

This submission relates to instances of truly accidental or happenstance gold finds on Crown land or within NZ territorial coastal areas where the ownership is able to be disputed, and they are of, comparatively, small value, such as at a beach where it could be posited that a nugget (as opposed to flecks) washed up from, say, a shipwreck or was dropped by a swimmer.

Currently the Crown Minerals Act's (1991) solution to mineral interests of unknown or disputable origin is to submit the interests to the Public Trust Office and have all interested parties submit applications for consideration of their interest, to the High Court (Crown Minerals Act 1991, 79). However, sometimes a gold find is not of sufficient value to cover even the administrative costs of this process. Being in such a situation first hand, I was once told by NZ PAM to wait and I will be told, making me, in effect, guardian of property, under current legislation, of which the ownership is disputable yet it is not cost effective for any party to set about a settlement process, it is unsaleable.

This submission presents two solutions with the intention of closing the current legislative gap and turning a situation where no party wins into one where everyone wins.

Scenario 1.

Finds of a value of less than (a predetermined, by NZPAM calculation, value that covers admin costs of the Public Trust and High Court processes) go through the normal NZ Police lost and found process, where the finder is given the opportunity to be a legal owner at the completion of the process.

Problems

The NZ Police Lost and Found process is already overtaxed and while it is apparent that some investigative resources have been committed to gold resources of NZ and mining and illegal mining, to focus a resource such as this upon a gold find of \$500 or so comes at the cost of attention upon illegal activities that are actually being used to subvert the Anti Money Laundering limits, this is not desirable. An unintended effect is that the rigour of a person's testimony may also have to be checked creating a tax upon an already over taxed system.

Positive points

An opportunity for ownership, for, for example, those in the hobby of metal detecting, is sufficient motivation, as it is in the case of found jewelry, to be upfront about activities and finds, potentially making the task of identifying illegal activities that much easier.

Scenario 2.

All gold dealers are directed, up to a predetermined (by NZ PAM and based upon research into the amount needed to cover the clause 79 of the Crown Minerals Act 1991 process) amount of grams, to withhold a predetermined percentage of an unprocessed find's value and are required to give this to the Crown and all finders must compulsorily report a find to MBIE/NZ PAM within a set amount of days of identifying that the find was an unprocessed mineral.

Problems

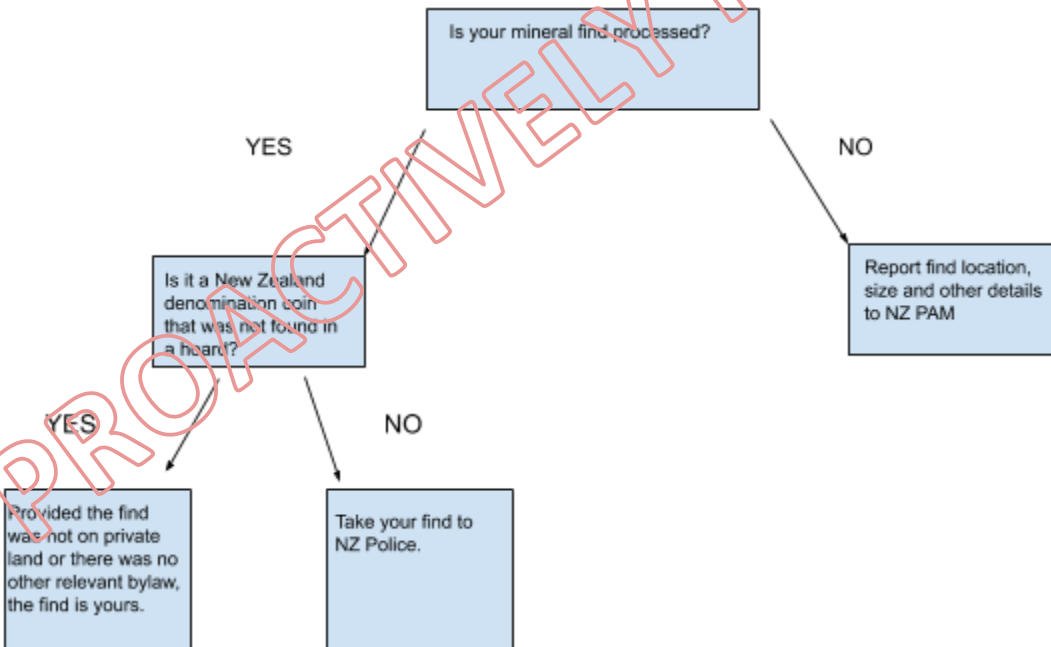
This proposal is a step further than current AML requirements for mineral/gold dealers and may meet with some resistance over associated costs. If this resistance is found to exist, considering a custody step with MBIE is another possibility. A percentage of award to Crown and finder will have to be researched and

decided upon, though this may not mean diversion of policy research resources as the United Kingdom model has been in practice for some time and can easily be used as a measure of effectiveness of policy. Another potential issue is that bypassing the police and court process up to a pre-determined level could actually lead to an injustice where an actual owner is unable to claim, it is possible that this could be prevented by a notification system via MBIE liaison (to NZ Police) in built into the finder's compulsory reporting procedure, together with a suitable delay to allow that clearance before converting said asset to cash for disbursement, this could be permitted by a 'right to convert' voucher/number system that a finder gives to a dealer that permits the transaction.

Positive points

The police lost and found system is relieved of tasks that are, in effect, primarily for legalising a title to an object, yet the records of finds are checkable and available to the policing system and some percentage of a find is awarded to the Crown, as well as the finder, this scenario can be built to accommodate checks and decreasing any likelihood of injustices occurring.

Scenario Two is preferred and the decision process for a finder should look as follows:



*Processed is defined as being in a non raw state.