Economic Development, Science and Innovation Committee
Komiti Whiriwhiri Take Whanaketanga Ōhanga, Take Pūtaiao, Take Atamaitanga

54th Parliament
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Crown Minerals Amendment Bill

82—1

Presented to the House of Representatives
by Dr Parmjeet Parmar, Chairperson

Contents

Crown Minerals Amendment Bill

Recommendation

The Economic Development, Science and Innovation Committee has examined the Crown Minerals Amendment Bill. Because our votes were tied, we were unable to agree on whether the bill should be passed. We were also unable to agree whether to recommend amendments. However, we agreed to instruct Parliamentary Counsel to draft a revision-tracked version of the bill, with some amendments. It is attached.

About the bill

This bill would change the Crown Minerals Act 1991, which deals with prospecting, exploration, and mining rights in relation to minerals belonging to the Crown. The main changes proposed by the bill are as follows.

Removing the ban on new petroleum exploration beyond onshore Taranaki

The Act provides for three types of petroleum permit: prospecting, exploration, and mining. Prospecting permits allow investigations but no drilling. Exploration permits allow holders to identify petroleum deposits and evaluate the feasibility of mining. Mining permits allow the development of a discovered petroleum field and the extraction and production of petroleum.

The Act was amended in 2018 to restrict the area available for any new petroleum permits to the onshore Taranaki region. It also restricts the application method for exploration permits to public tender processes, and restricts petroleum permit holders to engaging only in minimum-impact activities on Taranaki conservation land. Clauses 14, 15, 16, and 31 of the bill would repeal these provisions so that:

- people would be able to apply for petroleum permits for anywhere in New Zealand
- non-tender allocation methods could be used (such as granting a permit to the first application that met certain criteria)
- conservation land in Taranaki would be treated the same as conservation land elsewhere in New Zealand.

Amended purpose of the Crown Minerals Act

The purpose of the Act is to manage prospecting for, exploration for, and mining of Crown owned minerals for the benefit of New Zealand. Clause 4 would change the word “manage” to “promote”. Clause 10 would change the Minister’s role from one of *offering* permits for application from time to time to *attracting* them.

Optional Government Policy Statement

Clause 12 would amend the Act to allow the publication of a Government Policy Statement (GPS) to state the Government’s objectives or priorities in relation to the mining of Crown minerals. GPSs could be replaced, updated, or revoked at any time.

Changes to the decommissioning regime

Part 3 of the bill would amend the decommissioning requirements in the Act, which take effect when an oil or gas field reaches the end of its economic life.

Financial securities

Currently, each permit (or licence[1]) holder must obtain and maintain a financial security, the form and amount of which is determined by the Minister. Clauses 36, 37, 39, and 41 of the bill seek to increase flexibility in this area. They would allow one or more securities to be provided by a number of permit holders, participants, or third parties, to provide security for their own or others' decommissioning obligations. This would enable, for example, joint ventures to provide securities separately and split as agreed between the parties.

Liability when permits have been transferred

Currently, former permit holders must meet decommissioning costs if the current permit holder fails to do so and their financial security fails. This is called "trailing liability". Clauses 38 and 40 would limit trailing liability to the most recent person who transferred out of a permit. Other previous permit holders would no longer be liable.

Post-decommissioning requirements

Under section 89ZV of the Act, permit holders must pay an amount or provide financial securities to meet the costs of any post-decommissioning work that may be needed. Clause 43, new section 89ZV would remove this obligation. Under new section 89ZV(2), liability for post-decommissioning costs would continue indefinitely.

New Tier 3 permit for small-scale, non-commercial gold mining

We learnt that 20 to 25 percent of all applications made under the Act are for small-scale, non-commercial gold mining. These are currently dealt with as Tier 2 permits. Clauses 6 and 7 would create the concept of Tier 3 permits to deal with these applications. A Tier 3 permit would:

- authorise gold mining in the bed of a river (including a stream or creek) or on the foreshore
- not authorise mining for any other mineral
- relate to an area up to 50 hectares
- only allow the use of
    - unpowered hand tools
    - riffle boxes and associated equipment (for preparing representative samples to test)
    - other similar equipment consistent with small-scale, non-commercial gold mining
    - equipment permitted by regulations
- in the case of a river (but not the foreshore), allow powered equipment up to 10 horsepower.

[1] Licences were awarded under legislation that pre-dated the Crown Minerals Act 1991. For simplicity in this report, we will just refer to permits.

Clause 19 would provide a simpler application process for Tier 3 applicants than for Tier 1 and Tier 2 applicants.

Legislative scrutiny

As part of our consideration of the bill, we examined its consistency with principles of legislative quality. We considered the following issues:

- the effect of the bill on Māori
- the bill's consistency with the New Zealand Bill of Rights Act 1990
- privacy issues
- potential effects on New Zealand's international obligations.

Members of the Labour and Green parties have concerns about the legislation that are set out later in this commentary.

Proposed amendments

This commentary covers the main amendments we considered to the bill as introduced. We do not discuss minor or technical amendments.

Changes to permits

Clause 23 would amend section 36, which is about changing permits. It would insert the phrase "mine-closure activities" into subsections (3) and (5AA)(b) to enable the duration of a permit to be extended for the purpose of completing mine-closure activities. For consistency, the phrase should also be inserted into subsection (4), which would impose requirements on applications to extend the duration of mining permits. We considered amending clause 23 to reflect this.

Financial securities for the decommissioning of petroleum infrastructure and wells

Clauses 36, 37, 39, and 41 seek to enable permit holders, participants, or third parties to provide security for their own or others' decommissioning obligations. Clause 36 would insert two definitions in section 89D relating to financial securities. We consider that the definitions should be clearer. For example, they should set out more clearly that holders of several permits could provide one financial arrangement to cover all their liabilities. We considered amending clause 36 to make the definitions clearer.

Clause 39 would amend section 89T (which sets out various decommissioning obligations for wells). We consider that the proposed amendments to section 89T should match the amendments considered in clause 37 to section 89L (which set out various decommissioning obligations for petroleum infrastructure). We considered amending clause 39 to make these provisions consistent.

Clause 41, new sections 89ZN and 89ZO provide respectively for the Minister's decision about an acceptable financial security arrangement and altering a financial security arrangement. The new sections refer to both the total and individual amounts secured under

a financial security arrangement. We note that totals could be calculated by adding up the individual securities. To make the bill simpler, we considered removing references to total amounts in new sections 89ZN and 89ZO.

Clause 41, new section 89ZM(1)(b) sets out criteria that the Minister would have to have regard to in determining an acceptable financial security arrangement. New section 89ZN would require the Minister to follow the processes set out in new sections 89ZL and 89ZM before making a determination. This would include taking prescribed criteria into account. Additionally, new subsection 89ZN(2) would require the Minister, before making a determination, to be satisfied that the prescribed criteria have been met. This duplicated reference to prescribed criteria is unnecessary. We considered removing subsection (2) from proposed new section 89ZN.

New section 89ZN(4) and (5) refer to "cash" and "cash deposits". This language should be amended for consistency with section 97(5) of the Act, which provides for "monetary deposits". We considered replacing the terms "cash" and "cash deposit" with "monetary deposit".

Post-decommissioning liability

Clause 43, new section 89ZV would replace sections 89ZV to 89ZZ of the Act, which provide for financial securities for post-decommissioning work. New section 89ZV(2) would make it clear that permit holders would be indefinitely liable for any post-decommissioning work required on petroleum infrastructure or decommissioned wells.

In our view, new section 89ZV should be clearer about perpetual liability in the post-decommissioning period. We considered removing the word "required" from new section 89ZV(1). We also considered inserting new subsections (1A) and (1B) to clarify that the relevant person would also remain liable under other legislation.

Other recommendations considered

We also considered amendments to the GPS provisions, Tier 3 permit provisions, financial securities for decommissioning, and regulation-making powers. These were not part of the revision-tracked version of the bill that we instructed.

Labour Party differing view

Labour members are opposed to this bill that we consider poses serious threats to our energy security (by slowing down the transition to more affordable forms of renewable energy and locking in our dependence on fossil fuel for longer), has serious negative climate emission implications, and puts our international reputation and ability to trade at risk. Furthermore, New Zealand taxpayers are put at increased risk by the watering down of the decommissioning provisions in this bill. We strongly concur with the majority of submitters, who want the most positive future for New Zealand through forward-looking investment and development of renewable energy generation sources such as solar, on-shore and off-shore wind, and geothermal. We are also of the view that the Government needs to be working on identifying the best renewable storage method or methods and working for rapid deployment. We also share the concern expressed by some submitters that restarting oil

and gas exploration will reduce the impetus for deployment and investment to renewable energy sources, reduce innovation, risk stranding oil and gas assets, and waste resources that should be focussed on the future.

We are also concerned that, as well as the potential to strand oil and gas assets, there is also the potential to strand workers rather than methodically working through a transition plan for workers and communities who are currently employed in the oil and gas industry.

The Labour Party members also wish to express their concern that the committee is being asked to consider legislation that has had very little time for consultation and engagement with the public. We also note that nearly one quarter of submitters raised this concern in their written submissions.

Overwhelmingly (over 96 percent), submitters fully or partly opposed the changes in this bill. The voices of the fossil fuel industry and lobby seem to take precedence, regardless of the evidence provided by the bulk of submitters, and on several occasions the Government's own official advice.[2]

The Government has publicly identified New Zealand's energy security as a critical reason for overturning the previous Government's ending of oil and exploration beyond onshore Taranaki. However, five offshore oil and gas fields have been developed in New Zealand, with an average time of over 16 years from the exploration permit being issued to first production. The shortest was a decade. It is impossible to make the argument that restarting oil and gas exploration is a short, or indeed even a medium, term solution for increasing New Zealand's energy security.

Secondly, the Government has argued that these changes are necessary to increase both investment and investor confidence in New Zealand oil and gas permits and fields. The Labour members do not agree with this argument and point to the advice from the Government's officials that rebuts this claim:

> Exploration activity in New Zealand has been declining since 2014, before the 2018 ban on new petroleum exploration outside onshore Taranaki. This is consistent with global trends in upstream oil and gas investment, which peaked in 2014 when the oil price crashed, and has not recovered to the same levels as oil and gas firms and traditional lenders navigate the energy transition and pursue lower-cost reserves and development options.[3]

Likewise, advice offered to the committee shows that the investment in existing permits in New Zealand demonstrates that there was not a decrease in investment in existing permits following the ending of new exploration in 2019.

2013—$1.577 billion	2019—$1.115 billion
2014—$2.064 billion	2020—$1.022 billion
2015—$1.333 billion	2021—$1.122 billion

2 *Regulatory Impact Statement: Amendments to the Crown Minerals Act 1991 relating to petroleum exploration and mining*.

3 *Ibid*, p 14.

2016—$1.041 billion	2022—$1.359 billion
2017—$0.996 billion	2023—$1.283 billion
2018—$1.114 billion	

Impact on emissions and emission reduction plans

Labour members consider this bill is a backwards step in our efforts to cut greenhouse gas emissions. The Climate Implications of Policy Assessment (CIPA) for this bill initially estimated that the policy would result in approximately 14 $MtCO_2$-e of emissions cumulative to 2035. However, further modelling by the Ministry of Business, Innovation and Employment (using whole of energy system modelling) estimated the revised emissions impact of an increase in gas supply. That modelling estimated that the policy would result in between 1.6 and 2.4 $MtCO_2$-e of emissions cumulative to 2035:

- 1 $MtCO_2$-e addition in emissions as compared to the baseline for the second emissions budget period (2025–2030); and
- between 0.6 $MtCO_2$-e and 1.4 $MtCO_2$-e for the third emissions budget period (2031–2035).

Labour members consider the disparity in the modelling points to the uncertain (but in all scenarios, worsening) impact on our emissions. The changes brought about by this bill will put us further off track for meeting our 2nd and 3rd emission reduction plans.

Labour members are highly alarmed that this increase in our emissions is not coupled with a plan to offset through alternative measures to reduce emissions. We also note the cumulative impact on overall emissions of the Government's scrapping of more than 35 emission reduction initiatives that were funded and put in place by the previous Government.

Impact on trade

Labour members are highly concerned that repealing New Zealand's offshore oil and gas ban could have significant implications for the country's trade agreements and international reputation. Such a reversal might conflict with existing trade deals by potentially breaching climate-related commitments embedded within them. This could expose New Zealand to legal challenges or trade sanctions from partners that emphasise climate action.

For instance, agreements with major trade partners such as the European Union and the United Kingdom prohibit New Zealand from reducing environmental protections to promote trade or investment. Additionally, the ban could raise legal risks concerning New Zealand's commitments under the Paris Agreement, which is an active area of international litigation.

Furthermore, this decision could undermine New Zealand's position as a global leader in environmental sustainability, damaging its reputation in the international community—especially among nations prioritising climate change mitigation. There is also a risk that this reversal may be seen as contradictory to the regional and global consensus in the Pacific on transitioning away from fossil fuels. This could harm New Zealand's relationships with its

global and Pacific Island partners by altering the perception of its commitment to transitioning and achieving climate change goals.[4]

Rights and interests of Māori under the Treaty of Waitangi

Labour members are not satisfied that there have been adequate assessments undertaken regarding the potential impact of the bill on Māori. We are not satisfied that effective and appropriate consultation has taken place.

Decommissioning

Labour members are alarmed at the risk the Government is putting taxpayers at with changes to the decommissioning protections. The Crown Minerals Amendment Bill weakens decommissioning rules that were originally designed to prevent taxpayers from covering the costly clean-up of oil and gas fields, as seen in the $440 million Tui oil field clean-up. New figures reveal that the total decommissioning cost for New Zealand's oil fields is approximately $2.5 billion, with $2 billion needed for four offshore fields and nearly $500 million for 21 onshore fields. By weakening these rules, there's a greater risk that the burden of future clean-up costs will fall on taxpayers.

Green Party differing view

The Green Party opposes the Crown Minerals Amendment Bill outright and in the strongest terms.

Public opposition to this bill has been overwhelming. 94.5 percent (5,219) of submitters opposed the bill outright.

Re-opening oil and gas drilling flies in the face of scientific evidence and the international consensus on what needs to be done to avert catastrophic climate change and keep global warming at 1.5 degrees Celsius or even below 2 degrees. This bill is a blatant disregard for our international climate obligations and will have significant and harmful consequences for future generations.

In response to a multi-year iwi-led public movement against deep sea oil drilling, New Zealand legislated a world-leading ban on new offshore oil and gas exploration in 2018. In 2021, the International Energy Agency affirmed our nation's stance, finding that to limit warming to 1.5 degrees Celsius, there can be no new oil and gas fields approved for development beyond 2021.

The connection between the oil and gas ban of 2018 and the winter 2024 energy shortages claimed by the Government is spurious. Gas production peaked in 2001 and has been steadily falling since 2014. Gas companies have made strenuous efforts to find new extractable gas, sinking over a billion dollars into development drilling between 2020 and 2024, with scant success in the form of new reserves. Restarting exploration and extraction of new gas fields will not address structural market issues in the electricity sector that exacerbate pricing issues associated with gas. Any argument that acute and short-term shortages, in the context of a rapidly decarbonising energy system, can be addressed with

[4] https://newsroom.co.nz/2024/10/01/govt-advised-repealing-gas-ban-likely-to-breach-trade-agreements/

development of new oil and gas fields, from exploration to production, which can take an average of 16 years, are spurious.

It is farcical to claim that the move to reverse the oil and gas ban will have any meaningful impact on our energy security as a nation in the short-to-medium term. There are evidence-based options to support Aotearoa through the immediate term issue of energy security that help speed the transition to a decarbonised society. These include:

- Our existing gas reserves are sufficient for the transition over the next decade if managed wisely and intentionally for high priority energy uses that ensure energy security.
- Rapid roll-out of distributed generation and batteries—such as roof-top solar.
- Demand response strategies to reduce peak load.

This change to the Crown Minerals Act potentially locks New Zealand into significant emissions to 2040 and beyond. The Government's own initial advice showed that the reversal of the oil and gas ban would produce three times the number of emissions that are being reduced in the Government's draft emissions reduction plan. Furthermore, the restriction of global fossil fuel supply (through shutting down exploration and extraction) is recognised as an important means to change the structure of our energy systems and cut emissions globally. New Zealand's oil and gas ban has planetwide benefits.

The Green Party holds the following concerns about the bill:

Change of purpose

The change made to revert the purpose of the Act from "managing" mining to "promoting" mining is regressive. Ministers and the Government should not be advocates for extractive industries that harm our environment and climate. Promoting fossil fuel extraction directly contradicts efforts to reduce fossil fuel dependency, decarbonise, and cut climate emissions.

It is unconscionable in the 21st century, where the impacts of climate change become more disastrous year on year, for any Government to actively promote pouring more fuel on the fire of global heating. This change prioritises short-term economic thinking over long-term environment sustainability, intending to lock in our reliance on fossil fuels. Ministers being required to promote mining means the Crown will no longer be fully exercising its responsibility to manage how mining occurs, where mining takes place, and to regulate whether or not mining is taking place in an environmentally responsible manner. In the long-term, we should reduce the need for extraction, and instead promote and enable better systems to re-use the minerals we need for a sustainable and regenerative economy.

Decommissioning regime changes are irresponsible and unjustified

The changes this bill makes to the decommissioning regime for oil and gas fields are too permissive and present significant financial risk to the Crown. The evidence of this risk is recent and clear. Tui Oil Field was left deserted in 2019 after the financial collapse of Tamarind Taranaki and will cost taxpayers close to half a billion dollars to decommission. The new decommissioning regime established in this bill increases the likelihood of public money having to clean up the mess left behind by unethical, reckless, and failed operators.

We must do everything we can to avoid scenarios like this again, yet this bill allows greater financial security for fossil fuel companies; changes trailing liability, meaning that past operators or permit holders will no longer be responsible for the oil fields when passed on; and weakens post-decommissioning liability to remove requirements for fossil fuel companies to provide payments as security over the potential risks of oil and gas drilling. Companies that choose to engage in destructive and extractive industries, like oil and gas drilling, should be liable and responsible for the costs of decommissioning, rather than letting the burden fall on the public.

Official advice shows reputational and legal risks

Official advice has stated that this bill is a risk to Aotearoa's reputation with our Pacific neighbours, and carries legal risk. In particular, advice from the Ministry of Foreign Affairs and Trade stated that:

> promoting new petroleum exploration risks being seen as running counter to the Pacific regional and global consensus on transitioning away from fossil fuels.

While on the legal risks, advice stated that the bill is:

> inconsistent with the obligations in several of New Zealand's free trade agreements not to reduce environmental protections for the purposes of encouraging trade or investment.

The ban reversal is a moral failure in terms of our Pacific cousins, who are among the most vulnerable to fossil fuel and climate change impacts such as extreme weather events, coastal inundation, coral bleaching, ocean acidification, and sea level rise.

The ban reversal diminishes New Zealand's standing in the Pacific region and globally in terms of our commitment to be part of the alliance of nations serious about climate action. The reversal of the oil and gas ban poses potential legal risks to our free trade arrangements.

Risks to our oceans and marine life

The Green Party remains gravely concerned about the potential environmental consequences and impacts of allowing oil and gas drilling to occur again in the marine environment through oil spills and seismic blasting.

Oil spills, such as the Deepwater Horizon blowout in the Gulf of Mexico, which spilled 450 million litres of oil, are among the most destructive and consequential environmental disasters. Closer to home, the example of the Rena oil spill is testament to this, being New Zealand's worst maritime disaster, with over 1,000 birds killed and costing $700 million to clean up.

Seismic blasting from oil and gas exploration is a further risk to our marine life. These blasts torment marine mammals like dolphins and whales, and can last 24 hours a day, 7 days a week, for months at a time and risk impacts on zooplankton and crustaceans.

Nothing about oil and gas drilling is good for marine ecosystems and life, and the cost of a blowout or oil spill in Aotearoa, not just economically, but socially and environmentally, will be immeasurable and long-lasting.

The bill disregards the global scientific consensus around climate change, puts at risk our international obligations to reduce emissions, seeks to promote risky drilling of fossil fuels, gives the fossil fuel industry a hall pass on liability, provides reputational and legal risks, and will have significant and harmful consequences for marine life.

If we are truly serious about climate action, and our standing as a nation on the global stage in reducing emissions, there is no world in which new oil and gas drilling can be justified.

A future Green Government will reinstate the ban on oil and gas drilling and permits issued under this legislation will be revoked without compensation.

Appendix

Committee process

The Crown Minerals Amendment Bill was referred to the committee on 24 September 2024. We called for submissions on the bill with a closing date of 1 October 2024.

We invited the Minister for Resources to provide an initial briefing on the bill. He did so on 7 October 2024.

We received and considered submissions from 5,524 interested groups and individuals. Because of the short timeframe for considering the bill, we did not invite oral submissions from everyone who requested to be heard. We resolved to spend a maximum of 15 hours hearing oral submissions on the bill. We used the following criteria for selecting and scheduling oral submissions:

- Key stakeholders were prioritised over other submitters.
- The remaining time was divided as follows:
  - two-thirds for randomly selected organisations
  - one-third for randomly selected individuals.
- We did not hear from submitters who made form submissions or submitters whose submissions were less than two sentences long.

We heard 104 oral submissions over two days in October 2024.

Although we did not receive “form submissions” (submissions that are identical to each other), at least 640 submissions appeared to have been based on templates. We identified six templates shared online that formed the substantial bases of these submissions. We were advised that the text for at least one of the templates may have been generated using artificial intelligence (AI). We treated all submissions as individual submissions—reading and analysing each one separately.

Advice on the bill was provided by the Ministry of Business, Innovation and Employment. The Office of the Clerk provided advice on the bill’s legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

Committee membership

Dr Parmjeet Parmar (Chairperson)
Dan Bidois
Reuben Davidson
Hon Willie Jackson
Tanya Unkovich
Dr Vanessa Weenink
Scott Willis
Helen White

Steve Abel and Hon Dr Megan Woods participated in this item of business.

Related resources

The documents received as advice and evidence are available on the Parliament website.

Hon Shane Jones

Crown Minerals Amendment Bill

Government Bill

Contents

Part 2
Amendments to subpart 1 of Part 1B of principal Act

Part 3
Amendments to rest of principal Act

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Crown Minerals Amendment Act **2024**.

2 Commencement

(1) This Act comes into force on the day after Royal assent.

(2) However, the following sections come into force on **1 July 2025**:

(a) **section 5(1)** (so far as it relates to the definition of Tier 3 permit):

(b) **sections 6 to 9, 11, 16(2), 18, 19, 22(1) to (4), 24, 32, and 49**.

3 Principal Act

This Act amends the Crown Minerals Act 1991.

Part 1
Amendments to purpose provision and Parts 1 and 1A of principal Act

4 Section 1A amended (Purpose)

In section 1A(1), replace "manage" with "promote".

5 Section 2 amended (Interpretation)

(1) In section 2(1), insert in their appropriate alphabetical order:

Government policy statement or GPS means a Government policy statement issued under **section 12**

Tier 3 permit has the meaning given by **section 2B(2A)**

(2) In section 2(1), repeal the definition of **onshore Taranaki region**.

(3) In section 2(1), definition of **serve**, replace "section 352 or 353 of the Resource Management Act 1991" with "**sections 96 to 96C**".

6 Section 2B amended (Meaning of Tier 1 permit and Tier 2 permit)

(1) In the heading to section 2B, replace "**and Tier 2 permit**" with "**, Tier 2 permit, and Tier 3 permit**".

(2) In section 2B(2), replace "Tier 1 permit" with "Tier 1 permit or a Tier 3 permit".

(3) After section 2B(2), insert:

(2A) In this Act, **Tier 3 permit** means a permit that—

(a) authorises mining for gold in the bed of a river, or on the foreshore; and

(b) does not authorise mining for any other mineral; and

(c) ~~relates~~ applies to an area not exceeding 50 continuous hectares; and

(d) authorises work in accordance with 1 of the 2 work programmes set out in **section 2BA**; and

(e) is not a Tier 1 permit.

(4) After section 2B(3), insert:

(4) In this section and **sections 2BA and 29AB**, **river** includes a stream or creek.

7 New section 2BA inserted (Work programmes for Tier 3 permits)

After section 2B, insert:

2BA Work programmes for Tier 3 permits

(1) In the case of a Tier 3 permit relating to the bed of a river, the work programme is—

- (a) the permit holder will mine for gold:
- (b) the permit holder may only use the following equipment:
  - (i) unpowered hand tools:
  - (ii) riffle boxes and associated equipment:
  - (iii) powered equipment not exceeding a combined total of 10 horsepower (or the equivalent of 10 horsepower) at any one time:
  - (iv) other similar equipment that is consistent with small-scale non-commercial gold mining:
  - (v) equipment permitted by regulations:
- (c) a work programme that is otherwise in accordance with requirements specified in regulations.

(2) In the case of a Tier 3 permit relating to the foreshore, the work programme is—

- (a) the permit holder will mine for gold:
- (b) the permit holder may only use the following equipment:
  - (i) unpowered hand tools:
  - (ii) riffle boxes and associated equipment:
  - (iii) other similar equipment that is consistent with small-scale non-commercial gold mining:
  - (iv) equipment permitted by regulations:
- (c) a work programme that is otherwise in accordance with requirements specified in regulations.

(3) For the purposes of **subsections (1)(b) and (2)(b)**, the permit holder may not use any equipment prohibited by regulations.

8 Section 2C replaced (Determination of permit tier status)

Replace section 2C with:

2C Determination of permit tier status

(1) The Minister must determine the tier status of a permit—

(a) on first granting the permit; and

(b) at any time that the permit is changed under section 36(1); and

(c) at any time that the permit is partially surrendered under section 40(2) if—

(i) the partial surrender results in the permit applying to an area not exceeding 50 continuous hectares; and

(ii) the permit holder, in the application lodged under section 40(1)(a), states that a purpose of the application is to satisfy the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(2) The Minister may determine the tier status of a permit at any other time the Minister thinks fit.

(3) Despite **subsections (1) and (2)**, the Minister may not make a determination that would result in a Tier 3 permit becoming a Tier 2 permit.

9 Section 2D amended (Consequences of change in status of permit)

(1) In section 2D(1), replace "a Tier 1 permit becomes a Tier 2 permit or a Tier 2 permit becomes a Tier 1 permit" with "the tier status of a permit changes".

(2) Replace section 2D(3) with:

(3) The change in tier takes effect—

(a) if a Tier 2 permit is being changed to a Tier 3 permit, on the day after the date of the notification under subsection (2); or

(b) in any other case, at the start of the permit year following the date of the notification under subsection (2).

10 Section 5 amended (Functions of Minister)

(1) In section 5(a), replace "from time to time offer permits for application by" with "attract permit applications, including by way of".

(2) After section 5(b), insert:

(ba) to prepare Government policy statements:

(3) Replace section 5(ca) with:

(ca) to make decisions on decommissioning petroleum infrastructure ~~or~~ and wells and impose requirements for acceptable financial security arrangements to secure the performance of decommissioning obligations under subpart 2 of Part 1B and related matters:

11 Section 8 amended (Restrictions on prospecting or exploring for, or mining, Crown owned minerals)

In section 8(2A)(a)(ii), after "Tier 2 permit", insert "or a Tier 3 permit".

12 New sections 12 to 12B and cross-heading inserted

After section 11, insert:

Government policy statements

12 Minister may issue GPS

(1) The Minister may, at any time, issue 1 or more Government policy statements.

(2) The purpose of a GPS is to state the Government's objectives and priorities in relation to the mining of Crown owned minerals.

(3) The Minister must, when issuing a GPS, be satisfied that the GPS contributes to the purpose of this Act.

12A Content of GPS

(1) A GPS may contain, without limitation, either or both of the following:

(a) the Government's medium- to long-term objectives in relation to the mining of 1 or more types of Crown owned minerals:

(b) the Government's plans and priorities in order to achieve the objectives.

(2) A GPS may—

(a) cover all Crown owned minerals or only certain types of Crown owned minerals:

(b) differentiate between different types of Crown owned minerals, geographical areas, and activities.

12B Issuing and changing GPS

(1) A GPS must be made publicly available, on an internet site maintained by or on behalf of the chief executive, as soon as practicable after it is issued.

(2) The Minister may amend, replace, or revoke a GPS at any time.

(3) If a GPS is amended, replaced or revoked, public notice must be given, on an internet site maintained by or on behalf of the chief executive, as soon as practicable.

(4) An amended or replacement GPS must be made publicly available, on an internet site maintained by or on behalf of the chief executive, as soon as practicable after it is issued.

13 Section 16 amended (Changes to minerals programmes)

After section 16(3)(b), insert:

(c) reflect and give effect to the amendments made by the Crown Minerals Amendment Act **2024**.

Part 2
Amendments to subpart 1 of Part 1B of principal Act

14 Section 23A amended (Application for permits)

Repeal section 23A(2).

15 Section 24 amended (Allocation by public tender)

Repeal section 24(5A).

16 Section 25 amended (Grant of permit)

(1) Repeal section 25(2A).

(2) In section 25(3)(e), replace "Tier 1 or a Tier 2 permit" with "Tier 1, a Tier 2, or a Tier 3 permit".

17 Section 28A amended (Declaration that permits not to be issued or extended for specified land for specified period)

(1) Replace the heading to section 28A with "**Declaration in relation to specified land for specified period**".

(2) After section 28A(1), insert:

(1AA) The Minister may declare that, during a specified period, specified kinds of permits—

(a) will only be granted in respect of specified land by allocation by public tender under section 24; and

(b) will not have the area of land that those permits apply to extended to include any of that specified land.

(3) In section 28A(1A), replace "subsection (1)" with "subsections (1) and **(1AA)**".

18 Section 29A amended (Process for considering application)

(1) In the heading to section 29A, after "**application**", insert "**for Tier 1 or Tier 2 permit**".

(2) In section 29A(1), after "An applicant for a", insert "Tier 1 permit or a Tier 2".

(3) In section 29A(2), after "Before granting a", insert "Tier 1 permit or a Tier 2".

19 New section 29AB inserted (Process for considering application for Tier 3 permit)

After section 29A, insert:

29AB Process for considering application for Tier 3 permit

(1) An applicant for a Tier 3 permit must provide to the Minister—

(a) the name and contact details of the proposed permit participants and the proposed permit operator; and

(b) whether the activity will be carried out in the bed of a river or on the foreshore; and

(c) any other information prescribed in the regulations.

(2) Before granting a Tier 3 permit, the Minister must be satisfied—

(a) that the applicant is highly likely to comply with, and give proper effect to, the work programme, taking into account—

(i) the applicant's technical capability; and

(ii) the applicant's financial capability; and

(iii) any relevant information on the applicant's failure to comply with permits or rights, or conditions in respect of those permits or rights, to prospect, explore, or mine in New Zealand or internationally; and

(b) that the applicant is highly likely to comply with the relevant obligations under this Act or the regulations in respect of reporting and the payment of fees and, if applicable, royalties.

20 Section 29B amended (Process for considering application under public tender for conditional exploration permit)

(1) After section 29B(1)(a), insert:

(ab) the offer specifies a date that is the latest acceptable reassessment date; and

(2) Replace section 29B(1)(c) with:

(c) the proposed work programme provided with the tender contains a reassessment date.

(3) In section 29B(2), replace "exploration drilling committal date" with "reassessment date".

(4) Replace section 29B(3) with:

(3) If a permit is granted in accordance with this section, work cannot be undertaken after the reassessment date unless, before that date, the Minister has, on application by the permit holder, satisfied themselves of the matters set out in section 29A(2)(b) and (d) in relation to that work.

(5) In section 29B(5), repeal the definition of **exploration drilling committal date**.

20A Section 30 amended (Rights to prospect, explore, mine)

In section 30(6)(b), after "discovery", insert "(unless the permit is a Tier 3 permit)".

21 Section 32 amended (Right of permit holder to subsequent permits)

(1) In section 32(3), delete "or occurrence" in each place.

(2) After section 32(8), insert:

(9) In this section, **deposit** means a concentration or accumulation that is capable of being mined effectively and economically.

22 Section 35 amended (Duration of permit)

(1) In section 35(7), after "mining permit", insert "(except a Tier 3 permit)".

(2) In section 35(8), after "permit", insert "(except a Tier 3 permit)".

(3) After section 35(8), insert:

(8A) A Tier 3 permit expires—

(a) 10 years after the commencement date specified in the permit; or

(b) if an earlier expiry date is specified in the permit, on that date.

(8B) A Tier 3 permit may be extended only in accordance with section 36(1) and (2) and **section 36A**.

(4) In section 35(9), replace "a permit holder, amend the commencement date of a permit" with "the holder of a Tier 1 permit or a Tier 2 permit, amend the commencement date of the permit".

(5) Replace section 35(9)(a) with:

(a) the permit holder has been prevented from commencing activities under the permit by—

(i) delays in obtaining consents under any Act; or

(ii) delays in obtaining access to land under this Act; and

23 Section 36 amended (Change to permit)

(1) Repeal section 36(2A).

(2) In section 36(3), replace "rehabilitation work" with "mine-closure activities and rehabilitation work".

(2A) In section 36(4), replace "rehabilitation work" with "mine-closure activities and rehabilitation work".

(3) In section 36(5AA)(b), replace "rehabilitation work" with "mine-closure activities and rehabilitation work".

24 New section 36A inserted (Limits on change to Tier 3 permit)

After section 36, insert:

36A Limits on change to Tier 3 permit

(1) The holder of a Tier 3 permit may make a written application under section 36(1)(b) only to—

(a) extend the land to which the permit relates; or

(b) extend the duration of the permit.

(2) ~~A~~ The duration of a Tier 3 permit may only be extended if the permit holder satisfies the Minister that the discovery to which the permit relates cannot be economically depleted before the expiry date of the permit (and, in that respect, the Minister may consider the extent to which the inability to deplete the discovery during the term of the permit is due to causes or reasons beyond the permit holder's control).

(3) A permit holder may not make a written application under section 36(1)(b) that, if granted, would result in the permit not satisfying the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(4) Section 36(3), (5), and (5AA) do not apply to a Tier 3 permit.

25 Section 39 amended (Revocation or transfer of permit)

(1) Replace section 39(1) with:

(1) The Minister may revoke a permit or transfer a permit to the Minister (in replacement for the permit holder) if the Minister is satisfied that the permit holder has contravened—

(a) a condition of the permit; or

(b) this Act or the regulations.

(2) Replace section 39(8) with:

(8) As soon as practicable after a permit is revoked, the chief executive must lodge a copy of the notice served on the permit holder under subsection (3) or (3A) with—

(a) the Registrar-General of Land, if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum:

(b) the Registrar of the Māori Land Court, if the permit was granted in respect of Māori land and—

(i) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or

(ii) the permit was granted on or after 21 August 2003.

(3) Repeal section 39(9).

26 Section 40 amended (Surrender of permit)

(1) Replace section 40(9) with:

(9) On acceptance, the chief executive must lodge a surrender of a permit, whether in whole or in part, with—

(a) the Registrar-General of Land, if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum:

(b) the Registrar of the Māori Land Court, if the permit was granted in respect of Māori land and—

(i) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or

(ii) the permit was granted on or after 21 August 2003.

(2) Repeal section 40(9A).

27 Section 41AE amended (When Minister may consent to change of control of permit operator)

In section 41AE(1)(b), replace "health and safety requirements of the Health and Safety at Work Act 2015" with "health and safety and environmental requirements of all specified Acts".

28 Section 41A amended (Change of control of permit participants (other than operators of Tier 1 permits))

(1) After section 41A(3)(b), insert:

(ba) in the case of a change of control of a permit participant who is a permit operator, a statement from the permit participant that it has the technical capability to meet its obligations under the permit; and

(2) In section 41A(4), replace "subsection (3)(b) or (c)" with "subsection (3)(b) ~~to~~, **(ba)**, or (c)".

(3) In section 41A(5), replace "required to do so" with "so required by the Minister".

(4) After section 41A(5), insert:

(5A) In the case of a change of control of a permit participant who is a permit operator, and if so required by the Minister, a permit participant must provide to the Minister information or documents relevant to the technical capability of the person A concerned (as referred to in section 41AA(1)), which may be—

(a) general information about that person's technical capability; or

(b) information specific to the matter referred to in **subsection (3)(ba)**.

(5) In section 41A(6), replace "do so" with "comply with subsections (5) and **(5A)**".

(6) After section 41A(7)(b), insert:

(~~ba~~c) in the case of a change of control of a permit participant who is a permit operator, the Minister is not satisfied that, following the change of control, the permit holder has the technical capability to meet its obligations under the permit.

29 Section 41C amended (Change of permit operator)

After section 41C(3)(a), insert:

(ab) if the change of operator relates to a Tier 1 permit for exploration or mining, if the Minister is satisfied that the proposed permit operator has, or is highly likely to have, by the time the relevant work in the permit is

undertaken, the capability and systems that are likely to be required in relation to the types of activities to be carried out under the permit to meet the environmental requirements of the following Acts:

(i) Maritime Transport Act 1994:

(ii) Resource Management Act 1991:

(iii) Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012; and

30 Section 42A amended (Authorisation of geophysical surveys on adjacent land)

Replace section 42A(1) with:

(1) The Minister may, subject to such conditions as the Minister thinks fit to impose, grant written authorisation to a permit holder to carry out geophysical surveys on land adjacent to the land to which the permit (**permit A**) relates.

(1A) **Subsection(1)** does not apply if another permit or existing privilege (**permit B**) gives the holder of permit B the exclusive right to prospect for the same mineral in the adjacent land.

31 Section 50A repealed (Restricted access to Taranaki conservation land)

Repeal section 50A.

32 Section 61 amended (Access arrangements in respect of Crown land and land in common marine and coastal area)

In section 61(1)(a) and (b), after "permit", insert "or a Tier 3 permit".

33 Section 83 amended (Notation of access rights on land titles)

After section 83(3), insert:

(4) On the expiry of an access arrangement to which this section applies, the permit holder or applicant for a permit must, as soon as practicable, lodge with the Registrar-General of Land a notice stating that the access arrangement has expired.

(5) On receipt of a notice under **subsection (4)**, the Registrar-General of Land must, if everything is in order, record the expiry on the record of title.

34 New section 88 inserted (Notification of expiry of permit)

After section 87, insert:

88 Notification of expiry of permit

(1) A permit holder must notify the Registrar-General of Land when a permit expires if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum.

(2) A permit holder must notify the Registrar of the Māori Land Court when a permit granted in respect of Māori land expires if—

(a) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or

(b) the permit was granted on or after 21 August 2003.

(3) If the permit holder fails to comply with either or both of **subsections (1) and (2)** within a reasonable time of the expiry of the permit, the chief executive may give the required notice.

35 Section 89 amended (Revision of records)

(1) In section 89(1), replace "revocation of or surrender" with "revocation, surrender, or expiry".

(2) In section 89(2), replace "This section" with "Subsection (1)".

(3) After section 89(2), insert:

(3) The Registrar of the Māori Land Court must enter in the court's records particulars of—

(a) a notice of revocation of a permit lodged under **section 39(8)(b)**; or

(b) a surrender of a permit lodged under **section 40(9)(b)**; or

(c) a notice of expiry of a permit given under **section 88(2) or (3)**.

Part 3
Amendments to rest of principal Act

36 Section 89D amended (Interpretation)

In section 89D(1), insert in their appropriate alphabetical order:

acceptable financial security arrangement means a financial security arrangement that the Minister is satisfied operates in an acceptable way and provides an acceptable level of security, in accordance with **sections 89ZL, 89ZM, and 89ZN**, the regulations, and the relevant minerals programme, in relation to the performance of obligations imposed on persons under this subpart

financial security arrangement means 1 or more financial securities~~, of any kind or different kinds, however held or provided by any person, in relation to 1 or more permits or 1 or more licences, or both, to secure the obligations imposed on persons under this subpart~~ to secure the obligations imposed on persons under this subpart and may—

(a) include financial securities of the same kind or different kinds:

(b) relate to 1 permit or 1 licence or 1 or more permits or licences or both:

(c) be held by 1 or more permit or licence holders or permit participants or other persons:

(d) include any other variations relating to each security or its operation comprised in the financial security arrangement

37 Section 89L amended (Further obligations on transferors and transferees and Minister)

(1) Replace section 89L(3) with:

(3) The Minister must, before consenting to the transfer of a licence or participating interest in a permit or a licence, be satisfied that an acceptable financial security arrangement (whether existing, altered, or new) is or will be in place within the time specified by the Minister and will be maintained for a time specified by the Minister.

(2) In section 89L(4), replace "A financial security" with "An acceptable financial security arrangement".

(3) In section 89L(5), replace "If person B fails to comply with subsection (3)" with "If an acceptable financial security arrangement (whether existing, altered, or new) is not in place within the time specified by the Minister or not maintained for a time specified by the Minister".

38 Section 89M amended (Extent of liability of former permit and licence holders under sections 89J(2) and 89K(2))

Replace section 89M(2) with:

(2) The persons who are liable to meet the costs of decommissioning that are not met by the persons referred to in section 89J(1) or 89K(1) are the persons specified in **subsection (3)**.

(3) The persons are the former permit holder or licence holder or person with a participating interest in the licence or permit (**person B**) who most recently transferred their licence or permit or participating interest in the licence or permit to a person (**person A**) who is the current permit or licence holder or a current holder of a participating interest in the licence or permit (as the case requires).

39 Section 89T amended (Further obligations on transferors and transferees and Minister)

(1) After section 89T(1)(b), insert:

(c) the Minister.

(2) Replace section 89T(3) with:

(3) The Minister must, before consenting to the transfer of a licence or participating interest in a permit or licence, be satisfied that an acceptable financial security arrangement (whether existing, altered, or new), is or will be in place within the time specified by the Minister and will be maintained for a time specified by the Minister.

~~(3) In section 89T(4), after "financial security", insert "arrangement".~~

(3) In section 89T(4), replace "A financial security" with "An acceptable financial security arrangement".

(4) In section 89T(5), replace "If a person B fails to comply with subsection (3)" with "If an acceptable financial security arrangement (whether existing, altered, or new) is not in place within the time specified by the Minister or not maintained for a time specified by the Minister".

40 Section 89U amended (Extent of liability of former permit and licence holders under sections 89R and 89S)

Replace section 89U(2) with:

(2) The persons who are liable to meet the costs of plugging and abandonment that are not met by the persons referred to in section 89R(1) or 89S(1) are the persons specified in **subsection (3)**.

(3) The persons are the former permit holder or licence holder or person with a participating interest in the licence or permit (**person B**) who most recently transferred their licence or permit or participating interest in the licence or permit to a person (**person A**) who is the current permit or licence holder or a current holder of a participating interest in the licence or permit (as the case requires).

41 Sections 89ZL to 89ZQ replaced

Replace sections 89ZL to 89ZQ with:

89ZL Permit and licence holders must put in place and maintain acceptable financial security arrangement

(1) A permit holder or licence holder (whenever the permit or licence was granted) must ensure that there is in place and maintained an acceptable financial security arrangement, determined by the Minister under **section 89ZN(1)**, as security for the performance of ~~their~~ the obligations under this subpart in the event that the permit holder or licence holder fails to carry out, or separately meet the costs of, the decommissioning.

(2) The Minister must, as soon as is reasonably practicable after commencement, give each permit holder or licence holder a notice requiring them—

(a) to advise the chief executive in the prescribed manner (if any), by a specified date, of the financial security arrangement that the permit holder or licence holder considers appropriate; and

(b) to provide any information specified by the Minister to enable the Minister to make the decisions referred to in **subsection (1)**.

(3) However, if the permit holder or licence holder already has in place a financial security arrangement that the holder considers appropriate when they receive notice under **subsection (2)**, they may propose that the Minister approve the

continuation of that security arrangement (with or without modifications) as the Minister's determination referred to in **subsection (1)**.

(4) The permit holder or licence holder must provide the information referred to in **subsection (2)(b)** and any proposal under **subsection (3)**—

(a) in the form and manner set out in the notice; and

(b) within any reasonable time set out in the notice requiring the information.

(5) Any financial security arrangement referred to in this section and each security that forms part of that financial security arrangement is put in place and maintained for the benefit of the Crown.

(6) To avoid doubt, information gathered under this section is subject to section 90A (disclosure of information).

Note

1. For the definition of acceptable financial security arrangement *see* section 89D(1).

2. For the definition of financial security arrangement *see* section 89D(1).

89ZM Matters ~~to which~~ Minister must ~~have regard~~ take into account in determining acceptable financial security arrangement

(1) The Minister must, when determining whether a financial security arrangement to be put in place and maintained by or on behalf of a permit holder or licence holder is acceptable, take into account—

(a) the information (if any) provided by the permit holder or licence holder under **section 89ZL(2)(b)** and any proposal under **section 89ZL(3)**:

(b) the prescribed criteria (if any) relating to acceptable financial security arrangements including, without limitation,— the following:

(i) ~~the following~~ particular kinds and amounts of financial security:

(ii) any prescribed hierarchy of securities:

(iii) whether there is a preferred kind of security in the particular situation:

(iv) the permit holder or licence holder or other persons or classes of persons who may provide financial securities:

(c) the following:

(i) the estimated cost of decommissioning:

(ii) the extent to which the amount to be secured will cover the estimated cost of decommissioning:

(iii) the extent to which the financial security arrangement to be put in place will ensure that the Crown will obtain payment of the amount in the event that the permit holder or licence holder fails to carry out the decommissioning or separately meet those costs:

(d) the circumstances of the particular permit holder or licence holder:

(e) the time needed for the particular permit holder or licence holder to comply with their obligations under this subpart, and the time when work will need to start in order to achieve this:

(f) the estimated administration costs to the particular permit holder or licence holder or any other person of putting in place and maintaining the financial security arrangement for the required period (including the costs of maintaining any possible increase in the total amount required to be secured while the ~~security~~ financial security arrangement is in place):

(g) any information relating to current or emerging risks to the permit holder's or licence holder's ability to comply with their obligations under this subpart:

(h) the conclusions of the most recent financial capability assessment (if any):

(i) any other matters the Minister considers relevant.

(2) The Minister may require a permit holder or licence holder to give the Minister any information that the Minister considers will assist the Minister in determining what is an acceptable financial security arrangement.

(3) The permit holder or licence holder must provide the information—

(a) in the form and in the manner set out in the notice requiring the information; and

(b) within any reasonable time specified in the notice requiring the information.

89ZN Decision of Minister

(1) The Minister, after following the processes set out in **sections 89ZL and 89ZM**, must—

(a) determine the acceptable financial security arrangement to be put in place and maintained by or on behalf of the permit holder or licence holder or other person or classes of person, including, without limitation,—

(i) ~~the total amount to be secured (including the individual securities forming part of the financial security arrangement and~~ the amount~~s~~ secured by each security~~) by~~ comprised in the financial security arrangement:

(ii) the time by which the financial security arrangement must be in place (including if applicable, the times when different securities that ~~form part of~~ comprise the ~~securities~~ financial security arrangement must or may be in place):

(iii) if applicable, how the securities that ~~form part of~~ comprise the financial security arrangement are to be held:

(b) impose any conditions of the security arrangement that the Minister considers appropriate.

(2) ~~Before making a determination under **subsection (1)**, the Minister must be satisfied that it complies with the prescribed criteria (if any) relating to acceptable financial security arrangements.~~

(3) The Minister may also direct how the financial security arrangement must operate, in accordance with the prescribed requirements (if any).

(4) If the financial security arrangement required includes a bond or a ~~cash~~ monetary deposit paid to the chief executive, then,—

(a) if the bond or ~~cash~~ monetary deposit relates to a participating interest in a permit, section 97 (except subsection (4)) applies:

(b) if the bond or ~~cash~~ monetary deposit relates to a licence or a participating interest in a licence, section 47H of the Petroleum Act 1937 (as preserved by clause 12(1)(a) of Schedule 1 of this Act) applies.

(5) If the financial security arrangement required includes a bond or ~~cash or~~ a ~~cash~~ monetary deposit held either in accordance with section 97 or separately by a third party (for example, in an escrow account), the permit holder or licence holder may, with the consent of the Minister, use a part or all of those amounts to carry out the decommissioning to which that security relates.

(6) The Minister must give the permit holder or licence holder a notice of the Minister's decision specifying the acceptable financial security arrangement to be put in place and maintained, including, without limitation,—

(a) ~~the total amount to be secured by the financial security arrangement, including the individual securities forming part of~~ the amount to be secured by each security comprised in the financial security arrangement ~~and the amounts secured by each security~~:

(b) the time by which the financial security arrangement must be in place, including, if applicable, the times when different securities that ~~form part of the~~ comprise the financial ~~securities~~ security arrangement must or may be in place:

(c) if applicable, how the securities that ~~form part of~~ comprise the financial security arrangement are to be held:

(d) a summary of the reasons for the Minister's decision.

89ZO Alteration of 1 or more elements of financial security arrangement

(1) The Minister may, at any time,—

(a) require a permit holder or licence holder referred to in **section 89ZL(1)** to increase the ~~total~~ amount secured by ~~the~~ each financial ~~securities~~ security ~~required~~ under the financial security arrangement:

(b) allow a permit holder or licence holder referred to in **section 89ZL(1)** to reduce the ~~total~~ amount secured by ~~the securities~~ each security required under the financial security arrangement:

(c) require the permit holder or licence holder referred to in **section 89ZL(1)** to otherwise alter the financial security arrangement (for example, by changing the securities, the amount~~s~~ secured by ~~1 or more securities~~ each security comprised in the financial security arrangement, or the total amount secured by the financial security arrangement) that is put in place and maintained.

(2) When exercising a power conferred by **subsection (1)**, the Minister must take into account the matters referred to in **section 89ZM(1)(b) to (i)**.

89ZP Minister must notify required or permitted changes to financial security arrangement

(1) The Minister must, after exercising a power under **section 89ZO(1)(a), (b), or (c)**, give the affected permit holder or licence holder written notice of the required or permitted changes to the financial security arrangement referred to in **section 89ZL(1)** to be put in place and maintained, including the total amount secured by that arrangement and, in a case where **section 89ZO(1)(a) or (c)** applies, including the time by which the permit holder or licence holder must do this.

(2) The notice must be accompanied by reasons for the required change.

89ZQ Permit holder or licence holder may object to required ~~or permitted~~ financial security arrangement or required change to that arrangement

(1) A permit holder or licence holder who receives written notice under **section 89ZN(6) or 89ZP(1)** may, within 30 working days of receiving that notice, object to the required financial security arrangement or ~~the~~ a required change, as the case requires, by notice in writing to the Minister.

(2) A notice of objection under **subsection (1)** must be accompanied by reasons for, and evidence or other information supporting, the objection and refer to the criteria in **section 89ZM** that the objector considers relevant.

(3) If a permit holder or licence holder makes an objection under **subsection (1)**, they cannot make any subsequent objection to the required financial security arrangement or required change described in the notice unless there is a change in circumstances.

42 Section 89ZR amended (What happens if permit holder or licence holder makes objection)

In section 89ZR(3)(b), replace "kind of security to be obtained" with "financial security arrangement to be put in place".

43 Sections 89ZV to 89ZZ replaced

Replace sections 89ZV to 89ZZ with:

89ZV Post-decommissioning obligations

(1) Any person who is obliged under sections 89J(1), 89K(1), 89R(1) or 89S(1) to carry out and meet the costs of decommissioning must~~,~~ carry out, and meet the costs of,~~ any~~ all post-decommissioning work~~ required~~ on the relevant petroleum infrastructure or, as the case requires, 1 or more relevant wells that have been decommissioned.

(1A) In addition to the liability created by **subsection (1)** a person to whom that subsection applies is also liable to meet the costs of post-decommissioning work if provided for in any other legislation.

(1B) For the purpose of **subsection (1A)**, a person to whom **subsection (1)** applies—

(a) must be treated as the person in charge of an offshore installation or the person in charge of a structure under (as the case requires) under section 134 of the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012; and

(b) is, if any contaminant is discharged, a person to whom section 15 of the Resource Management Act 1991 applies.

(2) The liability created by **subsection (1)** continues indefinitely.

(3) Every person who is obliged under **subsection (1)** to carry out and meet the costs of post-decommissioning work must,—

(a) if the person is a body corporate, notify the chief executive as soon as practicable after—

(i) any change of control of the body corporate:

(ii) any change in the place where the body corporate is registered or has its head office.

(b) after receiving any monitoring report or documents relating to post-decommissioning remediation work, promptly send the report or documents to the Minister.

Exemptions

44 Section 89ZZA amended (Exemption powers of Minister)

In section 89ZZA(1), replace "section 89ZV(1)(a) or from the obligation to obtain and maintain a financial security under section 89ZV(1)(b)" with "**section 89ZV**".

45 Section 89ZZV amended (Pecuniary penalties)

(1) In section 89ZZV(1)(a)(iii), replace "adequate financial security" with "acceptable financial security arrangement".

(2) Repeal section 89ZZV(1)(a)(iv).

46 Section 95 amended (Address for service)

(1) Replace section 95(1) and (2) with:

(1) Every permit holder must give written notice to the chief executive of its address for service of notices and other documents, which must be one of the addresses given to the chief executive under **subsection (2)(a)**.

(2) Every permit holder must give written notice to the chief executive of—

(a) their physical address in New Zealand and their email address; and

(b) a telephone number at which they can be contacted.

(2) Replace section 95(4) with:

(4) A permit holder or permit participant must give written notice to the chief executive of any change to the information provided under **subsection (2)** or (3) as soon as is reasonably practicable, but no later than the tenth working day after the change takes effect.

47 Section 96 replaced (Service of documents, etc)

Replace section 96 with:

96 Service of documents

(1) If a notice or other document is to be served on a permit holder, the document is validly served if it is—

(a) sent to an email address given as the permit holder's address for service under **section 95(1)**:

(b) delivered to a physical address given as the permit holder's address for service under **section 95(1)**:

(c) sent by pre-paid post addressed to the permit holder at the physical address given as the permit holder's address for service under **section 95(1)**.

(2) If a notice or other document is to be served on a person other than a permit holder for the purposes of this Act,—

(a) if the person has given an address for service, the document must be served by delivering or sending it to that address:

(b) if the person has not given an address for service, the document may be served by any of the following methods:

(i) delivering it personally to the person:

(ii) delivering it at the usual or last known place of residence or business of the person:

(iii) sending it by pre-paid post addressed to the person at the usual or last known place of residence or business of the person:

(iv) sending it by pre-paid post to a PO box address used by the person:

(v) leaving it at a document exchange for direction to the document exchange box number used by the person.

(3) If a notice or other document is sent by post to a person in accordance with this section, it is deemed, in the absence of proof to the contrary, to be received by the person at the time at which the document would have been delivered in the ordinary course of the post.

(4) This section is subject to any other provision of this Act that specifies how a document may be served or issued.

96A Service of documents on particular persons

(1) If a notice or other document is to be served on a body (whether incorporated or not), service may be effected by serving the document on an officer of the body, or sending or delivering it to the registered office of the body, in accordance with **section 96**.

(2) If a notice or other document is to be served on a partnership, service may be effected by serving the document on any one of the partners in accordance with **section 96**.

96B Service in court or other proceedings

Sections 96 and 96A do not apply to service of a document to commence, or in the course of, court or other proceedings for which the methods of service are set out in legislation other than this Act.

96C Service on owners of Māori land

Part 10 of Te Ture Whenua Maori Act 1993 (except section 185), with any necessary modifications, applies to the service of notices and other documents under this Act on owners of Māori land, except that the period fixed for anything to be done by the owners must not be extended by more than 20 working days under section 181(4) of that Act, unless the chief executive otherwise agrees.

48 Section 101A amended (Interpretation)

In section 101A, replace the definition of **permitted prospecting, exploration, or mining activity** with:

permitted prospecting, exploration, or mining activity means an activity authorised under—

(a) a prospecting, exploration, or mining permit; or

(b) an existing privilege

49 Section 105 amended (Regulations)

After section 105(1)(e), insert:

(ea) specifying requirements for the work programmes for Tier 3 permits under **section 2BA**, including permitting or prohibiting the use of specific equipment by permit holders:

50 Schedule 1 amended

In Schedule 1,—

(a) insert the Part set out in the **Schedule** of this Act as the last Part; and

(b) make all necessary consequential amendments.

Schedule
New Part 6 inserted into Schedule 1

s 50

Part 6
Provisions relating to Crown Minerals Amendment Act 2024

42 Transitional application of term Minister

For the purposes of applying clauses 11 to 20 (subpart 2) of Part 1 of this schedule (which carry over some existing privileges and preserve some repealed Acts)—

(a) section 2 of the Petroleum Act 1937 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:

Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:

(b) section 2 of the Iron and Steel Industry Act 1959 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:

Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:

(c) section 5(1) of the Mining Act 1971 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:

Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:

(d) section 2(1) of the Coal Mines Act 1979 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:

Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:

43 Information provided to chief executive by certain speculative prospectors

For the purposes of section 90(8), the reference in that subsection to 15 years must be read as 21 years in any case where the non-exclusive petroleum prospecting permit commenced during the period starting on 19 December 2012 and ending on 29 November 2017.

Tier 3 permits

44 Pre-existing applications

(1) **Subclause (2)** applies if—

(a) a person applies for a permit before the close of 30 June 2025; and

(b) if granted before the close of 30 June 2025, the permit would be a Tier 2 permit; and

(c) the permit is granted after 30 June 2025; and

(d) the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(2) Where this subclause applies,—

(a) if, before the permit is granted, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit is a Tier 2 permit:

(b) if **paragraph (a)** does not apply, the permit is a Tier 3 permit.

(3) **Subclause (4)** applies if—

(a) a person applies for a change to a Tier 2 permit under section 36(1)(b) before the close of 30 June 2025; and

(b) if granted before the close of 30 June 2025, the permit would remain a Tier 2 permit; and

(c) the application is granted after 30 June 2025; and

(d) the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(4) Where this subclause applies,—

(a) if, before the application is granted, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit is a Tier 2 permit:

(b) if **paragraph (a)** does not apply, the permit is a Tier 3 permit.

45 Existing Tier 2 permits may become Tier 3 permits

(1) A permit that is a Tier 2 permit at the close of 30 June 2025 changes to a Tier 3 permit on 1 July 2025 if **subclause (2)** applies.

(2) This subclause applies if—

(a) the permit meets the requirements of a Tier 3 permit as set out in **section 2B(2A)**; and

(b) the permit holder has advised the Minister by the close of 30 May 2025 that they want the permit to be changed to a Tier 3 permit.

(3) If **subclause (2)** does not apply, a permit that is a Tier 2 permit at the close of 30 June 2025 continues to be a Tier 2 permit.

46 Existing Tier 2 permits may be changed to enable change of tier status

(1) This clause applies if—

(a) a permit is a Tier 2 permit at the close of 30 June 2025; and

(b) the permit does not meet the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(2) The permit holder may, by the close of 30 May 2025, make a proposal to the Minister containing proposed changes to the permit to meet the requirements of a Tier 3 permit.

(3) If the Minister accepts the proposal (or any later amended proposal),—

(a) the changes proposed by the permit holder are made to the permit; and

(b) the permit becomes a Tier 3 permit.

(4) The changes to the permit and tier status occur—

(a) if the Minister accepts the proposal or amended proposal before the close of 30 June 2025, on 1 July 2025:

(b) if the Minister accepts the proposal or amended proposal on or after 1 July 2025, on the day after the date of the notification of the Minister's decision to the permit holder.

47 Subsequent changes to existing Tier 2 permits

(1) **Subclause (2)** applies if—

(a) a permit is a Tier 2 permit at the close of 30 June 2025; and

(b) the Minister changes the permit under section 36(1) or the permit is partially surrendered under section 40(2) after 30 June 2025; and

(c) the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**.

(2) ~~If~~ Where this subclause applies, if the permit holder objects to changing the tier status of the permit, the permit remains a Tier 2 permit.