendment Bill 2024	Office of Minister for Resources
6 November 2024	Further policy decisions for the Crown Minerals Amendment Bill 2024 ECO-24-MIN-0253 Minute of Decision	Cabinet Office
11 November 2024	Further policy decisions for the Crown Minerals Amendment Bill 2024 CAB-24-MIN-0439.01 Minute of Decision	Cabinet Office
30 October 2024	Supplementary Departmental Disclosure Statement – Crown Minerals Amendment Bill	MBIE
30 October 2024	Annex to Regulatory Impact Statement: Amendments to the Crown Minerals Act 1991 relating to petroleum exploration and mining	MBIE

### **Information redacted**

**YES**

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.

Some information has been withheld for the reasons of confidential advice to government, commercial information, free and frank opinions, and legal professional privilege.

### **Explanatory note**

Note that the Minute of Decision ECO-24-MIN-0253 of 6 November 2024 is superseded by the Minute of Decision CAB-24-MIN-0439.01 of 11 November 2024.

For clarity, both Minutes of Decision have been included together in this proactive release.

In summary, Cabinet agreed to amend the recommendations in the Cabinet Paper *Further policy decisions for the Crown Minerals Amendment Bill 2024* to:

- extend and clarify the list of persons to whom trailing liability applies (paragraph 3 of ECO-24-MIN-0253 has been amended in CAB-24-MIN-0439.01); and
- remove the discretion for the Minister to apply trailing liability (paragraphs 5 and 6 of ECO-24-MIN-0253 are removed from CAB-24-MIN-0439.01).

CAB-24-MIN-0439.01 reflects the final policy decisions, which differ, as described above, from the Cabinet paper and ECO-24-MIN-0253.



# Cabinet Economic Policy 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 Amendment Bill 2024: Further Policy Decisions

#### Portfolio                      Resources

On 6 November 2024, the Cabinet Economic Policy Committee:

- 1        **noted** that trailing liability applies to permit transfers, but does not apply when there is a change of controlling interest in a permit holder, potentially exposing the Crown to significant fiscal risk and dampening investment activity;
- 2        **noted** that the Crown Minerals Amendment Bill (the Bill) applies decommissioning liability to:
  - 2.1      the current permit holder (or licence holder, or persons with a participating interest in a permit or licence);
  - 2.2      the immediately former permit holder (or licence holder or person who last transferred a participating interest in a permit or licence) in the form of trailing liability;
- 3        **agreed** to extend trailing liability to:
  - 3.1      a person with a controlling interest in a permit holder (or a licence holder or person with a participating interest in a permit or licence);
  - 3.2      the immediately previous person that had a controlling interest in the current permit holder (or licence holder or person with a participating interest in a permit or licence);
- 4        **agreed** that for the purposes of paragraph 3 above, ‘controlling interest’ means the power (whether direct or indirectly, and alone or acting together with others) to exercise, or control the exercise of, 50 percent or more of the voting rights in a corporate body;
- 5        **agreed** that the Minister responsible under the Crown Minerals Act 1991 (the Minister) have discretion to apply trailing liability to related bodies corporate of the persons described in paragraphs 2 and 3 above, including parent companies, subsidiaries, and related companies;
- 6        **agreed** that the Minister may exercise the discretion in paragraph 5 above if the Minister considers that:
  - 6.1      the person is capable of significantly benefiting financially, or has significantly benefited financially, from the operations authorised by the permit or licence;

- 6.2 the person is, or has been at any time, in a position to influence the way in which, or the extent to which, a person is complying, or has complied, with the permit holder or licence holder's obligations;
- 6.3 the person acts or acted jointly with any of the persons described in paragraphs 2 or 3 in relation to the operations authorised by the permit or licence;
- 7 **authorised** the Minister for Resources, in consultation with the Leader of the House, Deputy Leader of the House, and Attorney-General to finalise the Amendment Paper ahead of Cabinet;
- 8 **noted** that the draft Amendment Paper will be attached to the paper under ECO-24-SUB-0253 prior to Cabinet;
- 9 **authorised** the Minister of Resources to take further decisions, in line with the above policy decisions, on any minor or technical issues that arise prior to the release of the Amendment Paper;
- 10 **approved** the release of the Amendment Paper;
- 11 **agreed** that the Amendment Paper be released by 13 November 2024.

Rachel Clarke  
Committee Secretary

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**Present:**

Hon David Seymour (Chair)  
Hon Shane Jones  
Hon Brooke van Velden  
Hon Simeon Brown  
Hon Eric Stanford  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Tama Potaka  
Hon Matt Doocey  
Hon Simon Watts  
Hon Melissa Lee  
Hon Penny Simmonds  
Hon Chris Penk  
Hon Nicola Grigg  
Hon Andrew Hoggard  
Hon Mark Patterson  
Simon Court MP  
Jenny Marcroft MP

**Officials present from:**

Office of the Prime Minister  
Office of Hon Todd McClay  
Office of Hon Simon Watts  
Ministry of Business, Innovation and Employment  
Officials Committee for ECO



# Cabinet

## Minute of Decision

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### Crown Minerals Amendment Bill 2024: Further Policy Decisions

#### Portfolio                      Resources

On 11 November 2024, following reference from the Cabinet Economic Policy Committee, Cabinet:

- 1        **noted** that trailing liability applies to permit transfers, but does not apply when there is a change of controlling interest in a permit holder, potentially exposing the Crown to significant fiscal risk and dampening investment activity;
- 2        **noted** that the Crown Minerals Amendment Bill (the Bill) applies decommissioning liability to:
  - 2.1      the current permit holder (or licence holder, or persons with a participating interest in a permit or licence);
  - 2.2      the immediately former permit holder (or licence holder or person who last transferred a participating interest in a permit or licence) in the form of trailing liability;
- 3        **agreed** to extend trailing liability to:
  - 3.1      a person with a controlling interest in a permit holder (or a licence holder or person with a participating interest in a permit or licence);
  - 3.2      the immediately previous person that had a controlling interest in the current permit holder (or licence holder or person with a participating interest in a permit or licence) (person A), if the controlling interest was held at a time when person A held the relevant permit or licence;
  - 3.3      a person with a controlling interest in the immediately former permit holder (or licence holder or person with a participating interest in a permit or licence), at the time of transfer;
- 4        **agreed** that for the purposes of paragraph 3 above, ‘controlling interest’ means the power (whether directly or indirectly, and alone or acting together with others) to exercise, or control the exercise of, 50 percent or more of the voting rights in a corporate body;

- 5 **authorised** the Minister for Resources, in consultation with the Leader of the House, Deputy Leader of the House, and Attorney-General to finalise the Amendment Paper;
- 6 **authorised** the Minister of Resources to take further decisions, in line with the above policy decisions, on any minor or technical issues that arise prior to the release of the Amendment Paper;
- 7 **approved** the release of the Amendment Paper;
- 8 **agreed** that the Amendment Paper be released by 13 November 2024.

Rachel Hayward  
Secretary of the Cabinet

*Secretary's Note: This minute replaces ECO-24-MIN-0253. Cabinet agreed to amend paragraph 3, and to remove paragraphs 5 and 6.*

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