



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Resources
Title of Cabinet paper	Regulations under the Crown Minerals Act 1991 - Proposed Amendments	Date to be published	12 November 2024

List of documents that have been proactively released

Date	Title	Author
September 2024	Regulations under the Crown Minerals Act 1991 - Proposed Amendments	Office of the Minister for Resources
25 September 2024	Regulations under the Crown Minerals Act 1991 - Proposed Amendments ECO-24-MIN-0219 Minute of Decision	Cabinet Office

Information redacted

NO

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Cabinet Economic Policy Committee

Minute of Decision

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Regulations under the Crown Minerals Act 1991: Proposed Amendments

Portfolio

Resources

On 25 September 2024, the Cabinet Economic Policy Committee (ECO):

Background

- 1 **noted** that in May 2024, ECO agreed to introduce other application methods for applying for and allocating petroleum exploration permits (PEP) and a Tier 3 permit category for small-scale, non-commercial gold mining operations under the Crown Minerals Act 1991 (CMA) through a Crown Minerals Amendment Bill (the Bill) [ECO-24-MIN-0077];
- 2 **noted** that the Bill has a category 2 priority on the 2024 Legislation Programme (to be passed by the end of 2024);
- 3 **noted** that amendments to regulations under the CMA will be needed to implement other application methods for PEP and the new Tier 3 permit category;

Application information requirements for other application methods for PEP under the Crown Minerals (Petroleum) Regulations 2007

- 4 **agreed** to amend the Crown Minerals (Petroleum) Regulations 2007 to support the implementation of PEP application methods other than public tenders;
- 5 **agreed** to set information requirements for PEP applications made other than through public tenders under the Crown Minerals (Petroleum) Regulations 2007 relating to:
 - 5.1 the identity of the proposed permit holder;
 - 5.2 the proposed permit area and the proposed duration of the proposed permit;
 - 5.3 the proposed work programme;
 - 5.4 the proposed permit holder's understanding of the geology and petroleum resource potential of the proposed permit area;
 - 5.5 the proposed permit holder's technical capability, financial capability, record of compliance with petroleum/mineral permit or licence obligations, and health and safety and environmental capabilities and systems;

- 6 **agreed** that the information requirements related to paragraph 5 above be similar to that required under Schedules 4, 5 and 6 of the 2020 New Zealand Block Offer, Invitation for Bids and those issued in prior years;

Application and reporting requirements for the new Tier 3 permit under the Crown Minerals (Minerals Other than Petroleum) Regulations 2007

- 7 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 to give effect to the *Mapping standards for minerals permit applications* ('mapping standards') for all Tier 3 applications involving land area so that these applications are accompanied by a map and digital plot in accordance with the standards and provide for accurate spatial positioning of those Tier 3 permits;
- 8 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 so that applicants for new Tier 3 permits are required to provide the following:
- 8.1 the identity of the proposed permit holder(s), and their interests in the permit;
 - 8.2 a statement and appropriate supporting evidence to address whether the applicant has appropriate technical and financial capability to comply with and give effect to the work programme;
 - 8.3 the area of land to which the application relates (in hectares);
 - 8.4 a map and digital plot of the permit area (in accordance with the published mapping standards), which must not exceed 50 hectares;
 - 8.5 a statement outlining the basis for the presence of gold in the application area;
 - 8.6 estimates of the total number of days per annum the permit will be worked and of the amount of gold that will be recovered on average each year;
 - 8.7 a statement on any other matter the applicant considers relevant to support the application;
- 9 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 so that, for applications for changes of conditions for Tier 3 permits, the applicant needs to specify the permit concerned and who is responsible for the application;
- 10 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 so that, for applications for changes to the 'land area' of a Tier 3 permit, the applicant will also need to provide:
- 10.1 the area of land to which the proposed extension would apply (in hectares);
 - 10.2 the total area of the permit (in hectares) should the extension of land be granted, which must not exceed 50 continuous hectares;
 - 10.3 a map and digital plot showing the land for which the proposed extension is sought in relation to the existing permit area (in accordance with the published mapping standards);
 - 10.4 a statement outlining the basis for the presence of gold in the application area;

- 11 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 so that, for applications for changes to the 'duration' of a Tier 3 permit, the applicant will also need to provide:
- 11.1 a statement of the duration of the extension sought;
 - 11.2 a statement outlining the basis for the continued presence of gold in the application area;
 - 11.3 an estimate of the total number of days per year the permit will be worked;
 - 11.4 an estimate of the amount of gold that will be recovered on average each year;
 - 11.5 a statement of the reasons why, in the permit holder's opinion, the Minister should extend the duration of the permit;
- 12 **agreed** to amend the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 so that Tier 3 permit holders should as a default only have to provide information annually on:
- 12.1 where they have mined;
 - 12.2 for how many days;
 - 12.3 how much gold was recovered;
- 13 **agreed** that the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 be amended so that Tier 3 permit holders will be exempted from the following regulations and requirements in them to provide reports and other documentation:
- 13.1 regulation 33: Permit holder must supply chief executive with reports and records on prospecting, exploration, and mining activities;
 - 13.2 regulation 40: Reports and other documents on expiry or surrender of permit;
 - 13.3 regulation 41: Reports and other documents on revocation of permit;
 - 13.4 regulation 42: Reports and other documents if permit area partially surrendered or relinquished;
- 14 **agreed** that in relation to the regulations exempted in paragraph 13 above, the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 be amended so that the department will be able to, by notice, require Tier 3 permit holders to provide any of the information required by these regulations in the following circumstances:
- 14.1 for regulation 33, a notice is issued not later than 20 working days after the commencement of any permit year requesting any reports and records specified in the regulation relating to the immediately preceding permit year;
 - 14.2 for regulation 40, a notice is issued not later than 20 working days after:
 - 14.2.1 the expiry of a Tier 3 permit; or
 - 14.2.2 a Tier 3 permit holder applies to surrender a Tier 3 permit;
 - 14.3 for regulation 41, a notice is issued not later than 20 working days after a Tier 3 permit is revoked;

- 14.4 for regulation 42, a notice is issued not later than 20 working days after a Tier 3 permit holder:
- 14.4.1 applies to surrender part of a Tier 3 permit; or
 - 14.4.2 relinquishes part of a Tier 3 permit area; and
- 14.5 the notice contains:
- 14.5.1 the information that is required;
 - 14.5.2 reasons why the department considers that the required information is necessary; and
 - 14.5.3 when the information is due, which will be at least 40 working days from the date that the notice is issued;

Ensuring that royalties are payable for the new Tier 3 permits under the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013

- 15 **agreed** that the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 will allow for royalties to be payable when required for Tier 3 permits;
- 16 **agreed** to amend the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 so that the royalty rate for Tier 3 permits should be the same as new Tier 2 permits of an ad valorem royalty of one percent of the net sales revenue of the minerals obtained under the permit;

Deleting the definition of 'Minister' in regulations so that the definition of 'Minister' under the CMA applies

- 17 **agreed** to delete the definition of 'Minister' from the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 and the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 so that the definition of 'Minister' under the CMA applies;

Implementation

- 18 **agreed** that the amendments to regulations that relate to PEP matters will come into force on 17 February 2025;
- 19 **agreed** that the amendments to regulations that relate to Tier 3 permits will come into force on 1 July 2025;

Legislative implications

- 20 **agreed** that the above paragraphs will be given effect through amendments to the following regulations:
- 20.1 Crown Minerals (Petroleum) Regulations 2007;
 - 20.2 Crown Minerals (Minerals Other than Petroleum) Regulations 2007; and
 - 20.3 Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013;
- 21 **invited** the Minister for Resources to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;

- 22 **authorised** the Minister for Resources to take further decisions, in line with the policy decisions agreed by Cabinet, on any minor or technical issues that arise during drafting of the regulations.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Hon Chris Bishop (Chair)
Hon Shane Jones
Hon Brooke van Velden
Hon Simeon Brown
Hon Todd McClay
Hon Tama Potaka
Hon Matt Doocey
Hon Simon Watts
Hon Melissa Lee
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of the Prime Minister
Officials Committee for ECO