

Petroleum permit fees, royalties and ERLs

An overview of petroleum permit fees, royalties and ERL requirements.

NZP&M's activities include processing and monitoring prospecting, exploration, and mining permits. We collect fees for these activities, as prescribed in the Crown Minerals (Petroleum Fees) Regulations 2016 [<http://www.legislation.govt.nz/regulation/public/2016/0274/13.0/DLM7031238.html>].

Fees levels are set to recover costs and are not meant to make a profit. They are separate to - and independent of - the royalties regime, which ensures a fair financial return to the Crown from the development of its minerals estate.

Application fees

All fees are in \$NZD and include GST (Goods and Services Tax)

Prospecting permit - \$8,337.50

Exploration permit - \$8,337.50

Any application under section

36 [<http://www.legislation.govt.nz/act/public/1991/0070/latest/DLM246348.html%20-%20DLM246348>] of the Act - \$4,025.00

Extension of duration of exploration permit under section

35A [<http://www.legislation.govt.nz/act/public/1991/0070/latest/DLM5228925.html%20-%20DLM5228925>] of the Act - \$19,435.00

Minister's consent under section 41, 41A, 41B, or 41C of the

Act [<http://www.legislation.govt.nz/act/public/1991/0070/latest/whole.html#DLM246363>] - \$3,450.00

Annual fees

All fees are in \$NZD and include GST (Goods and Services Tax).

Please Note: NZP&M does not accept manual credit card payments on applications.

Payments by telegraphic transfer must ensure overseas bank charges are set to "Ours". Permit holders pay for any bank fees for telegraphic transfers.

Cheques should be made out to "MBIE-Economic Development".

Prospecting permits

Exclusive permits - \$1.00 per square kilometre or part of a square kilometre.

Non-Exclusive permits - \$50,000

Exploration permits

\$12.13 per square kilometre or part of a square kilometre, or \$10,350.00, whichever is greater.

Mining permits

\$139.15 per square kilometre or part of a square kilometre, or \$17,250.00, whichever is greater.

However, if a mining permit covers an area of less than 0.1 square kilometres, then the annual fee payable under the permit is \$1,610.00.

Royalties

Royalties are set to ensure the Crown receives a fair financial return for the development of its minerals to the benefit of New Zealand.

Permit holders may have an obligation to file and pay royalty returns and these are detailed within the appropriate Petroleum Programmes or Regulations.

New permits granted since 24 May 2013 are subject to pay royalties under the Crown Minerals (Royalties for Petroleum) Regulations

2013 [<http://www.legislation.govt.nz/regulation/public/2013/0126/latest/DLM5156989.html>].

Permits granted under a previous minerals programme [<http://mbie17.cwp.govt.nz/our-industry/rules-regulations/>] continue to pay royalties based on those programmes.

Many current permit holders operate under a past royalty regime. See your permit to identify the royalty regime and minerals programme that apply for it. Usually this will be the regime that applied when the original permit was granted.

Making royalty returns and payments

NZP&M reminds permit holders when a royalty return is due.

We will send you a royalty return form to calculate your royalty liability. It explains the information needed for calculation of royalties, including the accounting profits royalty.

If you are not sure when the due date is, or have not received your form, please contact us [<http://mbie17.cwp.govt.nz/about/contact-us/>].

If you transfer a permit, a permit expires, a permit is surrendered, or a permit is revoked you must make a final royalty return and payment (we will usually send you the necessary form).

Energy Resource Levies on Gas

In addition to royalties, an Energy Resources Levy is payable on all natural gas produced in New Zealand at any time on or after 1 January 1977. If the total energy content of all natural gas that is produced during a particular month does not exceed 50 GJ (gigajoules), no levy shall be payable on that natural gas for that particular month (however the normal monthly return is still required to be submitted).

The rate of the levy on natural gas is \$0.45 per GJ. The person (company) liable to pay the levy on any natural gas shall be the person (company) who at the time the natural gas was produced, held the Petroleum Mining Licence relating to the land from which the natural gas was produced. The levy is not payable on natural gas produced as a result of a natural gas discovery made on or after 1 January 1986.

Permit holders may have an obligation to file and pay Energy Resources Levies returns within 20 days after the end of each month as detailed under the Energy Resources Levy Act 1976.

Making Energy Resources Levy returns and payments

NZP&M reminds permit holders when an Energy Resources Levy return is due.

Energy Resources Levies can now be submitted online through our online service found [here](http://mbie17.cwp.govt.nz/permits/online-permitting-system/) [http://mbie17.cwp.govt.nz/permits/online-permitting-system/]. A guideline document for submitting online ERLs can be found [here](http://mbie17.cwp.govt.nz/assets/Uploads/permits/minerals-guidelines/setting-up-a-petroleum-rapid-and-real-me-login.pdf). [PDF 504KB] [http://mbie17.cwp.govt.nz/assets/Uploads/permits/minerals-guidelines/setting-up-a-petroleum-rapid-and-real-me-login.pdf]

Alternatively, a blank form is available to download [here](http://mbie17.cwp.govt.nz/assets/Uploads/permits/permit-forms/energy-resource-levy-return.pdf) [PDF 691KB] [http://mbie17.cwp.govt.nz/assets/Uploads/permits/permit-forms/energy-resource-levy-return.pdf] for manual completion and submission.

If you transfer a permit, a permit expires, a permit is surrendered, or a permit is revoked you must make a final Energy Resources Levy return and payment.

If you have any questions regarding your Energy Resources Levy return or payment, [please contact us](http://mbie17.cwp.govt.nz/about/contact-us/) [http://mbie17.cwp.govt.nz/about/contact-us/].

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