



Crown Minerals (Petroleum Fees) Regulations 2016

Patsy Reddy, Governor-General

Order in Council

At Wellington this 21st day of November 2016

Present:

Her Excellency the Governor-General in Council

These regulations are made under section 105(1)(i), (j), and (k) of the Crown Minerals Act 1991 on the advice and with the consent of the Executive Council.

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Regulations

1 Title

These regulations are the Crown Minerals (Petroleum Fees) Regulations 2016.

2 Commencement

These regulations come into force on 1 January 2017.

3 Application of regulations

- (1) These regulations do not apply in respect of any matter for which a fee is payable under the Crown Minerals (Minerals Fees) Regulations 2016.
- (2) These regulations apply to—
 - (a) all applications made under the Act for permits for petroleum; and
 - (b) all permits that relate to petroleum; and
 - (c) all holders of permits that relate to petroleum.

4 Interpretation

- (1) In these regulations,—

Act means the Crown Minerals Act 1991

year means a period of 12 months beginning on 1 July and ending with 30 June.
- (2) Any term that is defined in the Act and used, but not defined, in these regulations has the same meaning as in the Act.

5 Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.

**Part 1
Annual fees****6 Application**

Subject to Schedule 1, the annual fees in this Part apply to—

- (a) any year beginning on or after 1 July 2017; and
- (b) any permit granted or extended under section 35A or 36 of the Act, on or after 1 January 2017.

7 Annual fee payable under prospecting permits

- (1) The annual fee payable under a prospecting permit (other than a non-exclusive prospecting permit) is \$0.87 per square kilometre or part of a square kilometre.
- (2) The annual fee payable under a non-exclusive prospecting permit is \$43,478.26.

8 Annual fee payable under exploration permits

The annual fee payable under an exploration permit or an extension of the duration of the permit under section 35A of the Act is the greater of—

- (a) \$10.55 per square kilometre or part of a square kilometre; and
- (b) \$9,000.

9 Annual fee payable under mining permits

- (1) The annual fee payable under a mining permit is the greater of—
 - (a) \$121 per square kilometre or part of a square kilometre; and
 - (b) \$15,000.
- (2) However, if a mining permit covers an area of less than 0.1 square kilometres, the annual fee payable under the permit is \$1,400.

10 When annual fee payable

The annual fees payable under regulations 7 to 9 are payable annually within 30 days after 1 July.

11 Special rules for annual fees payable in respect of permits granted or renewed during year

Despite regulations 7 to 10,—

- (a) if the permit in respect of which the fee is payable is granted during the year,—

- (i) the first payment of the annual fee must be made within 30 days after the date on which the permit is granted; and
 - (ii) the amount of the payment is the proportion of the annual fee that corresponds to the proportion of the year left to run on the date on which the permit is granted; and
- (b) if the extension of the duration of the permit in respect of which the fee is payable is granted during the year,—
- (i) the first payment of the annual fee must be made within 30 days after the date on which the extension is granted; and
 - (ii) the amount of the payment is the proportion of the annual fee that corresponds to the proportion of the year left to run on the date on which the extension is granted.

Part 2

Fees other than annual fees

12 Application

The fees in this Part apply in respect of every matter specified in Schedule 2 that occurs on or after the date on which these regulations commence.

13 Application fees and monetary deposit or bond

The application fees and monetary deposit or bond specified in Schedule 2 are prescribed as the fees and deposit or bond payable in respect of the matters specified in the schedule.

Part 3

Miscellaneous

14 Refund of application fees

- (1) Application fees paid under the Act are not refundable on the withdrawal, rejection, or refusal of the application, except with the approval of the Minister.
- (2) The Minister may approve the refund of the total fee or part of the fee where the Minister considers that exceptional circumstances warrant the payment of a refund.
- (3) For the avoidance of doubt, subclause (1) does not apply to a deposit or bond paid with an application for a permit.

15 Fees exclusive of GST

The fees prescribed under these regulations are exclusive of goods and services tax.

16 Revocation

The Crown Minerals (Petroleum Fees) Regulations 2006 (SR 2006/227) are revoked.

Schedule 1 Transitional, savings, and related provisions

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Part 1 Provisions relating to these regulations as made

1 Adjustment of annual fee for permit or extension for period beginning before 1 January 2017 and ending on or after that date

- (1) This clause applies to a permit or an extension that relates to a period that commences at any time before 1 January 2017 and ends on or after that date.
- (2) For a permit or an extension that expires on or after 30 June 2017, this clause applies to the annual fee for the period that—
 - (a) starts on the later of 1 July 2016 and the date of the grant of the permit or extension; and
 - (b) ends on 30 June 2017.
- (3) For a permit or an extension that expires during the period starting on 1 January 2017 and ending before 30 June 2017, this clause applies to the annual fee for the period that—
 - (a) starts on the later of 1 July 2016 and the date of the grant of the permit or extension; and
 - (b) ends on the expiry of the permit or extension.
- (4) The annual fee payable under a permit or an extension for the period is pro rated, with the old annual fee applying to the part of the period that is before 1 January 2017 and the new annual fee applying to the part of the period that is on or after 1 January 2017.
- (5) In this clause,—

new annual fee means the annual fee calculated in accordance with regulations 7 to 9 and 11 of these regulations

old annual fee means the annual fee calculated in accordance with regulations 6 to 9 and 11 of the Crown Minerals (Petroleum Fees) Regulations 2006 as in force at the close of 31 December 2016.

2 Payment of extra annual fee

- (1) This clause applies if the annual fee calculated under clause 1 is more than the amount of annual fee that the permit holder has paid or is liable for as the annual fee for the permit or extension.
- (2) The permit holder must pay the chief executive the difference between the amount calculated under clause 1 and the amount that the permit holder has paid or is liable for.
- (3) The permit holder must make the payment on or before 31 January 2017.

Schedule 2**Application fees and monetary deposit or bond payable**

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Application fees	(\$)
Application for prospecting permit	7,250
Application for exploration permit	7,250
Application for mining permit	30,250
Application for extension of duration of exploration permit under section 35A of the Act	16,900
Application under section 36 of the Act (including an application to extend the duration of an exploration permit)	3,500
Application under section 41, 41A, 41B, or 41C of the Act	3,000
Deposit or bond payable with application for permit	
Deposit or bond	250,000

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 January 2017, revoke and replace the Crown Minerals (Petroleum Fees) Regulations 2006 (the **2006 regulations**).

The regulations consolidate the 2006 regulations (for example, by removing revoked and spent provisions) and make the following substantive changes:

- provide that the fees prescribed by the regulations are exclusive of goods and services tax (**GST**);
- adjust the annual fee payable under a prospecting permit to reflect the exclusion of GST from the prescribed fees;
- increase the annual fee payable under an exploration permit or extension of the duration of an exploration permit from \$10.73 per square kilometre or part

square kilometre (including GST) to \$10.55 per square kilometre or part square kilometre (excluding GST):

- introduce a minimum annual fee payable under an exploration permit or extension of the duration of an exploration permit of \$9,000 (excluding GST):
- increase the annual fee payable under a mining permit from \$102.22 per square kilometre or part square kilometre (including GST) to \$121 per square kilometre or part square kilometre (excluding GST):
- introduce a minimum annual fee payable under a mining permit of \$15,000 (excluding GST):
- prescribe the annual fee payable under a mining permit that covers an area of less than 0.1 square kilometres as \$1,400:
- increase the application fees payable under the regulations:
- provide that annual fees for permits that cover a period that starts before these regulations come into force and ends after these regulations come into force are pro rated between the old rate (that applied prior to 1 January 2017) and the new rate (that applies on and from 1 January 2017).

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement on 1 September 2016 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <http://www.mbie.govt.nz/info-services/sectors-industries/energy/current-reviews-consultations/cm-fees-review-2016>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 24 November 2016.

These regulations are administered by the Ministry of Business, Innovation, and Employment.