

Who does what in New Zealand's onshore petroleum and minerals regulatory regime?

This information sheet explains how government agencies and local authorities manage onshore petroleum and mineral exploration and production in New Zealand.



This guide explains how central and local government manages oil, gas and mineral exploration and development onshore.

Multiple government agencies, together with regional and district councils, share the responsibility for regulating onshore petroleum and minerals activities in New Zealand.

Oil, gas and mineral exploration and development offshore is administered under separate legislation, and is covered in our *Who does what in New Zealand's offshore waters* factsheet.

Who does what and when in onshore exploration and production?

In New Zealand, the exploration and production of petroleum (oil and gas) and minerals is managed at every step. The table below show the responsibilities of central and local government agencies during the various stages.

Assessment – up to 4 years

- Prospecting permits – **NZP&M**
- Resource consent (seismic surveying) – **Regional and/or District Councils**
- Land access on public conservation land – **DOC**

Exploration – up to 15 years

- Exploration permits – **NZP&M**
- Resource consent (including seismic surveying) – **Regional and/or District Council**
- Resource consent applications for nationally significant proposals – **EPA**
- Safety case – **WorkSafe NZ**
- Hazardous substances – **EPA**
- Land access on public conservation land – **DOC**
- Land access on other Crown-owned land – **relevant Crown agency**

Production – up to 40 years

- Mining permits – **NZP&M**
- Resource consent – **Regional and/or District Councils**
- Resource consent applications for nationally significant proposals – **EPA**
- Safety case / notification – **WorkSafe NZ**
- Land access on public conservation land – **DOC**
- Hazardous substances – **EPA**

Decommissioning

- Resource consent – **Regional and/or District Council**
- Safety case / notification – **WorkSafe NZ**
- Land access on public conservation land – **DOC**

Roles and responsibilities of each agency

New Zealand Petroleum and Minerals (NZP&M)

NZP&M manages the Government's oil, gas and mineral resources in accordance with the Crown Minerals Act 1991. It processes and monitors prospecting, exploration and mining permits. Before granting permits NZP&M assesses an operator'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.

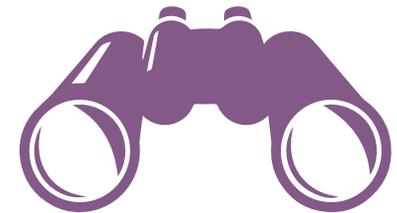
NZP&M also has joint responsibility for approving access arrangements on Crown-owned land for Tier 1 permits which include all petroleum permits.

WorkSafe New Zealand

WorkSafe is New Zealand's workplace health and safety regulator. The High Hazards Unit (HHU) within WorkSafe works to ensure that operators in high hazard sectors like mining and petroleum development are effectively managing health and safety and the risk of a major incident at their sites. Led by a Chief Inspector, the unit has teams of regionally based inspectors that manage mining and petroleum/geothermal operations.

In regard to petroleum, WorkSafe is responsible for the rules that ensure that the oil 'stays in the pipe' and the risk of a well failure is as low as reasonably practical. It does this by assessing, and if satisfactory, accepting an operator's safety case and providing oversight of well operations' notices and well examination schemes. This ensures that a well is managed through its life cycle in relation to its design, construction, operation, maintenance, modification, suspension and abandonment.

In regard to minerals, an operator must develop, implement and maintain a health and safety management system.



For both petroleum and mineral activities, WorkSafe inspectors maintain regulatory oversight throughout the life of the operation.

Regional and District Councils

Regional and District Councils are responsible under the Resource Management Act 1991 (RMA) for managing the effects of activities on the onshore environment.

Regional councils also have jurisdiction in the coastal marine area (out to 12 nautical miles offshore).

Resource consents may be required under the RMA for particular petroleum and mineral activities, depending on the rules in regional and district plans. Alternatively, activities may be classified as “permitted” in a plan in which case no resource consent would be required subject to compliance with specific performance criteria. It is important to note that no regions or districts in New Zealand have identical provisions or rules in their plans.

The provisions in regional plans that are likely to be of most relevance to petroleum and mineral related activities are water takes, discharges to water, stormwater treatment and discharge, discharge of contaminants to land (e.g. fracking or waste disposal), discharges to air, earthworks, natural hazards, and the storage and management of hazardous substances.

The provisions in district plans that are likely to be of most relevance to petroleum and mineral related activities are land-use consents for well sites, quarries and production stations, pipelines, the control of noise and light spill, traffic generation and traffic management, and the transportation, storage and use of hazardous substances.

Each resource consent application is assessed on its own merits in terms of whether it should be publicly notified or not. Appeal rights apply.

Environmental Protection Authority (EPA)

Some resource consent applications may be referred to the Environment Court or designated as a proposal of national significance and referred to a Board of Inquiry for assessment and decision. If a matter is referred to a Board of Inquiry, the Minister for the Environment appoints an independent board to consider the matter. The board considers all submissions, holds a hearing (unless no-one wants to be heard), and makes a final decision on the matter. The EPA provides administrative support services to all Boards of Inquiry.

Hazardous substances used in petroleum or mineral production need to be approved by the EPA under the Hazardous Substances and New Organisms Act 1996 (HSNO).

Department of Conservation (DOC)

Before any prospecting, exploration and mining of Crown owned minerals (including petroleum) can take place on public conservation land (land administered under the Conservation Act 1987), permission is required from the Minister of Conservation, through an Access Arrangement. For all Tier 1 permits, joint approval is also required from the Minister of Energy and Resources.

In assessing whether to grant access, various criteria are considered including the safeguards against any potential adverse effects of carrying out the proposed programme of work, and the purpose for which the land is held by the Crown.

The Crown Minerals Act stipulates that it is not possible to obtain an access arrangement for land listed in Schedule 4 of the Act, except in very limited circumstances. Schedule 4 of the Act includes high value conservation land such as national parks and marine reserves.

Approvals will also be required from DOC for any activities outside the exploration or mining area (through a concession) or to interact with protected wildlife (through a Wildlife Act authorisation).

Other agencies

Ministry for the Environment (MfE)

MfE is responsible for administering the RMA and the HSNO act. MfE also provides advice to the Government on environmental policy matters.

MfE has recently published non-statutory guidelines which provide clarity on the roles of central and local government in managing onshore petroleum development activities including drilling, hydraulic fracturing and waste management.

You can read the guidelines here:
<http://www.mfe.govt.nz/publications/rma/managing-environmental-effects-onshore-petroleum-development-activities-guidelines>

Land Information New Zealand

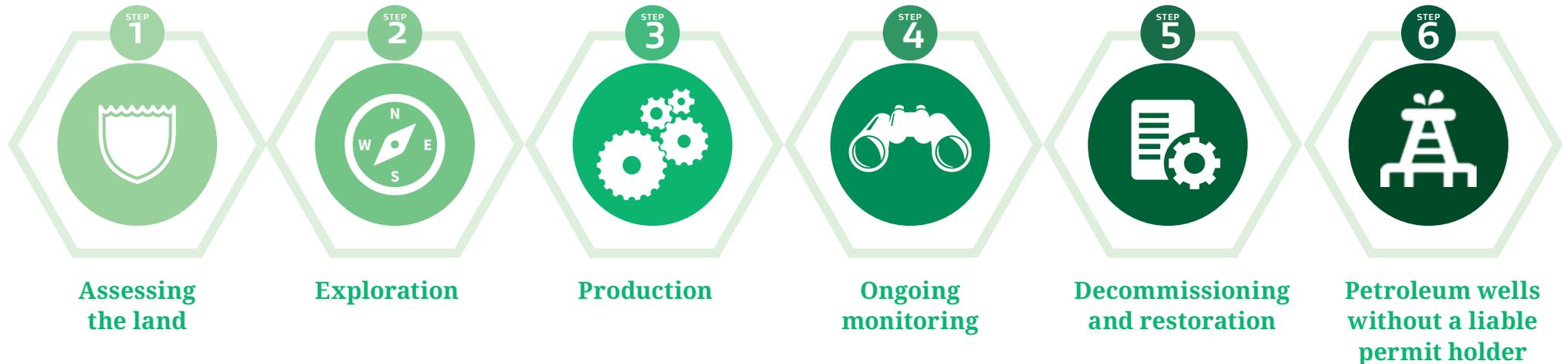
Prospecting, exploration and mining of Crown owned minerals (including petroleum) on public land other than conservation land will require an access arrangement approved by the Minister responsible for that land. For land managed under the Land Act 1948 the responsible agency will be Land Information New Zealand.

Heritage New Zealand

An operator will need to obtain an archaeological authority from Heritage New Zealand under the Heritage New Zealand Pouhere Taonga Act 2014 if an archaeological site may be affected by petroleum and mineral activities.

Steps to operating onshore

There are a number of stages involved when operators want to carry out exploration and production activities for petroleum or minerals onshore. The information on these pages provides an overview of the approval process as well as the monitoring and enforcement that is carried out by government agencies if/when approval is gained.





STEP
1

Assessing the land

- Both operators and the Government carry out research into where petroleum and minerals might be found. Some areas can be excluded from this process for conservation or cultural reasons.
- Historical and technical data are available for operators from NZP&M, GNS Science and universities.
- If an operator wants to search for petroleum or minerals they need to obtain a prospecting permit from NZP&M before undertaking prospecting activities such as surveying and taking soil samples. When considering a permit application, NZP&M assesses an operator'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. Prospecting permits last up to four years.

- NZP&M undertakes consultation with relevant iwi and hapū as part of the permit process.
- Permit holders must notify landowners and occupiers of planned minimum impact activities on private land. For more information on land access, see <http://www.nzpam.govt.nz/cms/iwi-communities/government-role/land-access>

- For prospecting on public conservation land, permission is required from the Minister of Conservation.

Environmental protections

- Operators use seismic surveying to compile a model of the underlying geologic structure of an area. This may be a permitted activity subject to compliance with specific performance criteria outlined within the relevant regional and/or district councils' resource management plan(s), or it may require resource consent.



STEP
2

Exploration

The first step of gaining permission to explore for petroleum or minerals is an exploration permit from NZP&M.

Petroleum

- For petroleum, exploration permits are exclusively granted through annual competitive tenders, known as Block Offers.
- NZP&M first consult with iwi, hapū and local authorities about areas of land which they are considering releasing for exploration by tender under the Crown Minerals Act (CMA), and consider their views. This can result in areas being removed from the offer or certain activities being subject to additional

requirements. Release areas are then finalised and operators are invited to bid for exploration permits within those areas.

- Public conservation land listed in Schedule 4 of the CMA and World Heritage Areas are not included in Block Offers.
- NZP&M assesses a bidder's work programme, 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.

- Under the Health and Safety at Work Act 2015 (HSW Act), operators have a duty to provide safe working places for their workforce and must comply with the Health and Safety at Work (Petroleum Exploration and Extraction) Regulations 2016 (HSW regulations). This legislation is enforced by WorkSafe's High Hazards Unit (HHU).
- Operators must submit a safety case for land drilling units at least 90 days before commencement but WorkSafe recommends early submission of these documents as the law allows for processing times of up to two years.

- Any hazards to safety must be identified and control measures implemented. HHU acceptance of a safety case is required before operations begin.
- Well operators must notify the HHU at least 20 days before any well drilling, suspension or abandonment begins. HHU must be satisfied risks are identified and precautions are being implemented.
- Seismic surveying can also occur during the exploration phase. The same conditions (outlined with Step 1) apply.

Minerals

- In regard to minerals, exploration permits can be applied for on a first acceptable work programme basis, through a 'newly available acreage' process, or through a competitive tender.
- Public conservation land listed in Schedule 4 of the Crown Minerals Act (CMA) and World Heritage Areas is unavailable for mining.
- In assessing a permit, NZP&M follow the same process as with petroleum permits.
- NZP&M liaises with WorkSafe, Maritime New Zealand, the EPA, Department of Conservation, Heritage New Zealand and local authorities, as necessary.
- Given the low-risk nature of exploration work, specific health and safety mining regulations do not apply to mineral exploration

(unlike petroleum exploration). Permit holders, like all businesses, are required to maintain safe working environments and implement sound practices under the HSW Act. Exploring for coal is covered under the mining regulations, also a part of the HSW Act.

Land access

- An exploration 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 more invasive activity like drilling. If access cannot be agreed on private land, the parties may go to arbitration. For more information on arbitration see <http://www.nzpam.govt.nz/cms/iwi-communities/government-role/land-access>

- For exploration activities on public conservation land, permission is required from the Minister of Conservation through an access arrangement.
- For more detailed information, see the guidance for applicants regarding mining activities on public conservation land – <http://www.doc.govt.nz/Documents/about-doc/concessions-and-permits/mineral-exploration/mining-applicants-guide.pdf>

Environmental protections

- Before exploratory drilling can begin, resource consent may be required depending on the rules in the relevant district and regional plan(s).
- Conditions may be attached to a resource consent to avoid, remedy or mitigate any adverse effects associated with the activity.
- Some examples of activities that need to be managed in relation to petroleum and mineral related activities are water takes, discharges to water, discharge of contaminants to land (e.g. fracking fluid or waste disposal), discharges to air, earthworks, natural hazards, the control of noise and light spill, traffic generation and traffic management, and the storage and management of hazardous substances.



STEP 3 Production

- An operator must have discovered viable quantities of petroleum or minerals in its exploration permit area before applying to NZP&M for a mining permit. A mining permit gives the permit holder permission to mine for the petroleum or minerals specified in the permit.
- NZP&M will assess the applicants' proposed work programme. Granting the permit involves agreeing on a development programme that ensures maximum responsible recovery of the resource.

- NZP&M also assess the operator'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.
- Before granting a mining permit, NZP&M consults again with iwi and hapū .
- Petroleum operators must comply with the Health and Safety at Work (Petroleum Exploration and Extraction) Regulations 2016. Operators must submit safety cases to WorkSafe for new wells.

- Mining operators are required to comply with the Health and Safety in Employment (Mining Operations and Quarrying Operations) Regulations 2013. For a more detailed explanation on what these Acts contain, see <http://www.nzpam.govt.nz/cms/iwi-communities/government-role/health-and-safety>
- WorkSafe's High Hazards Unit enforces health and safety regulation and undertakes onsite inspections.
 - Permit holders are required to maintain safe working environments and implement sound practices.

Environmental protections

- Before drilling or mining can begin, resource consent may be required depending on the rules in the relevant district and regional plan(s).
- Conditions may be attached to a resource consent to avoid, remedy or mitigate any adverse effects associated with the activity.
- Each resource consent application is assessed on its own merits in terms of whether it should be publicly notified or not. Appeal rights apply.
- Chemicals or hazardous substances used in petroleum or mineral production, for example those used in hydraulic fracturing, need to be approved for use by the EPA under the HSNO Act.

Land Access

- A mining permit does not give an automatic right to land access. Permit holders must enter into an access arrangement with the owner or occupier. If access cannot be agreed on private land, the parties may go to arbitration.



Permit holders must enter into an access arrangement with the owner or occupier. If access cannot be agreed on private land, the parties may go to arbitration.



STEP
4

Ongoing monitoring

NZP&M monitoring and compliance

- Operators are monitored for compliance with the conditions of their permits and must meet the conditions of agreed work programmes or their permits may be revoked.
- Operators are required to attend annual meetings with NZP&M if requested and are also required to report annually to the Government on their iwi and hapū engagement activity.

Regional and District Council monitoring and compliance

- If granted, a resource consent issued by a regional or district council will impose conditions to avoid, remedy or mitigate adverse effects of the proposed activity on the environment. The local authority will monitor compliance with the conditions and take enforcement action if required.

Access arrangement monitoring and compliance

- If granted, an access arrangement will set out what conditions are imposed to address the adverse effects of the proposed activity on the environment or existing interests. The responsible land manager (such as DOC) will monitor compliance with the conditions and take enforcement action if required.

WorkSafe monitoring

- Under the Health and Safety at Work Act 2015, permit holders are required to maintain safe working environments and implement sound practices. WorkSafe's High Hazards Unit (HHU) undertakes onsite inspections of mines.
- HHU inspectors maintain regulatory oversight throughout the life cycle of a production oil rig to ensure the operator is complying with its safety case.
- Rig operators must make sure that working wells are independently examined throughout the life cycle of each well.



STEP
5

Decommissioning & restoration

Petroleum

- Petroleum wells must be plugged and abandoned in accordance with HSW regulations and the well examination scheme. HHU must be notified at least 20 days before well abandonment operations begin. HHU must be satisfied risks are identified and precautions are being implemented. Well operators must ensure independent examination of the well abandonment operation.
- HHU acceptance of a revised safety case must be received before decommissioning a production facility.

- The site must be remediated to the specifications outlined in the resource consent. Remediation could include removal of infrastructure and regular ongoing monitoring of the surrounding area.
- Local authorities may hold a financial bond to ensure that the site is remediated appropriately.

Minerals

- WorkSafe must also be notified of the ceasing of mining operations so that a final mine plan can be recorded in case the mine is re-opened or other work is to be done in the same location.
- The site must be remediated to the specifications outlined in the resource consent. Remediation could include removing mining buildings, replanting the site and re-establishing fauna. Local authorities may hold a financial bond to ensure that the site is remediated appropriately.



STEP
6

Petroleum wells without a liable permit holder

- Petroleum permit holders must plug and abandon onshore wells they have drilled and remediate the land surrounding those well sites. However, there may be occasions when a permit holder does not plug and abandon its wells, for example if a permit holder is not financially capable. There is also a small chance that a well may require additional remediation when the former permit holder is not liable or can no longer be held liable.
- In these cases, land owners and occupiers, local authorities and the Government may be exposed to the cost of plugging and abandonment and remediation.
- This is because New Zealand's regulatory regime does not impose perpetual liability on permit holders, which is also the case with other sectors of the New Zealand economy.
- The Government has a number of measures in place to reduce the likelihood of land owners, occupiers, and local authorities having to pay for any additional work when the former permit holder is not liable or can no longer be held liable. These measures are detailed below.
- For example, before granting a permit, NZP&M assesses the applicants' technical and financial capability to undertake their work programme obligations, as well as their health and safety and environmental record. More information can be found on www.nzpam.govt.nz/assets/Uploads/permits/minerals-guidelines/guidance-financial-capability-determinations.pdf
- Local authorities and land owners and occupiers can also include conditions in resource consents or land access arrangements to address the adverse effects of the proposed activity on the environment or existing interests. To find out more information about land access arrangements, see www.nzpam.govt.nz/assets/Uploads/our-industry/factsheets/permits-land-access-new-zealand.pdf
- Finally, the Government's Contaminated Sites Remediation Fund may be available to help cover costs in the event of an issue arising if a well does fail. More information can be found on www.mfe.govt.nz/more/funding/contaminated-sites-remediation-fund/about-fund
- Please contact onshorefinancialassurance@mbie.govt.nz if you have any questions about this. The Government is currently assessing the onshore regulatory regime, and will inform relevant stakeholders of any developments.

How to find out more

New Zealand Petroleum and
Minerals www.nzpam.govt.nz

WorkSafe NZ
www.business.govt.nz/worksafe

Regional Councils
www.localcouncils.govt.nz

Department of Conservation
www.doc.govt.nz

Ministry for the Environment
www.mfe.govt.nz

Environmental Protection Authority
www.epa.govt.nz

New Zealand Government

