



CROWN MINERALS ACT 1991
MINERALS PROGRAMME FOR MINERALS (EXCLUDING PETROLEUM) 2013

Guidance for acceptable work programme offer applications

The efficient allocation of rights to prospect for, explore and mine Crown-owned minerals requires an efficient permit application process. The total timeframe for processing an application is significantly affected by the thoroughness and quality of the supporting information received, and the promptness of applicants' responses to communications from NZP&M.

To reduce processing times and expedite NZP&M decision-making, information provided by applicants needs to be complete and meet the requirements of the applicable parts of the Crown Minerals Act 1991 (the "**Act**"), the Crown Minerals (Minerals other than Petroleum) Regulations 2007 (the "**Regulations**"), and the Minerals Programme for Minerals (Excluding Petroleum) 2013 (the "**Minerals Programme**").

PURPOSE

This guideline explains NZP&M's general process for evaluating most permit applications under Section 29A of the Act and the relevant parts of the Minerals Programme.

Information about applications for Newly Available Acreage is covered in a separate guideline.

The guideline applies to:

- › Applications for the grant of a prospecting, exploration or mining permit (section 25 of the Act)
- › Subsequent permit applications (section 32)
- › Appraisal extension of exploration permits (section 35A)
- › Changes to permits (section 36).

The minimum requirements for an application being complete are given in the various schedules in the regulations. In addition, the requirements of the relevant sections of the Minerals Programme must be addressed by the submission of adequate supporting information. These requirements are outlined in this guideline.

LEGISLATIVE CONTEXT

Information requirements

Section 29A of the Act outlines the information that must be provided with an application and what the Minister of Energy and Resources (or officials acting under delegation) must consider. Applications are to be made in the form provided by NZP&M and must include the information and documents that the legislation specifies. Application forms are available on the NZP&M website www.nzpam.govt.nz.

The information required for applications is prescribed in Part 2 of the Regulations. These requirements are mandatory and an application will be rejected if these minimum requirements are not met.

The information supplied is then assessed against the requirements of the Act and the Minerals Programme. Applicants need to fully address the requirements of the Minerals Programme, especially submission of appropriate work programmes¹, to ensure timely processing of applications.

¹ Guidance for constructing work programmes is given in a separate guideline.

Some key sections of the Minerals Programme are:

- › Part 1.3, which interprets the purpose statement of the Act and includes some important principles against which an application is considered. These include the concept of good industry practice set out in NZP&M’s “Guidelines for Good Industry Practice” which applicants must address in supporting information for applications.
- › Parts 4 and 5, which respectively cover general considerations for permits and matters that the Minister must consider.
- › Parts 8, 9 and 10, which respectively cover the specific considerations for prospecting, exploration and mining permits.

Applicants need to ensure they are familiar with these and other relevant aspects of the Minerals Programme.

Timeframes

With three exceptions², there are no statutory timeframes for processing of applications. Some other important timeframes are prescribed in the Act and Minerals Programme. Examples include provision of reports, or receipt of applications in relation to permit expiry.

Processing times depend mainly on the complexity of the application, the risks to be assessed, the completeness of supporting information and the promptness of responses to communications between applicants and NZP&M. There are no statutory timeframes, but NZP&M will endeavor to meet the processing timeframes below.

Table 1: Application types and average processing times

APPLICATION TYPES	AVERAGE APPLICATION PROCESSING TIMEFRAMES [*]	
	Applications that are complete and have all the relevant information required in order to be assessed	Applications where significant further information is required to complete the assessment, or that are otherwise complex**
All hobby permit applications	60 business days	120 business days
New or subsequent Tier 1 & 2 PP and EP (not hobby permits)	80 business days	160 business days
New or subsequent Tier 1 or Tier 2 (not hobby) Mining Permit	120 business days	240 business days
Any Change of Conditions	60 business days	120 business days
Any Transfer, Change of Operator, Notification of Change of Control, or Consent to a Dealing	40 business days	80 business days
Extension of Duration (not appraisal), Change of Minerals and Extension of Land to a PP or EP	60 business days	120 business days
Extension of Duration for Appraisal to an EP or Extension of Land or Change of Minerals to an MP	120 business days	240 business days
Partial Surrenders	20 business days	40 business days
Full Surrenders	10 business days	20 business days

* May be affected by the shutdown period over December/January.
 **Examples include where the proposed project/operation is novel or complex, where what is sought in the application departs from what is defined as ordinary in the Minerals Programme, or where iwi submissions need to be considered. Where the material deficiency of information applications may be Rejected even if they were initially accepted. NZP&M records when we have requested additional information or documents from an applicant and we are waiting for that to be received. Effectively the “clock stops” during this period.

² Section 41A(7)(b), which allows for a permit to be revoked following a change of control only if the permit is revoked within 3 months of the date that the permit participant notified NZP&M of the change of control; Section 43(2), which relates to subsequent permit applications made under section 32; and Clause 12.12(5) of the Minerals Programme provides a guide as to the likely time taken to assess and make decisions relating to transfers and dealings.

APPLICATION PROCESSING STAGES

There are a number of stages to processing a permit application.

Processes for Tier 1 and some complex Tier 2 applications follow these stages and typically require multiple communications between NZP&M and the applicant. Most other Tier 2 applications follow the same stages but require less communication with the applicant.

The processing stages are:

1. Application receipt and entry into the online permit administration system.
2. Initial assessment for completeness of the application.
3. Plotting of the application area (and associated communication to the applicant).
4. Acceptance or rejection of application.
5. Consultation with iwi³ and, if relevant, other affected parties.
6. Full evaluation of the application against the Act and Minerals Programme on the basis of the information provided and additional information if requested.
7. Negotiation of Work Programme.
8. Recommendation to the decision maker.
9. Grant or decline of application by the decision maker, and issue of the permit certificate, if granted.

The following sections explain how NZP&M treats these stages of an application, and some associated communication timeframes. These give an indication of the timeframes in which a response from NZP&M would ordinarily be expected, or which NZP&M ordinarily expects applicants to meet. These are not statutory timeframes.

The numbering of the headings below corresponds to the application processing stages listed above.

1. Application receipt

The date an application is received by NZP&M is termed the *“date of receipt”*. For applications submitted online or by email the *date of receipt* will be that day, regardless if this falls on a business day or otherwise. For applications submitted by mail, the *date of receipt* will be the business day on which the mailroom receives and stamps the application.

On receipt, applications are entered into the online permit administration system.

2. Initial assessment for completeness of application

The Act and Part 2 of the Regulations require that an application be accompanied by certain information.

Applications received on a business day are ordinarily assessed for completeness of essential information within 24 hours.

This is a check to determine whether:

- › The application form is complete.
- › The required application fee has been paid.
- › Contact details are correct.
- › An agent authority is supplied if applicable.
- › There is a map of the application area in a form (a shape file) that can be imported into NZP&M’s permit GIS.
- › A work programme is proposed.
- › A Land and Minerals Status Report⁴ is provided for Tier 1 exploration or mining permit application for minerals other than gold or silver.
- › The items required under regulation for the application are included.

Once all the information provided by the applicant is considered to be complete, the application will be accepted and dated by NZP&M. The receipt date and the acceptance date may be the same date if all information is provided at the time of application.

3. Plotting of application area

If an application is deemed completed, the area applied for is plotted. Plotting may take up to 5 working days from the date of receipt. The plotted area will appear on NZP&M Webmaps when the application is accepted (at the acceptance or rejection step below). This step does not apply to permit-change applications where the area of a permit does not change.

If an application contains land unavailable for permitting (due to overlaps with other permits or applications for the same mineral group) it will not be accepted⁵. If an application contains such an overlap, the applicant will be notified in writing. A period of five working days is ordinarily given to allow the applicant to remove the areas of overlap from the application area. Once any areas of unavailable land are removed from the application area, the application will ordinarily be accepted within 24 hours.

However the application will be rejected if the application is still in a state of overlap at the end of the five working day period.

4. Acceptance or rejection of application

The permit applicant will be notified whether the application has been accepted or if it has been rejected outright.

The acceptance or rejection step is a screening stage only. “Acceptance” should not be taken to imply NZP&M acceptance of the extent or quality of information provided, or likelihood of grant. Neither does it mean that other information or changes to the work programme will not be required when the application is assessed in detail.

³ Iwi consultation is covered in a separate guideline.

⁴ Land and Mineral Status Reports are covered in a separate guideline.

⁵ An application is able to be in overlap with a permit for the same mineral group if the applicant has the prior written consent of the permit holder and this proof of consent is provided with the application

Once accepted the applicant will be contacted in writing asking for confirmation of the permit application area. The applicant is ordinarily given 10 working days to provide confirmation, or raise any issue with NZP&M. If NZP&M has received no communication from the applicant at the end of the 10 working days the map plot is accepted by default. If there are any sensitive area overlaps, such as lands listed in Schedule 3 or Schedule 4 of the Act, the applicant will be advised to withdraw those areas from their permit application area. If the areas are not withdrawn, the permit application will likely be declined. NZP&M will then commence statutory consultation with iwi and other affected parties.

5. Consultation with iwi

Once the map of the permit area has been accepted, or after 10 working days of the request for confirmation, NZP&M will notify affected parties in writing regarding the application. As well as relevant iwi and hapū, these may include Local Authorities and WorkSafe New Zealand. The Environmental Protection Authority may be consulted for offshore applications in the exclusive economic zone.

Iwi and hapū are consulted for all new and subsequent permit applications and applications to extend the minerals or land to which a permit relates. This process is the subject of a separate guideline. Iwi and hapū will ordinarily be given twenty working days to comment on any aspect of the proposal. At the request of iwi or hapū this period may be extended by a further twenty days.

WorkSafe New Zealand will advise NZP&M on a Tier 1 applicant's health and safety capability using information supplied by the applicant at NZP&M's request. This is in addition to the permit application itself, and is covered in a separate guideline. An appropriate environmental expert may be contracted to assist NZP&M with assessment of a Tier 1 applicant's environmental capability.

Consultation will also be undertaken with the underlying permit holder if a mining permit application (or extension of land to a mining permit) overlaps another mining permit for another mineral group. The underlying permit holder will be given 20 working days to raise any issues or questions regarding the application.

The end of the iwi consultation period is the point NZP&M considers an application to be substantively processed for the purposes of clause 4.8(3) of the Minerals Programme, and the applicant cannot then amend the area or minerals applied for.

6. Full evaluation of application

Full evaluation of application involves a thorough review of the application and its supporting information and negotiation of the work programme (see below). It is important to understand that NZP&M evaluates an application not simply against the schedule of information that must be supplied under regulation, but against the Crown Minerals Act and the Minerals Programme.

Additional information may be requested or clarification sought from the applicant. The applicant may be requested to provide a technical presentation or attend a meeting to discuss the application.

In the case of complex Tier 1 applications, these communications can be iterative. There will ordinarily be only one information request for Tier 2 applications and reminders will not be given.

If NZP&M considers an amendment to the application would substantively change the application, under clause 4.8(4) of the Minerals Programme, the amendment will ordinarily be declined and the application will be processed as originally submitted.

The evaluation will be completed, and the work programme finalised, on receipt of the requested information, or after the specified timeframe for submitting the requested information has elapsed, whichever occurs first.

7. Negotiation of Work Programme

The work programme⁶ is a condition or conditions of a permit as part of a statutory grant by NZP&M to the permit holder in return for access to Crown resources. NZP&M will negotiate work programmes proposed by the applicant to ensure that applicants can achieve their objectives and that the Crown achieves a satisfactory outcome according to the requirements of the legislation.

When a suggested revision to a proposed work programme has been sent to an applicant for their consideration, a response to any communications from NZP&M will ordinarily be required within 5 working days. NZP&M will endeavor to respond in a similar timeframe to any communications received from the applicant in respect of the work programme.

8. Recommendation to decision maker

When review of supporting information has been completed, the application has been assessed against the legislation on the basis the information provided, and a work programme agreed, a recommendation is made to the decision maker to grant or decline the application.

9. Grant or decline of application

If the application meets the requirements of the legislation, a permit is granted and a permit certificate is issued.

Applications that are considered to not meet the requirements of the Act and the Minerals Programme will be served with a letter of concern, outlining the deficiencies. A response will be ordinarily required within 5, 10 or 20 working days depending on the nature of the deficiencies. The response will be considered, and a recommendation to grant or decline the application will be made to the decision maker.

⁶ Guidance for constructing work programmes is given in a separate guideline.

Disclaimer

This document is a guideline only and is not intended to cover every possible situation. Where this guideline is inconsistent with the Act, relevant Minerals Programme or relevant regulations, the Act, Programme and regulations prevail. This guideline has no binding legal effect and should not be used as a substitute for obtaining independent legal advice.

New Zealand Petroleum and Minerals (NZP&M) is not responsible for the results of any action taken on the basis of information in this guideline, or for any errors or omissions in this guideline. NZP&M may vary this guideline at any time without notice.

There may be factors taken into account in any application process, transaction or decision that are not covered by this or any other guideline. Adherence to this guideline does not guarantee a particular outcome. NZP&M retains the discretion to decline any application where the statutory requirements for that application are not met.



**NEW ZEALAND
PETROLEUM & MINERALS**

www.nzpam.govt.nz
nzpam@mbie.govt.nz

PO Box 1473, Wellington 6140,
New Zealand

FREEPHONE (WITHIN NEW ZEALAND): 0508 263 782
INTERNATIONAL CALLS: +64 3 962 6179 FAX: +64 4 471 0187

NZP&M is a division of the Ministry of Business, Innovation and Employment. We lead and actively manage New Zealand's petroleum and minerals portfolio ensuring the country's economic interests and assets are comprehensively protected. Our goal is to use our wider understanding of the energy and resources sector to increase national and regional prosperity via petroleum and minerals exploration and production.

As a government agency, we engage with Councils, iwi and communities about petroleum and minerals development and regulation of the industry. We manage compliance and revenue collection on behalf of the Crown and aim to maximise the return that these important industries deliver for the benefit of all New Zealanders.

We report to the New Zealand public through the Minister of Energy and Resources.