



## COVERSHEET

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

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
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**

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

## **In Confidence**

Office of the Minister for Resources

Economic Policy Committee

## **Amendments to regulations under the Crown Minerals Act 1991**

### **Proposal**

- 1 This paper seeks Cabinet agreement to:
  - 1.1 several policy proposals relating to regulations to support implementation of the Crown Minerals Amendment Bill (the Bill); and
  - 1.2 issue drafting instructions to the Parliamentary Counsel Office (PCO) to draft the regulations.

### **Relation to government priorities**

- 2 The proposals support the following Government priorities:
  - 2.1 the National-NZ First coalition agreement commitment to ‘future-proof the natural gas industry by restarting offshore exploration’ and the National-ACT coalition agreement commitment to ‘repeal the offshore oil and gas exploration ban’;
  - 2.2 National’s 100-point economic plan ‘Rebuilding the economy’ which includes a commitment to repeal the ban on oil and gas exploration to reduce New Zealand’s reliance on imported coal and ensure gas can be used as a transition fuel as we move towards Net Zero 2050.

### **Executive Summary**

- 3 On 27 May 2024, among other proposed changes to the Crown Minerals Act 1991 (CMA), Cabinet agreed to allow for:
  - 3.1 petroleum exploration permits (PEPs) to be applied for through methods other than public tender; and
  - 3.2 for a new Tier 3 permit category for small-scale non-commercial gold mining operations [CAB-24-MIN-0181].
- 4 The Bill covering these changes has been prioritised as Category 2 – to be passed by the end of 2024.
- 5 To support the implementation of other application methods for PEPs and the Tier 3 permit category, amendment to existing regulation under the CMA will be needed. Specifically, amendments relating to application, information,

reporting and royalty requirements will be required to the following regulations:

- 5.1 Crown Minerals (Petroleum) Regulations 2007;
  - 5.2 Crown Minerals (Minerals Other than Petroleum) Regulations 2007;  
and
  - 5.3 Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013.
- 6 I seek Cabinet's approval to issue drafting instructions to PCO to draft the regulations, and delegated authority 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. I intend to return to Cabinet in December 2024 to seek approval of the final regulations.

## Background

- 7 On 27 May 2024, Cabinet agreed to a range of proposed changes to the CMA [ECO-24-MIN-0077]. Proposed changes included removing the current ban on new petroleum exploration outside onshore Taranaki, alongside changes to improve investor confidence and regulatory efficiency. The Bill covering these changes has been prioritised as Category 2 – to be passed by the end of 2024.
- 8 Changes proposed in the Bill include allowing for PEPs to be applied for through methods other than public tender, to broaden the approach in attracting and securing petroleum investment (e.g., through a *priority in time* or first in first served-type process). The Bill also introduces a new Tier 3 permit category for small-scale non-commercial gold mining operations to improve the administrative efficiency of the regulator and reduce the regulatory burden on applicants and permit holders. It will do this primarily by streamlining the process for new Tier 3 applications, and through changes to reporting requirements.
- 9 The CMA is supported by regulations that set out the requirements to be met by petroleum and mineral permit holders and applicants, while programmes set out the policies and procedures followed for the allocation of resources. These collectively make up the Crown Minerals regime.
- 10 This Cabinet paper now seeks agreement to amend regulations to implement other application methods for PEPs and Tier 3 permits, specifically the following regulations:
- 10.1 Crown Minerals (Petroleum) Regulations 2007;
  - 10.2 Crown Minerals (Minerals Other than Petroleum) Regulations 2007;  
and
  - 10.3 Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013.

- 11 This Cabinet paper also seeks agreement to delete the definition for “Minister” in the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 and Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 so that the neutral language under the CMA applies.

**Regulations to implement application methods other than public tender for petroleum exploration permits**

- 12 Proposed changes under the Bill will enable both a public tender method (e.g., a competitive tender known as “Block Offer”) and other methods for applying for and allocating PEPs. This approach existed before 2013. An example of other methods includes the ability to accept PEP applications on a first come, first served basis, with applications for the same area received within a defined time period being ranked competitively, and the ability to grant PEPs as rights subsequent to exclusive Petroleum Prospecting Permits (PPPs). Reintroducing the ability to enable other applications methods, which can be used in conjunction with, and complement, Block Offers, provides for flexibility in PEP allocation as the market evolves and broadens the approach to attracting and securing investment.
- 13 To support PEP application methods other than public tenders, amendments to existing regulations related to application and information requirements will be needed, as well as updates to the Petroleum Programme. Cabinet agreed that the Petroleum Programme will set out the design of alternative PEP allocation methods and how they will work together [ECO-24-MIN-0077].

*I propose setting application and information requirements under the Crown Minerals (Petroleum) Regulations 2007*

- 14 To support the implementation of PEP application methods other than public tenders, I propose changes to the Crown Minerals (Petroleum) Regulations 2007 to specify application and information requirements for such applications.
- 15 Clear information requirements are necessary for both applicants and the regulator. They provide certainty on what constitutes a valid and complete application and thus enable the efficient allocation of rights to explore for Crown-owned minerals.
- 16 Information requirements for other types of CMA permit applications are already set out in regulations (e.g., for petroleum mining permits and permit applications for minerals other than petroleum). For PEP applications made through public tender, such requirements are set out in the relevant tender notice (i.e., for Block Offer in the Invitation for Bids). These requirements reflect the tests under the CMA for granting a permit and the interpretation of these tests under the Petroleum Programme 2013. Similar information requirements, therefore, need to be defined in regulations for PEP applications that are not made through a public tender.
- 17 I propose setting requirements under regulations for applicants to provide specific items of information detailing:

- 17.1 The identity of the proposed permit holder;
- 17.2 The proposed permit area and the proposed duration of the proposed permit;
- 17.3 The proposed work programme;
- 17.4 The proposed permit holder's understanding of the geology and petroleum resource potential of the proposed permit area;
- 17.5 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.

**Regulations to implement the new Tier 3 permit category for small-scale non-commercial gold mining operations**

- 18 Proposed changes under the Bill will create a new Tier 3 permit for small-scale non-commercial gold mining operations. This will improve the administrative efficiency of the regulator and reduce the regulatory burden on those applicants and permit holders.
- 19 There are currently only two permit tiers that cover the full spectrum of petroleum and mineral mining activity from oil rigs and large commercial coal mines to hobby miners collecting gold using hand or low powered tools in a river or on a beach. The new Tier 3 permit proposes a proportionate and risk-appropriate approach to these small-scale non-commercial gold mining operations, which are currently permitted under the Tier 2 requirements.
- 20 Implementing the new permit tier will require amendments to the existing regulations relating to permit applications, reporting, royalties and fees.

*I propose setting application and reporting requirements for the new Tier 3 permit under the Crown Minerals (Minerals Other than Petroleum) Regulations 2007*

- 21 Implementing the proposals to streamline the application and reporting requirements for Tier 3 permits will require amendments to the existing *Crown Minerals (Minerals Other than Petroleum) Regulations 2007*, which currently set out these details for Tier 1 and Tier 2 permits.
- 22 For all Tier 3 applications involving land area related to the permit, I propose to give effect in the regulations to the *Mapping standards for minerals permit applications* ('mapping standards')<sup>1</sup>. This will ensure these applications are accompanied by a map and digital plot in accordance with the standards and provides for accurate spatial positioning of those Tier 3 permits.
- 23 For new applications for Tier 3, I propose that applicants provide the following information to the regulator:

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<sup>1</sup> These standards, developed by the Ministry of Business, Innovation and Employment (MBIE) as the regulator, have been publicly consulted on and published.

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- 23.1 The identity of the proposed permit holder(s), and their interests in the permit;
  - 23.2 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;
  - 23.3 The area of land to which the application relates (in hectares);
  - 23.4 A map and digital plot of the permit area (in accordance with the mapping standards) not to exceed 50 hectares;
  - 23.5 A statement outlining the basis for the presence of gold in the application area;
  - 23.6 Estimates of the total number of days per year the permit will be worked and the amount of gold that will be recovered on average each year;
  - 23.7 A statement on any other matter the applicant considers relevant to support the application.
- 24 I propose to require applicants seeking changes to the conditions for 'land area' and 'duration' of Tier 3 permits to specify the permit concerned and who is responsible for the application.
- 25 For applications for changes to the 'land area' of Tier 3 permits, I propose that the applicant will also need to provide:
- 25.1 The area of land to which the proposed extension would apply (in hectares);
  - 25.2 The total area of the permit (in hectares) should the extension of land be granted, which must not exceed 50 continuous hectares;
  - 25.3 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 mapping standards);
  - 25.4 A statement outlining the basis for the presence of gold in the application area.
- 26 For applications to extend the 'duration' of Tier 3 permits, I propose that the applicant will also need to provide:
- 26.1 A statement of the duration of the extension sought;
  - 26.2 A statement outlining the basis for the continued presence of gold in the application area;

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- 26.3 Estimates of the total number of days per year the permit will be worked and the amount of gold that will be recovered on average each year;
  - 26.4 A statement of the reasons why, in the permit holder's opinion, the relevant Minister should extend the duration of the permit.
- 27 I propose that Tier 3 permit holders should as a default only have to annually provide information on: where they have mined; for how many days, and; how much gold was recovered.
- 28 To achieve this streamlined reporting, I propose that Tier 3 permit holders are exempt from the following regulations and requirements in them to provide reports and other documentation:
- 28.1 Regulation 33: Permit holder must supply chief executive with reports and records on prospecting, exploration, and mining activities;
  - 28.2 Regulation 40: Reports and other documents on expiry or surrender of permit;
  - 28.3 Regulation 41: Reports and other documents on revocation of permit;
  - 28.4 Regulation 42: Reports and other documents required if permit area is partially surrendered or relinquished;
- 29 However, I consider that situations may arise where it is appropriate for the department to be able to request the information required in these regulations from a Tier 3 permit holder. I therefore propose to amend the regulations listed in paragraph 28 above 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:
- 29.1 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;
  - 29.2 For regulation 40, a notice is issued not later than 20 working days after:
    - 29.2.1 the expiry of a Tier 3 permit; or
    - 29.2.2 a Tier 3 permit holder applies to surrender a Tier 3 permit;
  - 29.3 For regulation 41, a notice is issued not later than 20 working days after a Tier 3 permit is revoked;
  - 29.4 For regulation 42, a notice is issued not later than 20 working days after a Tier 3 permit holder:
    - 29.4.1 applies to surrender part of a Tier 3 permit; or

- 29.4.2 relinquishes part of a Tier 3 permit area; and
- 29.5 the notice contains:
  - 29.5.1 the information that is required under the relevant regulation;
  - 29.5.2 reasons why the department considers that the required information is necessary; and
  - 29.5.3 when the information is due, which will be at least 40 working days from the date that the notice is issued.
- 30 I propose ensuring that royalties are payable for the new Tier 3 permits under the Crown Minerals (Royalties for Minerals other than Petroleum) Regulations 2013<sup>2</sup>. Given the small scale of this mining activity, there is a low expectation that Tier 3 permit holders will generally produce enough gold to pay royalties<sup>2</sup>. However, it has been agreed by Cabinet that the regulations should cover royalty thresholds so that royalties will be payable when required [ECO-24-MIN-0077]. This will protect the Crown from lost revenue if:
  - 30.1 There are further, significant increases in gold prices, which would lower the production threshold required to pay a royalty;
  - 30.2 A Tier 3 permit holder produces sufficient gold to exceed the threshold for paying a royalty;
  - 30.3 The royalty regime thresholds are changed, particularly lowered.
- 31 Consistent with the Cabinet decision that Tier 3 permits will have the same key features and rights of Tier 2 permits, I propose to make the royalty rate the same for Tier 3 as it currently is for new Tier 2 permits. This is an ad valorem royalty of one per cent of the net sales revenue of the minerals obtained under the permit.

**Deleting the definition for Minister in regulations so that the definition for Minister under the CMA applies**

- 32 I propose to delete the definition of “Minister” in the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 and Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013, so that the neutral language under the CMA applies.<sup>3</sup> Currently, these regulations define “Minister” by reference to a particular portfolio – the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 refers to “the Minister for Resources” and the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 refers to “the Minister of Energy and Resources”.

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<sup>2</sup> Under the 2008 and 2013 royalty regimes, royalties are payable once there is net sales revenue over \$200,000.

<sup>3</sup> “Minister” is defined under the CMA as “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 this Act”.



- 33 Deleting the definition for “Minister” from both regulations so that the definition for “Minister” under the CMA applies would reduce any ambiguity that may arise over time when portfolio titles change.

### **Implementation**

- 34 It is intended that Cabinet will make decisions on the final regulations in December 2024. This will enable the regulations for PEP applications outside of public tenders to be gazetted early in 2025 and come into force by mid-February 2025. The Petroleum Programme 2013 will then be updated, detailing the processes for evaluating such PEP applications. This will enable PEP applications outside of public tenders to be received by mid-April 2025.
- 35 It is intended that the Tier 3 permit regulations will come into force on 1 July 2025 to align with the commencement date for the new permit category in the Bill. The Minerals Programme 2013 will also need to be updated for Tier 3.
- 36 The fee levels for Tier 3 will be determined in the context of a full review of all permit fees that MBIE is currently undertaking. I will seek Cabinet approval for the new fees, including the Tier 3 fees, in early 2025, and authorisation for the regulations to be amended soon after that.
- 37 MBIE, as the regulator, will be responsible for the ongoing operation and enforcement of the new regulations.

### **Cost-of-living Implications**

- 38 There are no immediate or direct cost-of-living implications arising from the proposals in this paper.

### **Financial Implications**

- 39 MBIE, as the regulator, by streamlining its processes and saving time spent on Tier 3 applications, will be able to better allocate its resources appropriate to risk and value. It can do this by focussing the recouped resources on higher risk and value commercial permit applications.
- 40 MBIE will incur costs in setting up and then assessing the application and reporting requirements introduced by the new regulations, but these can be met within existing baselines and application and annual fees.

### **Legislative Implications**

- 41 The proposals in this paper require changes to Crown Minerals (Petroleum) Regulations 2007, Crown Minerals (Minerals Other than Petroleum) Regulations 2007 and Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013.
- 42 I am seeking Cabinet approval to instruct PCO to draft regulations to implement the proposals in this paper by the end of this year.

## Impact Analysis

### Regulatory Impact Statement

- 43 The Ministry for Regulation has determined that these proposals relating to regulations under the CMA are exempt from the requirement to provide a Regulatory Impact Statement. The exemption is on the grounds that the proposals have no or only minor impacts on businesses, individuals, and not-for-profit entities in the context of decisions already taken on the legislative framework.

### Climate Implications of Policy Assessment

- 44 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal. This proposal concerns the regulatory implementation of two amendments to the CMA, which have undergone CIPA assessments. The two amendments are: 'Creation of a New Tier 3 Mining Permit' and 'Repealing the Offshore Ban in the Crown Minerals Act 1991'. The CIPA assessments can be found within the respective amendments.

### Population Implications

- 45 The proposals in this paper will not disproportionately impact distinct population groups.

### Human Rights

- 46 This paper is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Consultation

- 47 In relation to the Tier 3 proposals, officials have carried out targeted engagement with the sector and Māori on the details of the drafting of the Bill, including issues that would be covered in regulations. Officials spoke to representatives of the industry bodies Straterra and Minerals West Coast and had several open hui over the course of a week with interested iwi and hapū.
- 48 All stakeholders were generally supportive of the Tier 3 proposals. Iwi and hapū raised concerns regarding an increase in hobby mining activity and any impacts on consultation obligations. They were told that the Bill and regulations would not change the Crown's consultation obligations or our Treaty settlement commitments.
- 49 MBIE will continue to have targeted consultation on the draft regulations with relevant stakeholders and iwi and hapū, particularly those in the South Island who have hobby operations within their rohe, if this is required.
- 50 MBIE consulted with the following agencies in the development of the proposals outlined in this paper: the Treasury, the Ministry for Regulation, the

Ministry of Foreign Affairs and Trade, Te Arawhiti, the Department of Conservation and the Ministry for the Environment. The Department of the Prime Minister and Cabinet has been informed.

### Communications

51 I do not intend to publicly announce decisions on this paper following Cabinet approval.

### Proactive Release

52 I intend to release the Cabinet paper proactively within 30 business days.

### Recommendations

The Minister for Resources recommends that the Committee:

#### *Background*

- 1 **note** that in May 2024, Cabinet 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);
- 2 **note** the Bill has been prioritised as Category 2, to be passed by the end of 2024;
- 3 **note** that amendments to regulations under the CMA will be needed to implement other application methods for PEP (e.g., priority in time) and the new Tier 3 permit category;

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

- 4 **agree** to amend the Crown Minerals (Petroleum) Regulations 2007 to support the implementation of PEP application methods other than public tenders;
- 5 **agree** 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; and

- 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 **agree** that the information requirements related to recommendation 5 above is similar to that required under Schedule 4, 5 and 6 of the 2020 New Zealand Block Offer, Invitation for Bids<sup>4</sup> 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 **agree** 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 provides for accurate spatial positioning of those Tier 3 permits.;
- 8 **agree** 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 year 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 **agree** 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;

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<sup>4</sup> [New Zealand Block Offer 2020 \(nzpm.govt.nz\)](https://www.nzpm.govt.nz)

- 10 **agree** 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 **agree** 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 **agree** 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 **agree** that the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 are 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;

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- 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 **agree** that in relation to the regulations exempted in recommendation 13 above, the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 are 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 **agree** that the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013 regulations will allow for royalties to be payable when required for Tier 3 permits;

- 16 **agree** 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 per cent of the net sales revenue of the minerals obtained under the permit;

*Deleting the definition for Minister in regulations so that the definition for Minister under the CMA applies*

- 17 **agree** 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 for “Minister” under the CMA applies;

*Implementation*

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

*Legislative implications*

- 20 **agree** that the proposals 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 **invite** the Minister for Resources to issue drafting instructions to the Parliamentary Counsel Office to give effect to the recommendations in this paper;
- 22 **authorise** 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.

Authorised for lodgement

Hon Shane Jones

Minister for Resources