

Guide to Government Management of Minerals and Coal



In New Zealand, prospecting, exploration and mining of minerals & coal is managed every step of the way.

This guide gives an overview of the process to look for and develop Crown owned minerals and coal, on land or at sea.

To understand the process in detail you will need to familiarise yourself with the relevant legislation, regulations and minerals programmes, including environmental and health and safety regulations.

For more information, go to the New Zealand Petroleum & Minerals (NZP&M) website at www.nzpam.govt.nz

NZP&M manages the government's oil, gas and mineral resources and is a branch of the Ministry of Business, Innovation and Employment (MBIE).



New Zealand has a long history of mining for minerals & coal.

1 Assessment

2 Exploration

LOOKING AT THE LAND

- › Government or investors might research into where minerals might be found.
- › Historical and technical data is available from NZP&M, GNS Science, universities and others.
- › Some land is excluded from permitting for conservation or cultural reasons.

GETTING A PERMIT

- › A prospecting permit is required from NZP&M before prospecting work can begin.
- › Applications for prospecting permits are assessed on the proposed work programme, and technical and financial capability.

GETTING A PERMIT

- › Before work can begin, an exploration permit is required from NZP&M. An exploration permit focuses on identifying and evaluating specific mineral deposits.
- › NZP&M assesses an applicant's technical and financial capability, compliance history and undertakes a preliminary, high level assessment of an operator's capability and systems that are likely to be required to meet applicable health, safety and environmental legislation.
- › A Land Mineral Status Report is required by NZP&M in some instances to determine who owns a particular mineral over the land applied for.
- › Permits can be applied for on a first acceptable work programme basis, through a 'newly available acreage' process, or through a competitive tender. Conservation areas listed in Schedule 4 of the Crown Minerals Act 1991 (CMA) and World Heritage Areas are not included in competitive tenders.
- › Consultation with iwi and hapū is undertaken by NZP&M.
- › Tier 1 permit holders will need to report to government annually on their iwi engagement activity. They may also be required to attend annual meetings with NZP&M and other regulators
- › NZP&M liaises with WorkSafe New Zealand (WorkSafe), Maritime New Zealand [MNZ], the Environmental Protection Authority [EPA], Department of Conservation [DoC], Historic Places Trust [NZHPT] and local authorities, as necessary.

LAND ACCESS

- › A permit does not give an automatic right to land access. Permit holders must notify landowners and occupiers of planned minimum impact activities, or enter into an access arrangement for other activity. If access cannot be agreed, the parties may, in rare cases, go to arbitration.

ENVIRONMENTAL & MARINE CONSENTS

- › Under the Resource Management Act 1991 (RMA) a resource consent from local authorities may be required for permits on land or within the territorial sea (within 12 nautical miles from shore).
- › If the area is more than 12 nautical miles from the coastline, the EPA manages the environmental effects of activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act) and its regulations. A marine consent is required from the EPA for those activities not permitted in the regulations.
- › Seismic surveys are a permitted activity under the EEZ Act provided they adhere to DoC's Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations 2013.

HEALTH AND SAFETY

- › Under the Health and Safety at Work (HSW) Act 2015, permit holders are required to maintain safe working environments and implement sound practices.
- › WorkSafe's High Hazards Unit (HHU) undertakes onsite inspections.

Prospecting permits are usually granted for a period of up to 2 years, but can be renewed for a further 2 years up to a maximum total of 4 years.

Exploration permits are usually granted for a period of up to 5 years, but can be renewed for a further 5 years up to a maximum total of 10 years.

PROSPECTING ACTIVITIES:

Prospecting permits generally cover large areas of land. Activities are very low impact and can include desktop research, geological mapping, hand sampling or aerial surveys. If an area of land has already been prospected, then companies may apply directly for an exploration permit.

EXPLORATION ACTIVITIES:

Exploration activities include surveys, sampling, aeromagnetic surveys, exploratory drilling, geological studies, compiling reports and analysing data. This work helps to build understanding of the geology of the permit area and identify mineral deposits. Any discoveries are then evaluated for their commercial feasibility.

The industry was born in the 1850s with the discovery of gold. The gold rush that followed brought thousands of people to our shores. These early pioneers helped to make New Zealand what it is today. Since the first discovery, the minerals sector – which today includes the mining of coal, iron sands, silver, and industrial rocks as well as gold – has grown and thrived. It now brings in around \$20 million in government royalties and Energy Resources Levy payments each year and contributes over \$1.1 billion to GDP. New Zealanders also benefit through jobs and investment in local communities.

3 Production

4 Restoration

GETTING A PERMIT

- › Before mining can begin, a mining permit is required from NZP&M. A mining permit gives the permit holder the right to mine for the minerals specified in the permit.
- › When considering the application, NZP&M assesses an applicant’s technical and financial capability, compliance history and undertakes a preliminary, high level assessment of an operator’s capability and systems that are likely to be required to meet applicable health, safety and environmental legislation.
- › Consultation with iwi is undertaken by NZP&M.
- › NZP&M liaises with WorkSafe, MNZ, EPA, DoC, NZHPT and local authorities, as necessary.
- › Successful applications are published online.
- › Tier 1 permit holders will need to report to government annually on their iwi engagement activity. They may also be required to attend annual meetings with NZP&M and other regulators
- › Royalties are paid to the Crown on the Crown-owned minerals extracted.

LAND ACCESS

- › A permit does not give an automatic right to land access. Access to land is negotiated with the owner/occupier. If access cannot be agreed, the parties may go, in rare cases, to arbitration.

ENVIRONMENTAL & MARINE CONSENTS

- › Before work can begin on land or within the territorial sea, resource consent is generally required under the RMA from local authorities.
- › Resource consent applications for mining activities that have more than “minor effects” are generally publicly notified to ensure the application process is public and participatory. Appeal rights apply.
- › If the area is more than 12 nautical miles from the coastline, the EPA manages the environmental effects of activity under the EEZ Act and its regulations. A marine consent is required from the EPA for those activities not permitted in the regulations.

HEALTH AND SAFETY

- › Under the HSW Act, permit holders are required to maintain safe working environments and implement sound practices.
- › WorkSafe’s HHU undertakes on-site inspections.

DECOMMISSIONING & RESTORATION

- › Activities on land and out to 12 nautical miles off the coastline need to comply with the RMA and local authority plans, while activities more than 12 nautical miles from the coastline need to comply with the EEZ Act and its regulations.
- › Decommissioning and restoration is considered at the point of initial agreement of a resource consent (RMA) or marine consent (EEZ) for exploration or production activities.
- › Activities could include removal of site infrastructure, replanting the land area and re-establishing fauna.
- › Local authorities, or the EPA, may hold a bond for the restoration of the site.

Initial mining permit: up to 40 years

MINING ACTIVITIES:

Mining activities include open pit, underground, seabed mining and dredging.

* Important note: This minerals guide should not be relied upon without consulting the relevant legislation, regulations and minerals programmes.

This version of the guide reflects changes to the Crown Minerals Act that came into effect late May 2013, and the introduction of new health and safety and EEZ Act regulations in June 2013.

For further information on the relevant laws please contact the relevant government agency.

New Zealand Petroleum & Minerals
Ministry of Business, Innovation and Employment
PO Box 1473, Wellington 6140, New Zealand

Freephone (NZ Only): 0508 263 782

Telephone: +64 3 962 6179

Facsimile: +64 4 471 0187

Email: nzpam@mbie.govt.nz

Website: www.nzpam.govt.nz

New Zealand Government