

Crown Minerals Amendment Bill

Government Bill

As reported from the committee of the whole House

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

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Hon Shane Jones

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Crown Minerals Amendment Act **2024**.

2 Commencement

- (1) This Act comes into force on the day after Royal assent. 5
- (2) However, the following sections come into force on **1 July 2025**:
- (a) **section 5(1)** (so far as it relates to the definition of Tier 3 permit):
- (b) **sections 6 to 9, 11, 16(2), 18, 19, 20A, 22(1) to (4), 24, 32, and 49(1)**.
- (2) However, the following sections come into force on a single date set by Order in Council: 10
- (a) **section 5(1)** (so far as it relates to the definition of Tier 3 permit):
- (b) **sections 6 to 9, 11, 16(2), 18, 19, 20A, 22(1) to (4), 24, 32, and 49(1)**:
- (c) **clauses 44 and 45 of Part 6** of Schedule 1 of the principal Act (as inserted by the **Schedule** of this Act). 15
- (3) Any part of this Act that has not come into force by **1 January 2026** comes into force then.
- (4) An Order in Council made under this section is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements). 20

3 Principal Act

This Act amends the Crown Minerals Act 1991.

Part 1

Amendments to purpose provision and Parts 1 and 1A of principal Act

25

4 Section 1A amended (Purpose)

In section 1A(1), replace “manage” with “promote”.

5 Section 2 amended (Interpretation)

- (1) In section 2(1), insert in their appropriate alphabetical order:
- Government policy statement or GPS** means a Government policy statement issued under **section 12**
- Tier 3 permit** has the meaning given by **section 2B(2A)** 5
- (2) In section 2(1), repeal the definition of **onshore Taranaki region**.
- (3) In section 2(1), definition of **serve**, replace “section 352 or 353 of the Resource Management Act 1991” with “**sections 96 to 96C**”.
- (4) After section 2(4), insert:
- (5) For the purposes of this Act, a transfer of a participating interest in a permit or the transfer of a licence or a participating interest in a licence is effective on and after the date of the Minister’s consent to that transfer. 10

6 Section 2B amended (Meaning of Tier 1 permit and Tier 2 permit)

- (1) In the heading to section 2B, replace “**and Tier 2 permit**” with “**, Tier 2 permit, and Tier 3 permit**”. 15
- (2) In section 2B(2), replace “Tier 1 permit” with “Tier 1 permit or a Tier 3 permit”.
- (3) After section 2B(2), insert:
- (2A) In this Act, **Tier 3 permit** means a permit that— 20
- (a) authorises mining for gold in the bed of a river, on a beach, or both; and
 - (b) does not authorise mining for any other mineral; and
 - (c) applies to an area not exceeding 50 continuous hectares; and
 - (d) authorises work in accordance with the work programme set out in **section 2BA**; and
 - (e) is not a Tier 1 permit. 25
- (4) After section 2B(3), insert:
- (4) In this section and **sections 2BA and 29AB**, **river** includes a stream or creek.

7 New section 2BA inserted (Work programme for Tier 3 permits)

After section 2B, insert: 30

2BA Work programme for Tier 3 permits

- (1) The work programme for a Tier 3 permit is—
- (a) the permit holder will mine for gold;
 - (b) the permit holder may only use the following equipment: 35
 - (i) unpowered hand tools:

- (ii) riffle boxes and associated equipment:
- (iii) powered equipment not exceeding a combined total of 10 horse-power (or the equivalent of 10 horsepower) at any one time:
- (iv) other similar equipment that is consistent with small-scale non-commercial gold mining: 5
- (v) equipment permitted by regulations:
- (c) a work programme that is otherwise in accordance with requirements specified in regulations.
- (3) For the purposes of **subsection (1)(b)**, the permit holder may not use any equipment prohibited by regulations. 10

8 Section 2C replaced (Determination of permit tier status)

Replace section 2C with:

2C Determination of permit tier status

- (1) The Minister must determine the tier status of a permit—
 - (a) on first granting the permit; and 15
 - (b) at any time that the permit is changed under section 36(1).
 - (c) ~~at any time that the permit is partially surrendered under section 40(2) if—~~
 - (i) ~~the partial surrender results in the permit applying to an area not exceeding 50 continuous hectares; and~~ 20
 - (ii) ~~the permit holder, in the application lodged under section 40(1)(a), states that a purpose of the application is to satisfy the requirements of a Tier 3 permit as set out in **section 2B(2A)**.~~
- (2) The Minister may determine the tier status of a permit at any other time the Minister thinks fit. 25
- (3) Despite **subsections (1) and (2)**, the Minister may not make a determination that would result in a Tier 3 permit becoming a Tier 2 permit.

9 Section 2D amended (Consequences of change in status of permit)

- (1) In section 2D(1), replace “a Tier 1 permit becomes a Tier 2 permit or a Tier 2 permit becomes a Tier 1 permit” with “the tier status of a permit changes”. 30
- (2) Replace section 2D(3) with:
- (3) The change in tier takes effect,—
 - (a) if a Tier 2 permit is being changed to a Tier 3 permit, on ~~the day after the date of the notification~~ the date of the notification under subsection (2); or 35
 - (b) in any other case, at the start of the permit year following the date of the notification under subsection (2).

10 Section 5 amended (Functions of Minister)

(1) In section 5(a), replace “from time to time offer permits for application by” with “attract permit applications, including by way of”.

(2) After section 5(b), insert:

(ba) to prepare Government policy statements:

5

(2A) After section 5(c), insert:

(caa) to make decisions (with others) on whether to require outgoing guarantees and, if so, to determine what outgoing guarantees are appropriate:

(3) Replace section 5(ca) with:

(ca) to make decisions on decommissioning petroleum infrastructure and wells and impose requirements for acceptable financial security arrangements to secure the performance of decommissioning obligations under subpart 2 of Part 1B and related matters:

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11 Section 8 amended (Restrictions on prospecting or exploring for, or mining, Crown owned minerals)

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In section 8(2A)(a)(ii), after “Tier 2 permit”, insert “or a Tier 3 permit”.

12 New sections 12 to 12B and cross-heading inserted

After section 11, insert:

Government policy statements

12 Minister may issue GPS

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(1) The Minister may, at any time, issue 1 or more Government policy statements.

(2) The purpose of a GPS is to state the Government’s objectives and priorities in relation to the mining of Crown owned minerals.

(2A) The Minister may, before issuing a GPS, consult any individuals or organisations that the Minister considers appropriate.

25

(3) The Minister must, when issuing a GPS, be satisfied that the GPS contributes to the purpose of this Act.

(4) A person who performs a function under this Act must have regard to a GPS.

12A Content of GPS

(1) A GPS may contain, without limitation, either or both of the following:

30

(a) the Government’s medium- to long-term objectives in relation to the mining of 1 or more types of Crown owned minerals:

(b) the Government’s plans and priorities in order to achieve the objectives.

(2) A GPS may—

<ul style="list-style-type: none"> (a) cover all Crown owned minerals or only certain types of Crown owned minerals: (b) differentiate between different types of Crown owned minerals, geographical areas, and activities. 	5
12B Issuing and changing GPS	
<ul style="list-style-type: none"> (1) A GPS must be made publicly available, on an Internet site maintained by or on behalf of the chief executive, as soon as practicable after it is issued. (2) The Minister may amend, replace, or revoke a GPS at any time. (2A) The Minister may, before amending, replacing, or revoking a GPS, consult any individuals or organisations that the Minister considers appropriate. (3) If a GPS is amended, replaced or revoked, public notice must be given, on an Internet site maintained by or on behalf of the chief executive, as soon as practicable. (4) An amended or replacement GPS must be made publicly available, on an Internet site maintained by or on behalf of the chief executive, as soon as practicable after it is issued. 	10
13 Section 16 amended (Changes to minerals programmes)	
After section 16(3)(b), insert:	
<ul style="list-style-type: none"> (c) reflect and give effect to the amendments made by the Crown Minerals Amendment Act 2024. 	20

Part 2

Amendments to subpart 1 of Part 1B of principal Act

14 Section 23A amended (Application for permits)	
Repeal section 23A(2).	
15 Section 24 amended (Allocation by public tender)	25
Repeal section 24(5A).	
16 Section 25 amended (Grant of permit)	
<ul style="list-style-type: none"> (1) Repeal section 25(2A). (2) In section 25(3)(e), replace “Tier 1 or a Tier 2 permit” with “Tier 1, a Tier 2, or a Tier 3 permit”. 	30
17 Section 28A amended (Declaration that permits not to be issued or extended for specified land for specified period)	
<ul style="list-style-type: none"> (1) Replace the heading to section 28A with “Declaration in relation to specified land for specified period”. 	

(2) After section 28A(1), insert:

(1AA) The Minister may declare that, during a specified period, specified kinds of permits—

- (a) will only be granted in respect of specified land by allocation by public tender under section 24; and
- (b) will not have the area of land that those permits apply to extended to include any of that specified land.

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(3) In section 28A(1A), replace “subsection (1)” with “subsections (1) and **(1AA)**”.

18 Section 29A amended (Process for considering application)

(1) In the heading to section 29A, after “**application**”, insert “**for Tier 1 or Tier 2 permit**”.

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(2) In section 29A(1), after “An applicant for a”, insert “Tier 1 permit or a Tier 2”.

(3) In section 29A(2), after “Before granting a”, insert “Tier 1 permit or a Tier 2”.

19 New section 29AB inserted (Process for considering application for Tier 3 permit)

15

After section 29A, insert:

29AB Process for considering application for Tier 3 permit

(1) An applicant for a Tier 3 permit must provide to the Minister—

- (a) the name and contact details of the proposed permit participants and the proposed permit operator; and
- (b) whether the activity will be carried out in the bed of a river, on a beach, or both; and
- (c) any other information prescribed in the regulations.

20

(2) Before granting a Tier 3 permit, the Minister must be satisfied—

- (a) that the applicant is highly likely to comply with, and give proper effect to, the work programme, taking into account—
 - (i) the applicant’s technical capability; and
 - (ii) the applicant’s financial capability; and
 - (iii) any relevant information on the applicant’s failure to comply with permits or rights, or conditions in respect of those permits or rights, to prospect, explore, or mine in New Zealand or internationally; and
- (b) that the applicant is highly likely to comply with the relevant obligations under this Act or the regulations in respect of reporting and the payment of fees and, if applicable, royalties.

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20 Section 29B amended (Process for considering application under public tender for conditional exploration permit)

- (1) After section 29B(1)(a), insert:
- (ab) the offer specifies a date that is the latest acceptable reassessment date; and 5
- (2) Replace section 29B(1)(c) with:
- (c) the proposed work programme provided with the tender contains a reassessment date.
- (3) In section 29B(2), replace “exploration drilling committal date” with “reassessment date”. 10
- (4) Replace section 29B(3) with:
- (3) If a permit is granted in accordance with this section, work cannot be undertaken after the reassessment date unless, before that date, the Minister has, on application by the permit holder, satisfied themselves of the matters set out in section 29A(2)((b) and (d) in relation to that work. 15
- (5) In section 29B(5), repeal the definition of **exploration drilling committal date**.

20A Section 30 amended (Rights to prospect, explore, mine)

In section 30(6)(b), after “discovery”, insert “(unless the permit is a Tier 3 permit)”. 20

21 Section 32 amended (Right of permit holder to subsequent permits)

- (1) In section 32(3), delete “or occurrence” in each place.
- (2) After section 32(8), insert:
- (9) In this section, **deposit** means a concentration or an accumulation that is capable of being mined effectively and economically. 25

22 Section 35 amended (Duration of permit)

- (1) In section 35(7), after “mining permit”, insert “(except a Tier 3 permit)”.
- (2) In section 35(8), after “permit”, insert “(except a Tier 3 permit)”.
- (3) After section 35(8), insert:
- (8A) A Tier 3 permit expires— 30
- (a) 10 years after the commencement date specified in the permit; or
- (b) if an earlier expiry date is specified in the permit, on that date.
- (8B) A Tier 3 permit may be extended only in accordance with section 36(1) and (2) and **section 36A**.
- (4) In section 35(9), replace “a permit holder, amend the commencement date of a permit” with “the holder of a Tier 1 permit or a Tier 2 permit, amend the commencement date of the permit”. 35

- (5) Replace section 35(9)(a) with:
- (a) the permit holder has been prevented from commencing activities under the permit by—
 - (i) delays in obtaining consents under any Act; or
 - (ii) delays in obtaining access to land under this Act; and
- 23 Section 36 amended (Change to permit)**
- (1) Repeal section 36(2A).
- (2) In section 36(3), replace “rehabilitation work” with “mine-closure activities and rehabilitation work”.
- (2A) In section 36(4), replace “rehabilitation work” with “mine-closure activities and rehabilitation work”.
- (3) In section 36(5AA)(b), replace “rehabilitation work” with “mine-closure activities and rehabilitation work”.
- 24 New section 36A inserted (Limits on change to Tier 3 permit)**
- After section 36, insert:
- 36A Limits on change to Tier 3 permit**
- (1) The holder of a Tier 3 permit may make a written application under section 36(1)(b) only to—
- (a) extend the land to which the permit relates; or
 - (b) extend the duration of the permit.
- (2) The duration of a Tier 3 permit may only be extended if the permit holder satisfies the Minister that the discovery to which the permit relates cannot be economically depleted before the expiry date of the permit (and, in that respect, the Minister may consider the extent to which the inability to deplete the discovery during the term of the permit is due to causes or reasons beyond the permit holder’s control).
- (3) A permit holder may not make a written application under section 36(1)(b) that, if granted, would result in the permit not satisfying the requirements of a Tier 3 permit as set out in **section 2B(2A)**.
- (4) Section 36(3), (5), and (5AA) do not apply to a Tier 3 permit.
- 25 Section 39 amended (Revocation or transfer of permit)**
- (1) Replace section 39(1) with:
- (1) The Minister may revoke a permit or transfer a permit to the Minister (in replacement for the permit holder) if the Minister is satisfied that the permit holder has contravened—
- (a) a condition of the permit; or

- (b) this Act or the regulations.
- (1A) In section 39(2A), after “section 41A(7)(b)”, insert “or **(c)**”.
- (1B) In section 39(2A)(b), after “section 41A(5)”, insert “or **(5A)**”.
- (1C) In section 39(3A)(b), after “section 41A(7)(b)”, insert “or **(c)**”.
- (1A) In section 39(1A)(a), replace “section 41A(7)” with “**section 41AG(8) or 41A(6)**”. 5
- (1B) In section 39(2A),—
- (a) replace “section 41A(7)(b)” with “**section 41AG(8)(b) or (c) or 41A(6)(b)**”; and
- (b) replace “section 41A(2)” with “**section 41AG(1) or 41A(1)**”. 10
- (1C) In section 39(2A)(a), replace “section 41A(2)” with “**section 41AG(1) or 41A(1)**”.
- (1D) In section 39(2A)(b), replace “section 41A(5) (if any)” with “**section 41AG(5) or (6) or 41A(4)**, as applicable”.
- (1E) In section 39(3A), replace “section 41A(7)(a)” with “**section 41AG(8)(a) or 41A(6)(a)**”. 15
- (1F) In section 39(3A)(b), replace “section 41A(7)(b)” with “**section 41AG(8)(b) or (c) or 41A(6)(b)**, as applicable”.
- (1G) In section 39(3A)(b), replace “section 41A(2)” with “**section 41AG(1) or 41A(1)**”. 20
- (2) Replace section 39(8) with:
- (8) As soon as practicable after a permit is revoked, the chief executive must lodge a copy of the notice served on the permit holder under subsection (3) or (3A) with—
- (a) the Registrar-General of Land, if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum: 25
- (b) the Registrar of the Māori Land Court, if the permit was granted in respect of Māori land and—
- (i) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or 30
- (ii) the permit was granted on or after 21 August 2003.
- (3) Repeal section 39(9).
- 26 Section 40 amended (Surrender of permit)**
- (1) Replace section 40(9) with:
- (9) On acceptance, the chief executive must lodge a surrender of a permit, whether in whole or in part, with— 35

- (a) the Registrar-General of Land, if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum:
- (b) the Registrar of the Māori Land Court, if the permit was granted in respect of Māori land and—
- (i) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or
- (ii) the permit was granted on or after 21 August 2003.
- (2) Repeal section 40(9A).

26A Section 41 amended (Transfer of interest in permit)

- (1) After section 41(6), insert:
- (6A) Before granting consent, if the Ministers require an outgoing guarantee under **section 41I**, an outgoing guarantee that the Minister considers to be appropriate must have been provided in accordance with that requirement.
- (2) In section 41(7), replace “from the date of the Minister’s consent” with “on the date specified in **section 2(5)**”.

26B Sections 41AA and 41AB replaced

Replace sections 41AA and 41AB with:

41AA Interpretation for change of control and transfer provisions

- (1) In this section, **sections 41AB to 41A and 41E to 41I**, and subpart 2 of this Part, and **Part 6 of Schedule 1**,—
- body corporate that is undergoing a change of control** means a body corporate that is a permit participant, permit operator, licence holder, or holder of a participating interest in a licence referred to in **section 41AB(1)** that undergoes a change of control
- change of control**, in relation to a body corporate, means either of the following:
- (a) that a person obtains a controlling interest in the body corporate; or
- (b) in the case of an exploration or a mining permit or licence for petroleum, that a person ceases to have a controlling interest in the body corporate
- current licence holder** has the same meaning as in section 89D
- current permit holder** has the same meaning as in section 89D
- incoming person** means a person who obtains a controlling interest in a body corporate that is undergoing a change of control
- licence** has the same meaning as in section 89D
- outgoing person** means any of the following:
- (a) a person who ceases to have a controlling interest in a body corporate that is undergoing a change of control:

- (b) a person who ceases to have all or part of an interest in a body corporate that is undergoing a change of control that results in another person acquiring a controlling interest in that body corporate:
- (c) a person who transfers all or part of their participating interest in a permit or licence for petroleum, or transfers their licence for petroleum, to another person 5
- petroleum infrastructure** has the same meaning as in section 89F
- relevant older petroleum infrastructure** has the same meaning as in section 89H
- relevant older well** has the same meaning as in section 89I 10
- well** has the same meaning as in section 89D.
- (2) A person has a **controlling interest** if they are—
- (a) a person (**person A**) with the power (whether directly or indirectly) to exercise, or control the exercise of, 50% or more of the voting rights in the body corporate in question; or 15
- (b) a person (**person A**) who together with 1 or more specified persons has the power (whether directly or indirectly) to exercise, or control the exercise of, 50% or more of the voting rights in the body corporate in question.
- (3) A person is a **specified person** in relation to person A if the person— 20
- (a) is acting or will act jointly or in concert with person A in respect of exercising, or controlling the exercise of, the voting rights of,—
- (i) in the case of a permit, a permit participant:
- (ii) in the case of a licence, a person with a participating interest in the licence; or 25
- (b) in the case of either a licence or a permit, acts, or is accustomed to acting, in accordance with the wishes of person A.
- 41AB Change of control: certain permit operators and permit and licence participants**
- (1) This section and sections 41AC to 41AE apply if a body corporate that is any of the following undergoes a change of control: 30
- (a) a permit participant of an exploration or a mining permit or a licence holder or holder of a participating interest in a licence for petroleum:
- (b) a permit operator of a Tier 1 permit for minerals other than petroleum:
- (c) a permit operator of a prospecting permit for petroleum. 35
- (2) If this section applies,—
- (a) every incoming person contravenes this subsection if the change of control is made without the prior consent of the Minister (*see* sections 41AC

	to 41AE, which relate to obtaining consent), in a case where subsection (1)(a), (b), or (c) applies:	
	(b) every outgoing person contravenes this subsection if the change of control is made without the prior consent of the Minister (<i>see</i> sections 41AC to 41AE, which relate to obtaining consent), in the case of—	5
	(i) an exploration or mining permit for petroleum; or	
	(ii) a licence for petroleum.	
	Guidance note	
	A contravention may result in the revocation of a permit under section 41AF.	
	A contravention by an incoming person may constitute an offence under section 100(2A) if, before the incoming person obtains the controlling interest, they know, or ought reasonably to know, that they will obtain that interest.	10
	A contravention by an outgoing person in the case of an exploration or mining permit or a licence for petroleum may result in civil pecuniary penalties under section 89ZZV(1A) .	15
(3)	The body corporate undergoing a change of control must notify the Minister in accordance with subsection (5) if—	
	(a) subsection (2) is contravened; and	
	(b) the body corporate knows, or ought reasonably to know, that it has undergone a change of control.	20
	Guidance note	
	A contravention may constitute an offence under section 100(2B) .	
(4)	Subsection (3) does not apply in the case of a contravention referred to in section 41AC(3)(c).	
(5)	For the purposes of subsection (3) , the notification must—	25
	(a) be given as soon as is reasonably practicable, but in any event not later than 3 months after the body corporate undergoing the change of control becomes aware, or ought reasonably to have become aware, that it has undergone a change of control; and	
	(b) be accompanied by a copy of any agreement or other document that specifies the change of control.	30
26C	Section 41AC amended (Application for consent for change of control)	
(1)	In section 41AC(1)(c)(ii), replace “corporate body” with “body corporate”.	
(2)	In section 41AC(4), replace “corporate body” with “body corporate”.	
(3)	In section 41AC(5), replace the definition of relevant person with:	35
	relevant person means a person who is,—	
	(a) in the case of a prospecting permit for petroleum or a permit for minerals other than petroleum, an incoming person; or	

- (b) in the case of an exploration or mining permit for petroleum, an incoming person or an outgoing person
- 27 Section 41AE amended (When Minister may consent to change of control of permit operator)**
- In section 41AE(1)(b), replace “health and safety requirements of the Health and Safety at Work Act 2015” with “health and safety and environmental requirements of all specified Acts”. 5
- 27 Section 41AE amended (When Minister may consent to change of control of permit operator)**
- (1) In the heading to section 41AE, delete “of permit operator”. 10
- (2) In section 41AE(1), delete “of a permit operator”.
- (3) In section 41AE(1)(a), replace “change in control” with “change of control”.
- (4) After section 41AE(1)(a), insert:
- (aa) if the Ministers require an outgoing guarantee under **section 411**, an outgoing guarantee that the Minister considers to be appropriate has been provided in accordance with that requirement; and 15
- (5) In section 41AE(1)(b), replace “health and safety requirements of the Health and Safety at Work Act 2015” with “health and safety and environmental requirements of all specified Acts”.
- 28 Section 41A amended (Change of control of permit participants (other than operators of Tier 1 permits))** 20
- (1) After section 41A(3)(b), insert:
- (ba) in the case of a change of control of a permit participant who is a permit operator, a statement from the permit participant that it has the technical capability to meet its obligations under the permit; and 25
- (2) In section 41A(4), replace “subsection (3)(b) or (c)” with “subsection (3)(b), (ba), or (c)”.
- (3) In section 41A(5), replace “required to do so” with “so required by the Minister”.
- (4) After section 41A(5), insert: 30
- (5A) In the case of a change of control of a permit participant who is a permit operator, and if so required by the Minister, a permit participant must provide to the Minister information or documents relevant to the technical capability of the person A concerned (as referred to in section 41AA(1)), which may be—
- (a) general information about that person’s technical capability; or 35
- (b) information specific to the matter referred to in **subsection (3)(ba)**.
- (5) In section 41A(6), replace “do so” with “comply with subsections (5) and (5A)”.

- (6) After section 41A(7)(b), insert:
- (e) in the case of a change of control of a permit participant who is a permit operator, the Minister is not satisfied that, following the change of control, the permit holder has the technical capability to meet its obligations under the permit.

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28 Section 41A replaced (Change of control of permit participants (other than operators of Tier 1 permits))

Replace section 41A with:

41AG Notification of change of control: certain permit participants

- (1) In the case of a prospecting permit for petroleum or a permit for minerals other than petroleum, a permit participant must notify the Minister in accordance with **subsection (3)** if—
- (a) either of the following applies:
- (i) the permit participant of a Tier 1 permit who is not the permit operator is undergoing a change of control;
- (ii) the permit participant of a permit that is not a Tier 1 permit is undergoing a change of control; and
- (b) the permit participant is a body corporate; and
- (c) the permit participant knows, or ought reasonably to know, that it has undergone a change of control.

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Guidance note

A contravention may constitute an offence under **section 100(2B)(b)**.

- (2) However, this section does not apply to a change of control to which sections **41AB** to 41AF apply.
- (3) The notification must be given within 3 months after the permit participant becomes aware, or ought reasonably to have become aware, of the matters referred to in **subsection (1)** and must be accompanied by—
- (a) a copy of any agreement or document that specifies the change of control; and
- (b) a statement from the permit participant that it has the financial capability to meet its obligations under the permit; and
- (c) in the case of a change of control of a permit participant that is a permit operator, a statement from the permit participant that it has the technical capability to meet its obligations under the permit.
- (4) A statement for the purposes of **subsection (3)(b) or (c)** must be signed,—
- (a) if the permit participant is a company, on behalf of all the directors by at least 2 directors of the company or, if the company has only 1 director, by that director; or

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- (b) if the permit participant is not a company, by a person responsible for the management of the permit participant.
- (5) If the Minister so requires, a permit participant must provide to the Minister information or documents relevant to the financial capability of a person A concerned (as referred to in **section 41AA(2)**), which may be— 5
- (a) general information about that person’s financial capability; or
- (b) information specific to the matters referred to in **subsection (3)(b) and (c)**.
- (6) In the case of a change of control of a permit participant who is a permit operator, and if the Minister so requires, a permit participant must provide to the Minister information or documents relevant to the technical capability of a person A concerned (as referred to in **section 41AA(2)**), which may be— 10
- (a) general information about that person’s technical capability; or
- (b) information specific to the matter referred to in **subsection (3)(c)**.
- (7) However, the permit participant must comply with **subsections (5) and (6)** only if the Minister requests the information or documents no later than 3 months from the date on which the permit participant notifies the Minister of the change of control in accordance with this section. 15
- (8) The Minister may revoke the permit in accordance with the procedure set out in section 39 if— 20
- (a) **subsection (1)** is contravened; or
- (b) the Minister is not satisfied that, following the change of control, the permit holder has the financial capability to meet its obligations under the permit; or
- (c) in the case of a change of control of a permit participant that is a permit operator, the Minister is not satisfied that, following the change of control, the permit holder has the technical capability to meet its obligations under the permit. 25
- 41A Notification of change of control: guarantors**
- (1) A permit participant must notify the Minister in accordance with **subsection (2)** if the permit participant knows, or ought reasonably to know, that a body corporate that has provided a guarantee for the permit participant’s obligations under the permit (other than a body corporate that has provided an outgoing guarantee for those obligations) has undergone a change of control. 30
- Guidance note** 35
- A contravention may constitute an offence under **section 100(2B)(b)**.
- (2) The notification must be given within 3 months after the permit participant becomes aware, or ought reasonably to have become aware, of the change of control referred to in **subsection (1)** and must be accompanied by—

- (a) a copy of any agreement or document that specifies the change of control; and
- (b) a statement from the permit participant that it has the financial capability to meet its obligations under the permit; and
- (c) a statement from the guarantor that it has the financial capability to meet its obligations under the guarantee. 5
- (3) A statement for the purposes of **subsection (2)(b) or (c)** must be signed,—
- (a) if the permit participant or guarantor is a company, on behalf of all the directors by at least 2 directors of the company or, if the company has only 1 director, by that director; or 10
- (b) if the permit participant or guarantor is not a company, by a person responsible for the management of the permit participant or guarantor.
- (4) If the Minister so requires, a permit participant must provide to the Minister information or documents relevant to the financial capability of a person A concerned (as referred to in **section 41AA(2)**), which may be— 15
- (a) general information about that person’s financial capability; or
- (b) information specific to the matters referred to in **subsection (2)(b) and (c)**.
- (5) However, the permit participant must comply with **subsection (4)** only if the Minister requests the information or documents no later than 3 months from the date on which the permit participant notifies the Minister of the change of control in accordance with this section. 20
- (6) The Minister may revoke the permit in accordance with the procedure set out in section 39 if—
- (a) **subsection (1)** is contravened; or 25
- (b) the Minister is not satisfied that, following the change of control, the permit holder has the financial capability to meet its obligations under the permit.

29 Section 41C amended (Change of permit operator)

After section 41C(3)(a), insert: 30

- (ab) if the change of operator relates to a Tier 1 permit for exploration or mining, if the Minister is satisfied that the proposed permit operator has, or is highly likely to have, by the time the relevant work in the permit is undertaken, the capability and systems that are likely to be required in relation to the types of activities to be carried out under the permit to meet the environmental requirements of the following Acts: 35
- (i) Maritime Transport Act 1994:
- (ii) Resource Management Act 1991:

- (iii) Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012; and

29A New sections 41E to 41I and cross-heading inserted

After section 41D, insert:

Outgoing guarantees: permits and licences for petroleum

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41E Application of outgoing guarantee provisions: permits and licences for petroleum

Sections 41F to 41I apply to all of the following cases (**relevant transactions**):

- (a) a transfer of all or part of a participating interest in a permit for petroleum to which section 41 applies: 10
- (b) a change of control in respect of a permit for petroleum to which sections **41AB** to 41AE apply:
- (c) the transfer of a licence or participating interest in a licence or a change of control in respect of a licence holder or the holder of a participating interest in a licence. 15

41F Ministers must consider outgoing guarantee: permits and licences for petroleum

- (1) The Minister and the Minister of Finance acting jointly (the **Ministers**) must consider whether it is necessary or desirable to require 1 or more outgoing guarantees to be provided to the Crown by 1 or more of the following persons whom the Ministers consider to be appropriate to provide an outgoing guarantee: 20
- (a) an outgoing person:
- (b) a related body corporate of an outgoing person. 25
- (2) However, **subsection (1)** does not apply in relation to an outgoing person or a related body corporate of an outgoing person if there are none of the following in existence under the permit or licence in respect of which they are an outgoing person or related body corporate:
- (a) petroleum infrastructure: 30
- (b) 1 or more wells:
- (c) relevant older petroleum infrastructure:
- (d) 1 or more relevant older wells.
- (3) In this Act, unless the context otherwise requires, **outgoing guarantee** means a guarantee provided to the Crown— 35
- (a) under which a guarantor agrees to answer to the Crown for the unmet costs of any debt, default, or liability of the current permit holder or cur-

- rent licence holder in the event that the current permit holder or current licence holder defaults on its obligation to carry out and meet the costs of decommissioning under any of sections 89J, 89K, 89R, and 89S; and
- (b) that requires the guarantor to meet the total costs (or a lesser specified amount or proportion or an amount calculated in a specified manner) of decommissioning any petroleum infrastructure and wells, to the extent that— 5
- (i) the petroleum infrastructure and wells were, at the time of the relevant transaction, in place or used for the purposes of carrying out, or otherwise related to, activities authorised by the permit or licence (whenever granted), and all relevant older petroleum infrastructure and relevant older wells; and 10
- (ii) acceptable financial security arrangements (as defined in section 89D(1)) in place are insufficient to meet the costs of that decommissioning. 15
- (4) For the purposes of this section, **related body corporate** means, in relation to a body corporate (A) and another body corporate (B), that—
- (a) B is A's holding company or subsidiary within the meaning of section 5 of the Companies Act 1993; or
- (b) more than half of A's voting products (other than voting products that carry no right to participate beyond a specified amount in a distribution of either profits or capital) are held by B and bodies corporate that are related to B (whether directly or indirectly, but other than in a fiduciary capacity), or vice versa; or 20
- (c) more than half of the voting products (other than voting products that carry no right to participate beyond a specified amount in a distribution of either profits or capital) of each of A and B are held by members of the other (whether directly or indirectly, but other than in a fiduciary capacity), or vice versa; or 25
- (d) the businesses of A and B have been so carried on that the separate business of each body corporate, or a substantial part of that business, is not readily identifiable; or 30
- (e) there is another body corporate to which A and B are both related.
- (5) In this section, **voting product** has the same meaning as in section 6 of the Financial Markets Conduct Act 2013. 35
- (6) Any other terms that are used, but not defined, in this section or **sections 41G and 41I**, have the same meanings as in **sections 41AA** and 89D.
- 41G Considerations for deciding on outgoing guarantee**
- When considering whether to require an outgoing guarantee, and the nature and extent of an outgoing guarantee, the Ministers may consider anything that the 40

Ministers think relevant to the decision, including (for example) the following considerations:

- (a) the permit's or licence's proximity in time to the date of decommissioning:
- (b) the permit's or licence's current level of reserves and production forecast: 5
- (c) the estimated cost of decommissioning and the extent to which existing and proposed financial security arrangements will cover the cost of decommissioning:
- (d) the circumstances of the current, incoming, and outgoing interests in the permit or licence: 10
- (e) any information relating to current or emerging risks to the permit holder's or licence holder's ability to meet its decommissioning obligation under this Act (including risks to the financial security arrangement or the existence of any other outgoing guarantees provided to the Crown): 15
- (f) the circumstances of the outgoing person and the extent of its past interest and future interest (if any) in the permit or licence (for example, the length of time it has had an interest, how much of the permit its interest relates to, and the extent of its commercial gain from the permit or licence). 20

41H Information for deciding on outgoing guarantee

- (1) The Ministers may give a notice to an incoming person or an outgoing person, or any related body corporate to an incoming person or an outgoing person, requiring the person to give the Ministers any information, to the extent that it relates to the matters in **sections 41E to 41I**, that the Ministers consider will assist them in determining whether to require a guarantee and by whom the guarantee should be provided. 25
- (2) The person so required must provide to the Ministers the information or documents specified in the notice, to the extent that it relates to the matters referred to in **sections 41E to 41I**. 30
- (3) The person so required must provide the information in the form and in the manner set out in the notice and within any reasonable time specified in the notice.

41I Requirement to provide outgoing guarantee

- (1) The Ministers may require an outgoing guarantee by giving notice to an outgoing person. 35

- (2) The Ministers may specify in the notice the nature and extent of the outgoing guarantee (for example, who the guarantee must be provided by, or the amount or proportion payable under the guarantee).
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- Guidance note**
- A failure to provide an outgoing guarantee in accordance with a notice under **section 41(2)** may result in the withholding of the Minister's consent under section 41 or 41AE. 5
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- 30 Section 42A amended (Authorisation of geophysical surveys on adjacent land)**
- Replace section 42A(1) with: 10
- (1) The Minister may, subject to such conditions as the Minister thinks fit to impose, grant written authorisation to a permit holder to carry out geophysical surveys on land adjacent to the land to which the permit (**permit A**) relates.
- (1A) **Subsection (1)** does not apply if another permit or existing privilege (**permit B**) gives the holder of permit B the exclusive right to prospect for the same mineral in the adjacent land. 15
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- 31 Section 50A repealed (Restricted access to Taranaki conservation land)**
- Repeal section 50A.
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- 32 Section 61 amended (Access arrangements in respect of Crown land and land in common marine and coastal area)** 20
- In section 61(1)(a) and (b), after “permit”, insert “or a Tier 3 permit”.
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- 33 Section 83 amended (Notation of access rights on land titles)**
- After section 83(3), insert:
- (4) On the expiry of an access arrangement to which this section applies, the permit holder or applicant for a permit must, as soon as practicable, lodge with the Registrar-General of Land a notice stating that the access arrangement has expired. 25
- (5) On receipt of a notice under **subsection (4)**, the Registrar-General of Land must, if everything is in order, record the expiry on the record of title.
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- 34 New section 88 inserted (Notification of expiry of permit)** 30
- After section 87, insert:
- 88 Notification of expiry of permit**
- (1) A permit holder must notify the Registrar-General of Land when a permit expires if the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum. 35

- (2) A permit holder must notify the Registrar of the Māori Land Court when a permit granted in respect of Māori land expires if—
- (a) the permit was granted before 21 August 2003 and was a permit other than in respect of petroleum; or
 - (b) the permit was granted on or after 21 August 2003.
- (3) If the permit holder fails to comply with either or both of **subsections (1) and (2)** within a reasonable time of the expiry of the permit, the chief executive may give the required notice.

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35 Section 89 amended (Revision of records)

- (1) In section 89(1), replace “revocation of or surrender” with “revocation, surrender, or expiry”.
- (2) In section 89(2), replace “This section” with “Subsection (1)”.
- (3) After section 89(2), insert:
- (3) The Registrar of the Māori Land Court must enter in the court’s records particulars of—
- (a) a notice of revocation of a permit lodged under **section 39(8)(b)**; or
 - (b) a surrender of a permit lodged under **section 40(9)(b)**; or
 - (c) a notice of expiry of a permit given under **section 88(2) or (3)**.

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Part 3

Amendments to rest of principal Act

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36 Section 89D amended (Interpretation)

- (1) In section 89D(1), insert in their appropriate alphabetical order:
- acceptable financial security arrangement** means a financial security arrangement that the Minister is satisfied operates in an acceptable way and provides an acceptable level of security, in accordance with **sections 89ZL, 89ZM, and 89ZN**, the regulations, and the relevant minerals programme, in relation to the performance of obligations imposed on persons under this subpart
- amount**, in relation to a financial security, includes an obligation that is—
- (a) unlimited; or
 - (b) quantified; or
 - (c) unquantified, but expressed to cover specified costs, losses, expenses, charges, or liabilities (whenever arising)
- financial security arrangement** means 1 or more financial securities to secure the obligations imposed on persons under this subpart and may—
- (a) include financial securities of the same kind or different kinds:

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- (b) relate to 1 permit or licence or more than 1 permit or licence, or both:
- (c) be held by 1 or more permit or licence holders or permit participants or other persons:
- (d) include any other variations relating to each financial security, comprised in the financial security arrangement, or the operation of each of those financial securities 5
- (2) After section 89D(1), insert:
- (1A) In this subpart, **controlling interest**, in relation to any person that is a body corporate, means—
- (a) a person with the power (whether directly or indirectly) to exercise, or control the exercise of, 50% or more of the voting rights in the body corporate in question; or 10
- (b) a person (**person A**) who together with 1 or more of the specified persons has the power (whether directly or indirectly) to exercise, or control the exercise of, 50% or more of the voting rights in the body corporate in question. 15
- (1B) In **subsection (1A)(b)**, a **specified person** in relation to person A is a person who—
- (a) is acting or will act jointly or in concert with person A in respect of exercising, or controlling the exercise of, the voting rights of,— 20
- (i) in the case of a permit, a permit participant:
- (ii) in the case of a licence, a person with a participating interest in the licence; or
- (b) in the case of either a licence or a permit, a person who acts, or is accustomed to acting, in accordance with the wishes of person A. 25

36A Section 89E amended (Decommissioning)

Replace section 89E(2) with:

- (2) However, in relation to petroleum infrastructure, that infrastructure must be decommissioned by totally removing it, unless—
- (a) an exemption has been granted under section 89Y; or 30
- (b) a class exemption prescribed in regulations made under section 105(1)(qb) applies; or
- (c) any other legislation, relevant standard, or requirement by a regulatory agency contains any different requirements or standards relating to the method of decommissioning a particular item of petroleum infrastructure (in whole or in part). 35
- (2A) Despite **subsection (2)**, an item of infrastructure left in place in accordance with an exemption under section 89Y, or a class exemption prescribed in regu-

lations under section 105(1)(qb), must be treated as having been decommissioned.

36B Section 89J amended (Obligations of permit holders, transferors, and transferees: decommissioning of petroleum infrastructure)

- (1) In the heading to section 89J, delete “, transferors, and transferees”. 5
 (2) Repeal section 89J(2), (3), (4), and (5).

36C Section 89K amended (Obligations of licence holders, transferors, and transferees: decommissioning of petroleum infrastructure)

- (1) In the heading to section 89K, delete “, transferors, and transferees”.
 (2) Repeal section 89K(2), (3), (4), and (5). 10

37 Section 89L amended (Further obligations on transferors and transferees and Minister)

(1AAA) In the heading to section 89L, delete “transferors and”.

(1AAB) Repeal section 89L(1)(a).

(1AAC) Repeal section 89L(2). 15

(1) Replace section 89L(3) with:

(3) The Minister must, when considering whether to consent to the transfer of a licence or participating interest in a permit or a licence to person B, and before consenting to the transfer, be satisfied that an acceptable financial security arrangement (whether existing, altered, or new) is or will be in place within the time specified by the Minister and will be maintained for a time specified by the Minister if the Minister consents to the transfer. 20

(3A) The Minister may adopt any process the Minister considers appropriate for the purpose of carrying out their duties under **subsection (3)**.

(2) In section 89L(4), replace “A financial security” with “An acceptable financial security arrangement”. 25

(3) In section 89L(5), replace “If person B fails to comply with subsection (3)” with “If an acceptable financial security arrangement (whether existing, altered, or new) is not in place within the time specified by the Minister or not maintained for a time specified by the Minister”. 30

(3) Repeal section 89L(5).

38 Section 89M replaced (Extent of liability of former permit and licence holders under sections 89J(2) and 89K(2))

Replace section 89M with:

89M Liability of specified persons for default by permit holder or licence holder, etc, under section 89J(1) or 89K(1)

- (1) This section applies if a permit holder or licence holder fails to meet their decommissioning obligations under section 89J(1) or 89K(1).
- (2) The persons who are liable to meet the costs of decommissioning that are not met by the persons referred to in section 89J(1) or 89K(1), in the case of a permit or licence where there is 1 person who is the permit or licence holder and only 1 person with a participating interest in the permit or licence, are—
- (a) each person referred to in section 89J(2), 89K(2), or 89L (**person B**) who transferred their licence or permit or participating interest in the permit or licence to a person (**person A**) who is the current permit or licence holder or the current permit participant or holder of a participating interest in the licence (as the case may be):
 - (b) a person (**person C**) with a controlling interest in person A:
 - (c) a person (**person D**) who transferred their controlling interest in person A to person C:
 - (d) a person (**person E**) with a controlling interest in person B.
- (3) The persons who are liable to meet the costs of decommissioning that are not met by the person referred to in section 89J(1) or 89K(1), in the case of a permit or licence where there is more than 1 person who is the holder of a permit or licence or more than 1 person with a participating interest in the permit or licence are—
- (a) each person referred to in section 89J(2), 89K(2), or 89L (**person B**) who transferred their interest in the licence or permit or participating interest in the licence or permit to a person (**person A**) who is a current permit or licence holder or a current permit participant or holder of a participating interest in the licence (as the case may be):
 - (b) a person (**person C**) with a controlling interest in person A:
 - (c) a person (**person D**) who transferred their controlling interest in person A to person C:
 - (d) a person (**person E**) with a controlling interest in person B.
- (4) Regulations made under section 105(1) may—
- (a) specify the order of priority in which persons described in **subsections (2) and (3)** are liable to meet unmet decommissioning costs:
 - (b) subject to any restrictions on liability set out in section 89J(2), 89K(2), or 89L,—
 - (i) specify the amount of liability of any of those persons (including by limiting it):

- (ii) specify the kind of liability those persons have (for example, joint and several liability).

Guidance note

For the definition of **controlling interest**, see **section 89D(1A)**.

- 38 Section 89M repealed (Extent of liability of former permit and licence holders under sections 89J(2) and 89K(2))** 5
 Repeal section 89M.
- 38A Section 89N amended (When decommissioning obligations of persons under section 89J, 89K, or 89L arise)**
- (1) In the heading to section 89N, replace “section 89J, 89K, or 89L” with “section 89J or 89K”. 10
- (2) In section 89N(1), replace “section 89J, 89K, or 89L” with “section 89J or 89K”.
- 38B Section 89R amended (Obligations of permit holders, transferors, and transferees: decommissioning of wells)** 15
- (1) In the heading to section 89R, delete “, transferors, and transferees”.
- (2) Repeal section 89R(2), (3), (4), and (5).
- 38C Section 89S amended (Obligations of licence holders, transferors, and transferees: decommissioning of wells)**
- (1) In the heading to section 89S, delete “, transferors, and transferees”. 20
- (2) Repeal section 89S(2), (3), (4), and (5).
- 39 Section 89T amended (Further obligations on transferors and transferees and Minister)**
- (1AAA) In the heading to section 89T, delete “transferors and”.
- (1AAB) Repeal section 89T(1)(a). 25
- (1) After section 89T(1)(b), insert:
- (c) the Minister.
- (1A) Repeal section 89T(2).
- (2) Replace section 89T(3) with:
- (3) The Minister must, when considering whether to consent to the transfer of a licence or participating interest in a permit or licence to person B, and before consenting to the transfer, be satisfied that an acceptable financial security arrangement (whether existing, altered, or new), is or will be in place within the time specified by the Minister and will be maintained for a time specified by the Minister if the Minister consents to the transfer. 30 35

- (3A) The Minister may adopt any process the Minister considers appropriate for the purpose of carrying out their duties under **subsection (3)**.
- (3) In section 89T(4), replace “A financial security” with “An acceptable financial security arrangement”.
- (4) In section 89T(5), replace “If person B fails to comply with subsection (3)” with “If an acceptable financial security arrangement (whether existing, altered, or new) is not in place within the time specified by the Minister or not maintained for a time specified by the Minister”.
- (4) Repeal section 89T(5).
- 40 Section 89U replaced (Extent of liability of former permit and licence holders under sections 89R and 89S)**
- Replace section 89U with:
- 89U Liability of specified persons for default by permit holder or licence holder, etc under section 89R(1) or 89S(1)**
- (1) This section applies if a permit holder or licence holder fails to meet their decommissioning obligations under section 89R(1) or 89S(1).
- (2) The persons who are liable to meet the costs of decommissioning that are not met by the persons referred to in section 89R(1) or 89S(1), in the case of a permit or licence where there is 1 person who is the permit or licence holder and only 1 person with a participating interest in the permit or licence, are—
- (a) each person referred to in section 89R(2), 89S(2), or 89T (**person B**) who transferred their licence or permit or participating interest in the permit or licence to a person (**person A**) who is the current permit or licence holder or the current permit participant or holder of a participating interest in the licence (as the case may be);
- (b) a person (**person C**) with a controlling interest in person A;
- (c) a person (**person D**) who transferred their controlling interest in person A to person C;
- (d) a person (**person E**) with a controlling interest in person B.
- (3) The persons who are liable to meet the costs of decommissioning that are not met by the person referred to in section 89R(1) or 89S(1), in the case of a permit or licence where there is more than 1 person who is the holder of a permit or licence or more than 1 person with a participating interest in the permit or licence are—
- (a) each person referred to in section 89R(2), 89S(2), or 89T (**person B**) who transferred their interest in the licence or permit or participating interest in the licence or permit to a person (**person A**) who is a current permit or licence holder or a current permit participant or holder of a participating interest in the licence (as the case may be);

<p>(b) a person (person C) with a controlling interest in person A;</p> <p>(c) a person (person D) who transferred their controlling interest in person A to person C;</p> <p>(d) a person (person E) with a controlling interest in person B.</p> <p>(4) Regulations made under section 105(1) may—</p> <p>(a) specify the order of priority in which persons described in subsections (2) and (3) are liable to meet unmet decommissioning costs;</p> <p>(b) subject to any restrictions on liability set out in section 89R(2), 89S(2), or 89T,—</p> <p style="padding-left: 20px;">(i) specify the amount of liability of any of those persons (including by limiting it);</p> <p style="padding-left: 20px;">(ii) specify the kind of liability those persons have (for example, joint and several liability).</p> <hr/> <p>Guidance note</p> <p>For the definition of controlling interest, see section 89D(1A).</p>	<p>5</p> <p>10</p> <p>15</p>
40	<u>Section 89U repealed (Extent of liability of former permit and licence holders under sections 89R and 89S)</u>
	Repeal section 89U.
40A	<u>Section 89V amended (When decommissioning obligations of permit holders, licence holders, and other persons under section 89R, 89S, or 89T arise)</u>
	(1) <u>In the heading to section 89V, replace “section 89R, 89S, or 89T” with “section 89R or 89S”.</u>
	(2) <u>In section 89V(1), replace “section 89R, 89S, or 89T” with “section 89R or 89S”.</u>
40B	<u>Section 89Y amended (Exemption and deferral powers of Minister)</u>
	<u>In section 89Y(1)(a) and (b), after “decommission a particular item of petroleum infrastructure”, insert “(in whole or in part)”.</u>
41	<u>Sections 89ZL to 89ZQ replaced</u>
	Replace sections 89ZL to 89ZQ with:
89ZL	Permit and licence holders must put in place and maintain acceptable financial security arrangement
	(1) A permit holder or licence holder (whenever the permit or licence was granted) must ensure that there is in place and maintained an acceptable financial security arrangement, determined by the Minister under section 89ZN(1) , as security for the performance of the obligations under this subpart in the event that

	the permit holder or licence holder fails to carry out, or separately meet the costs of, the decommissioning.	
(2)	The Minister must, as soon as is reasonably practicable after commencement, give each permit holder or licence holder a notice requiring them—	
	(a) to advise the chief executive in the prescribed manner (if any), by a specified date, of the financial security arrangement that the permit holder or licence holder considers appropriate; and	5
	(b) to provide any information specified by the Minister to enable the Minister to make the decisions referred to in subsection (1) .	
(3)	However, if the permit holder or licence holder already has in place a financial security arrangement that the holder considers appropriate when they receive notice under subsection (2) , they may propose that the Minister approve the continuation of that financial security arrangement (with or without modifications) as the Minister’s determination referred to in subsection (1) .	10
(4)	The permit holder or licence holder must provide the information referred to in subsection (2)(b) and any proposal under subsection (3) —	15
	(a) in the form and manner set out in the notice; and	
	(b) within any reasonable time set out in the notice requiring the information.	
(5)	Any financial security arrangement referred to in this section and each financial security that forms part of that financial security arrangement is put in place and maintained for the benefit of the Crown.	20
(6)	To avoid doubt, information gathered under this section is subject to section 90A (disclosure of information).	
	Guidance note	25
	For the definition of acceptable financial security arrangement , see section 89D(1).	
	For the definition of financial security arrangement , see section 89D(1).	
89ZM	Matters Minister must take into account in determining acceptable financial security arrangement	30
(1)	The Minister must, when determining whether a financial security arrangement to be put in place and maintained by or on behalf of a permit holder or licence holder is acceptable, take into account—	
	(a) the information (if any) provided by the permit holder or licence holder under section 89ZL(2)(b) , and any proposal under section 89ZL(3) ;	35
	(b) the prescribed criteria (if any) relating to acceptable financial security arrangements including, without limitation, the following:	
	(i) particular kinds and amounts of financial security;	
	(ii) any prescribed or preferred hierarchy of financial securities;	

(iii)	whether there is a preferred kind of financial security in the particular situation:	
(iv)	the permit holder or licence holder or other persons or classes of persons who may provide financial securities:	
(c)	the following:	5
(i)	the estimated cost of decommissioning:	
(ii)	the extent to which the amount to be secured will cover the estimated cost of decommissioning:	
(iii)	the extent to which the financial security arrangement to be put in place will ensure that the Crown will obtain payment of the amount in the event that the permit holder or licence holder fails to carry out the decommissioning or separately meet those costs:	10
(d)	the circumstances of the particular permit holder or licence holder:	
(e)	the time needed for the particular permit holder or licence holder to comply with their obligations under this subpart, and the time when work will need to start in order to achieve this:	15
(f)	the estimated administration costs to the particular permit holder or licence holder or any other person of putting in place and maintaining the financial security arrangement for the required period:	
(g)	any information relating to current or emerging risks to the permit holder's or licence holder's ability to comply with their obligations under this subpart:	20
(h)	the conclusions of the most recent financial capability assessment (if any):	
(i)	any other matters the Minister considers relevant.	25
(2)	The Minister may, by notice, require a permit holder or licence holder to give the Minister any information that the Minister considers will assist the Minister in determining what is an acceptable financial security arrangement.	
(3)	The permit holder or licence holder must provide the information referred to in subsection (2) —	30
(a)	in the form and in the manner set out in the notice requiring the information; and	
(b)	within any reasonable time specified in the notice requiring the information.	
89ZN	Decision of Minister	35
(1)	The Minister, after following the processes set out in sections 89ZL and 89ZM , must—	

- (a) determine the acceptable financial security arrangement to be put in place and maintained by or on behalf of the permit holder or licence holder, including, without limitation,—
- (i) the amount, or the mechanism for determining the amount, secured by each financial security comprised in the financial security arrangement: 5
 - (ii) the time by which the financial security arrangement must be in place (including if applicable, the times when different financial securities that comprise the financial security arrangement must or may be in place): 10
 - (iii) if applicable, how the financial securities that comprise the financial security arrangement are to be held and who is to hold them:
 - (iv) the circumstances in which 1 or more parties to each financial security will be released from their obligations to maintain that financial security: 15
 - (v) any other matters that the Minister considers appropriate:
- (b) impose any conditions of the financial security arrangement that the Minister considers appropriate.
- (3) The Minister may also direct how the financial security arrangement must operate, in accordance with the prescribed requirements (if any). 20
- (4) If the financial security arrangement required includes a bond or a monetary deposit paid to the chief executive, then,—
- (a) if the bond or monetary deposit relates to a participating interest in a permit, section 97 (except subsection (4)) applies:
 - (b) if the bond or monetary deposit relates to a licence or a participating interest in a licence, section 47H of the Petroleum Act 1937 (as preserved by clause 12(1)(a) of Schedule 1 of this Act) applies. 25
- (5) If the financial security arrangement required includes a bond or a monetary deposit held either in accordance with section 97 or separately by a third party (for example, in an escrow account), the permit holder or licence holder may, with the consent of the Minister, use a part or all of those amounts to carry out the decommissioning to which that financial security arrangement relates. 30
- (6) The Minister must give the permit holder or licence holder a notice of the Minister's decision specifying the acceptable financial security arrangement to be put in place and maintained, including, without limitation,— 35
- (a) the amount, or the mechanism to be used for determining the amount, to be secured by each financial security comprised in the financial security arrangement:

- (b) the time by which the financial security arrangement must be in place, including, if applicable, the times when different financial securities that comprise the financial security arrangement must or may be in place:
 - (c) if applicable, how the financial securities that comprise the financial security arrangement are to be held and who must hold them: 5
 - (ca) the circumstances in which 1 or more parties to each financial security will be released from their obligation to maintain the financial security:
 - (cb) any other matters the Minister considers appropriate:
 - (d) a summary of the reasons for the Minister's decision.
- (7) To avoid doubt, the Minister may enter into, be a party to, or execute any financial security on behalf of the Crown. 10

89ZO Alteration of 1 or more elements of financial security arrangement

- (1) The Minister may, at any time, require or allow a permit holder or licence holder referred to in **section 89ZN(1)** to—
- (a) alter the amount, or mechanism for determining the amount, secured by 1 or more of the financial securities comprised in the financial security arrangement referred to in **section 89ZN(1)**; or 15
 - (b) alter any other requirements of the financial security arrangement or any financial security comprised in that arrangement (for example, by changing the person who must hold 1 or more financial securities, or the time by which 1 or more financial securities must be in place). 20
- (2) When exercising a power conferred by **subsection (1)**, the Minister must take into account the matters referred to in **section 89ZM(1)(b) to (i)**.

89ZP Minister must notify required or permitted changes to financial security arrangement

- (1) The Minister must, after exercising a power under **section 89ZO(1)(a) or (b)**, give the affected permit holder or licence holder written notice of the required or permitted changes to the financial security arrangement referred to in **section 89ZN(1)** and the time by which the permit holder or licence holder must or may make these changes (as the case requires). 25 30
- (2) The notice must be accompanied by reasons for the required or permitted change.

89ZQ Permit holder or licence holder may object to required financial security arrangement or required change to that arrangement

- (1) A permit holder or licence holder who receives written notice under **section 89ZN(6) or 89ZP(1)** may, within 30 working days of receiving that notice, object to the required financial security arrangement or a required change, as the case requires, by notice in writing to the Minister. 35

- (2) A notice of objection under **subsection (1)** must be accompanied by reasons for, and evidence or other information supporting, the objection and refer to the criteria in **section 89ZM** that the objector considers relevant.
- (3) If a permit holder or licence holder makes an objection under **subsection (1)**, they cannot make any subsequent objection to the required financial security arrangement or required change described in the notice unless there is a change in circumstances. 5

42 Section 89ZR amended (What happens if permit holder or licence holder makes objection)

In section 89ZR(3)(b), replace “kind of security to be obtained” with “financial security arrangement to be put in place”. 10

43 Sections 89ZV to 89ZZ replaced

Replace sections 89ZV to 89ZZ with:

89ZV Post-decommissioning obligations

- (1) Any person who is obliged under section 89J(1), 89K(1), ~~89M(2)(b) or (3)(b)~~, 89R(1), 89S(1), or ~~89U(2)(b) or (3)(b)~~ to carry out and meet, or meet, as the case requires, the costs of decommissioning, must carry out and meet, or meet, as the case requires, the costs of all post-decommissioning work required on the relevant petroleum infrastructure or, as the case requires, 1 or more relevant wells that have been decommissioned. 15
20
- (2) The liability created by **subsection (1)** continues indefinitely.
- (3) Every person who is obliged under **subsection (1)** to carry out and meet the costs of post-decommissioning work must,—
- (a) if the person is a body corporate, notify the chief executive as soon as practicable after— 25
- (i) any change of control of the body corporate;
- (ii) any change in the place where the body corporate is registered or has its head office.
- (b) after receiving any monitoring report or documents relating to post-decommissioning remediation work, promptly send the report or documents to the Minister. 30
- (4) Regulations made under section 105(1) may—
- (a) specify the order of priority in which any person described in **subsection (1)** is liable to meet unmet post-decommissioning costs; and
- (b) specify— 35
- (i) the amount of liability of any of those persons (including by limiting it):

- (ii) ~~the kind of liability those persons have (for example, joint and several liability).~~

43 **Sections 89ZV to 89ZZ replaced**

Replace sections 89ZV to 89ZZ with:

89ZV Post-decommissioning obligations

- (1) Any person who is obliged under section 89J(1), 89K(1), 89R(1), or 89S(1) to carry out and meet the costs of decommissioning must carry out, and meet the costs of, any post-decommissioning work required on petroleum infrastructure or, as the case requires, 1 or more wells that have been decommissioned. 5
- (2) The liability created by **subsection (1)** continues indefinitely. 10
- (3) Every person who is obliged under **subsection (1)** to carry out and meet the costs of post-decommissioning work must,—
- (a) if the person is a body corporate, notify the chief executive as soon as practicable after—
- (i) any change of control of the body corporate: 15
- (ii) any change in the place where the body corporate is registered or has its head office:
- (b) after receiving any monitoring report or documents relating to post-decommissioning remediation work, promptly send the report or documents to the Minister. 20

Exemptions

44 **Section 89ZZA amended (Exemption powers of Minister)**

In section 89ZZA(1), replace “section 89ZV(1)(a) or from the obligation to obtain and maintain a financial security under section 89ZV(1)(b)” with “**section 89ZV**”.

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44 **Section 89ZZA amended (Exemption powers of Minister)**

Replace section 89ZZA(1) with:

- (1) The Minister may, if they consider it appropriate and if satisfied that the criteria in section 89ZZB(1) are satisfied, exempt a permit holder or a licence holder from the obligation to carry out and meet the costs of any post-decommissioning work. 30

45 **Section 89ZZV amended (Pecuniary penalties)**

(1AAA) After section 89ZZV(1)(a)(ii), insert:

- (ia) **sections 89M(2) and (3) and 89U(2) and (3)** (which impose liability on persons to meet unmet decommissioning costs): 35

- (1) In section 89ZZV(1)(a)(iii), replace “adequate financial security” with “acceptable financial security arrangement”.
- (2) Repeal section 89ZZV(1)(a)(iv).
- (2A) After section 89ZZV(1), insert:
- (1A) A court of competent jurisdiction may, on the application of the chief executive, order an outgoing person to pay to the Crown the pecuniary penalty the court considers appropriate if the court is satisfied that the outgoing person has contravened **section 41AB** (which contains requirements relating to certain changes of controls). 5
- (3) In section 89ZZV(3)(b)(i), delete “(or, in the case of a contravention referred to in subsection (1)(a)(iv), \$5 million)”. 10
- (4) After section 89ZZV(5), insert:
- (6) In this section, **outgoing person** has the same meaning as in **section 41AA(1)**.
- 45A Section 89ZZX amended (Criminal liability for knowingly failing to carry out certain obligations)** 15
- (1) After section 89ZZX(1), insert:
- (1A) This section also applies to a person (M) who is liable to meet unmet decommissioning costs under **section 89M(2) or (3) or 89U(2) or (3)**.
- (2) After section 89ZZX(2), insert: 20
- (2A) M commits an offence if they do an act, fail to act, or engage in a course of conduct, knowing that the act, failure to act or course of conduct will result in M not being able to meet M’s decommissioning obligations.
- (3) After section 89ZZX(3), insert:
- (3A) If M is a body corporate who during the period while they are liable to meet costs under **subsection (1A)** commits an offence under **subsection (2A)**, any person who is a director of M when M commits an offence also commits the offence. 25
- 45B Section 89ZZY amended (Defence to criminal liability for directors)**
- (1) After section 89ZZY(1), insert: 30
- (1A) In any proceeding against a director under **section 89ZZX(3A)**, it is a defence if the director proves that—
- (a) M took all reasonable steps to ensure M would meet M’s decommissioning obligations; or
- (b) the director took all reasonable steps to ensure that M would meet M’s decommissioning obligations; or 35

(e) ~~in the circumstances, the director could not reasonably have been expected to take steps to ensure that M would meet M's decommissioning obligations.~~

(2) ~~In section 89ZZY(2), insert in its appropriate alphabetical order:~~

~~M has the meaning set out in section 89ZZX.~~

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46AAA Amendments to section 90A (Disclosure of information)

In section 90A(1), after “41 to 41C,”, insert “**41E to 41I,**”.

46 Section 95 amended (Address for service)

(1) Replace section 95(1) and (2) with:

(1) Every permit holder must give written notice to the chief executive of its address for service of notices and other documents, which must be one of the addresses given to the chief executive under **subsection (2)(a)**.

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(2) Every permit holder must give written notice to the chief executive of—

(a) their physical address in New Zealand and their email address; and

(b) a telephone number at which they can be contacted.

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(2) Replace section 95(4) with:

(4) A permit holder or permit participant must give written notice to the chief executive of any change to the information provided under **subsection (2)** or (3) as soon as is reasonably practicable, but no later than the tenth working day after the change takes effect.

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47 Section 96 replaced (Service of documents, etc)

Replace section 96 with:

96 Service of documents

(1) If a notice or other document is to be served on a permit holder, the document is validly served if it is—

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(a) sent to an email address given as the permit holder's address for service under **section 95(1)**;

(b) delivered to a physical address given as the permit holder's address for service under **section 95(1)**;

(c) sent by pre-paid post addressed to the permit holder at the physical address given as the permit holder's address for service under **section 95(1)**.

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(2) If a notice or other document is to be served on a person other than a permit holder for the purposes of this Act,—

(a) if the person has given an address for service, the document must be served by delivering or sending it to that address:

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- (b) if the person has not given an address for service, the document may be served by any of the following methods:
- (i) delivering it personally to the person:
 - (ii) delivering it at the usual or last known place of residence or business of the person: 5
 - (iii) sending it by pre-paid post addressed to the person at the usual or last known place of residence or business of the person:
 - (iv) sending it by pre-paid post to a PO box address used by the person:
 - (v) leaving it at a document exchange for direction to the document exchange box number used by the person. 10
- (3) If a notice or other document is sent by post to a person in accordance with this section, it is deemed, in the absence of proof to the contrary, to be received by the person at the time at which the document would have been delivered in the ordinary course of the post. 15
- (4) This section is subject to any other provision of this Act that specifies how a document may be served or issued.
- 96A Service of documents on particular persons**
- (1) If a notice or other document is to be served on a body (whether incorporated or not), service may be effected by serving the document on an officer of the body, or sending or delivering it to the registered office of the body, in accordance with **section 96**. 20
- (2) If a notice or other document is to be served on a partnership, service may be effected by serving the document on any one of the partners in accordance with **section 96**. 25
- 96B Service in court or other proceedings**
- Sections 96 and 96A** do not apply to service of a document to commence, or in the course of, court or other proceedings for which the methods of service are set out in legislation other than this Act.
- 96C Service on owners of Māori land** 30
- Part 10 of Te Ture Whenua Maori Act 1993 (except section 185), with any necessary modifications, applies to the service of notices and other documents under this Act on owners of Māori land, except that the period fixed for anything to be done by the owners must not be extended by more than 20 working days under section 181(4) of that Act, unless the chief executive otherwise agrees. 35

47A Section 100 amended (Offences)

- (1) Replace section 100(2A) with:

- (2A) Every incoming person commits an offence against this Act who contravenes, or permits a contravention of, **section 41AB(2)** (which relates to obtaining prior consent for a change of control) if, before the power referred to in the definition of controlling interest in **section 41AA(2)** is obtained, the incoming person knows or ought reasonably to know, that the incoming person will obtain the power. 5
- (2B) Every person commits an offence against this Act who contravenes, or permits a contravention of,—
- (a) **section 41AB(3)** (which relates to notifying the Minister of a change of control); or 10
- (b) **section 41AG(1) or 41A(1)** (which also relates to notifying the Minister of a change of control).
- (2) After section 100(5), insert:
- (6) In this section, **incoming person** has the same meaning as in **section 41AA(1)**. 15

47B Section 101 amended (Penalties)

Replace section 101(2A) with:

- (2A) Every person who commits an offence against **section 100(2A)** is liable on conviction to a fine not exceeding \$800,000.
- (2B) Every person who commits an offence against **section 100(2B)** is liable on conviction to the following: 20
- (a) in the case of **section 100(2B)(a)**, a fine not exceeding \$200,000;
- (b) in the case of **section 100(2B)(b)**, a fine not exceeding \$50,000.

48 Section 101A amended (Interpretation)

In section 101A, replace the definition of **permitted prospecting, exploration, or mining activity** with: 25

permitted prospecting, exploration, or mining activity means an activity authorised under—

- (a) a prospecting, exploration, or mining permit; or 30
- (b) an existing privilege

49 Section 105 amended (Regulations)

- (1) After section 105(1)(e), insert:
- (ea) specifying requirements for the work programme for Tier 3 permits under **section 2BA**, including permitting or prohibiting the use of specific equipment by permit holders: 35
- (1A) After section 105(1)(gae), insert:

~~(gaf) providing for the matters set out in sections 89M(4), 89U(4), and 89ZV(4):~~

- (2) After section 105(1)(qh), insert:
- (qha) prescribing arrangements or other things that are or are not to be treated as financial securities: 5
- (2A) In section 105(1)(qb), after “specified classes of petroleum infrastructure”, insert “(in whole or in part)”.
- (2B) In section 105(1)(qb), after “those obligations”, insert “(in whole or in part)”.
- (2C) In section 105(1)(qg), replace “make post-decommissioning payments” with “carry out, and meet the costs of, post-decommissioning work”. 10
- (3) In section 105(1)(qi), replace “of financial securities that permit holders and licence holders may be required to obtain and maintain,” with “of financial security arrangements that are required to be put in place and maintained.”
- (4) Repeal sections 105(1)(qf), (qk), and (ql).

50 Schedule 1 amended 15

In Schedule 1,—

- (a) insert the Part set out in the **Schedule** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

Schedule
New Part 6 inserted into Schedule 1

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Part 6		
Provisions relating to Crown Minerals Amendment Act 2024		5
42	Transitional application of term Minister	
	For the purposes of applying clauses 11 to 20 (subpart 2) of Part 1 of this schedule (which carry over some existing privileges and preserve some repealed Acts),—	
	(a) section 2 of the Petroleum Act 1937 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:	10
	Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:	15
	(b) section 2 of the Iron and Steel Industry Act 1959 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:	
	Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:	20
	(c) section 5(1) of the Mining Act 1971 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:	
	Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:	25
	(d) section 2(1) of the Coal Mines Act 1979 (as preserved by subpart 2 of Part 1 of this schedule) must be applied as if for the definition of Minister the following definition were substituted:	
	Minister means the Minister of the Crown who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Crown Minerals Act 1991:	30
43	Information provided to chief executive by certain speculative prospectors	
	For the purposes of section 90(8), the reference in that subsection to 15 years must be read as 21 years in any case where the non-exclusive petroleum prospecting permit commenced during the period starting on 19 December 2012 and ending on 29 November 2017.	35

*Tier 3 permits***44 Pre-existing applications**

- (1) **Subclause (2)** applies if—
- (a) a person applies for a permit before the close of 30 June 2025; and
 - (b) if granted before the close of 30 June 2025, the permit would be a Tier 2 permit; and 5
 - (c) the permit is granted after 30 June 2025; and
 - (d) the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**.
- (2) Where this subclause applies,— 10
- (a) if, before the permit is granted, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit is a Tier 2 permit;
 - (b) if **paragraph (a)** does not apply, the permit is a Tier 3 permit.
- (3) **Subclause (4)** applies if— 15
- (a) a person applies for a change to a Tier 2 permit under section 36(1)(b) before the close of 30 June 2025; and
 - (b) if granted before the close of 30 June 2025, the permit would remain a Tier 2 permit; and
 - (c) the application is granted after 30 June 2025; and 20
 - (d) the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**.
- (4) Where this subclause applies,—
- (a) if, before the application is granted, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit is a Tier 2 permit; 25
 - (b) if **paragraph (a)** does not apply, the permit is a Tier 3 permit.

45 Existing Tier 2 permits may become Tier 3 permits

- (1) A permit that is a Tier 2 permit at the close of 30 June 2025 changes to a Tier 3 permit on 1 July 2025 if **subclause (2)** applies. 30
- (2) This subclause applies if—
- (a) the permit meets the requirements of a Tier 3 permit as set out in **section 2B(2A)**; and
 - (b) the permit holder has advised the Minister by the close of 30 May 2025 that they want the permit to be changed to a Tier 3 permit. 35
- (3) If **subclause (2)** does not apply, a permit that is a Tier 2 permit at the close of 30 June 2025 continues to be a Tier 2 permit.

46	Existing Tier 2 permits may be changed to enable change of tier status	
(1)	This clause applies if—	
	(a) a permit is a Tier 2 permit at the close of 30 June 2025; and	
	(b) the permit does not meet the requirements of a Tier 3 permit as set out in section 2B(2A) .	5
(2)	The permit holder may, by the close of 30 May 2025, make a proposal to the Minister containing proposed changes to the permit to meet the requirements of a Tier 3 permit.	
(3)	If the Minister accepts the proposal (or any later amended proposal),—	
	(a) the changes proposed by the permit holder are made to the permit; and	10
	(b) the permit becomes a Tier 3 permit.	
(4)	The changes to the permit and tier status occur—	
	(a) if the Minister accepts the proposal or amended proposal before the close of 30 June 2025, on 1 July 2025;	
	(b) if the Minister accepts the proposal or amended proposal on or after 1 July 2025, on the day after the date of the notification of the Minister's decision to the permit holder.	15
47	Subsequent changes to existing Tier 2 permits	
(1)	Subclause (2) applies if—	
	(a) a permit is a Tier 2 permit at the close of 30 June 2025; and	20
	(b) the Minister changes the permit under section 36(1) or the permit is partially surrendered under section 40(2) after 30 June 2025; and	
	(c) the permit satisfies the requirements of a Tier 3 permit as set out in section 2B(2A) .	
(2)	Where this subclause applies, if the permit holder objects to changing the tier status of the permit, the permit remains a Tier 2 permit.	25
	<i>Financial securities</i>	
48	Financial securities entered into before commencement	
	If a permit holder or licence holder entered into 1 or more financial securities before the commencement of this clause,—	30
	(a) the provisions of the principal Act (relating to the determination of those financial securities and notification of the Minister's decision to the permit holder or licence holder), as they read immediately before the commencement of this clause, continue to apply in respect of those financial securities; but	35

(b)	the other provisions of this Act, as they read on or after the commencement of this clause, apply in respect of those financial securities with any necessary modification; and	
(e)	if any changes are proposed in relation to any financial securities entered into before the commencement of this clause sections 89ZL to 89ZO (as they read on and after the commencement of this clause), apply.	5
44	Pre-existing applications	
(1)	Subclause (2) applies if—	
(a)	<u>a person applies for a permit before the Tier 3 commencement date; and</u>	
(b)	<u>if granted before the Tier 3 commencement date, the permit would be a Tier 2 permit; and</u>	10
(c)	<u>the permit is granted on or after the Tier 3 commencement date; and</u>	
(d)	<u>the permit satisfies the requirements of a Tier 3 permit as set out in section 2B(2A); and</u>	
(e)	<u>the Minister determines that the permit area is an appropriate area.</u>	15
(2)	If this subclause applies, and—	
(a)	<u>if, before the permit is granted, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit (if granted) is a Tier 2 permit:</u>	
(b)	<u>if paragraph (a) does not apply, the permit is a Tier 3 permit.</u>	20
(3)	Subclause (4) applies if—	
(a)	<u>a person applies for a change to a Tier 2 permit under section 36(1)(b) before the Tier 3 commencement date; and</u>	
(b)	<u>were the certificate of change for the permit to be granted before the Tier 3 commencement date, the permit would remain a Tier 2 permit; and</u>	25
(c)	<u>the certificate of change for the permit is granted in response to the application on or after the Tier 3 commencement date; and</u>	
(d)	<u>the permit satisfies the requirements of a Tier 3 permit as set out in section 2B(2A).</u>	
(4)	If this subclause applies, and—	30
(a)	<u>if, before the application is determined, the applicant requests the Minister to determine the application as if Tier 3 permits had not been introduced, the permit (if granted) is a Tier 2 permit:</u>	
(b)	<u>if paragraph (a) does not apply, the permit is a Tier 3 permit.</u>	
(5)	<u>In this clause and clause 45, Tier 3 commencement date means the date on which the provisions referred to in section 2(2) of the Crown Minerals Amendment Act 2024 come into force.</u>	35

45 Existing Tier 2 permits may become Tier 3 permits

- (1) This clause applies to a permit that is a Tier 2 permit immediately before the Tier 3 commencement date.
- (2) The permit holder may, by the close of 11 December 2026, make a proposal to the Minister that the permit be changed to a Tier 3 permit, including making any proposed changes to the permit necessary to meet the requirements of a Tier 3 permit. 5
- (3) The Minister must—
- (a) consider whether the permit satisfies the requirements of a Tier 3 permit as set out in **section 2B(2A)**; and 10
- (b) determine whether the permit area is an appropriate area.
- (4) The Minister may accept or decline the proposal (or any later amended proposal) and, if the Minister accepts the proposal or amended proposal,—
- (a) the changes proposed by the permit holder (if any) are made to the permit; and 15
- (b) the permit becomes a Tier 3 permit.
- (5) Those changes to the permit (if any) and tier status occur, if the Minister accepts the proposal or amended proposal on or after the Tier 3 commencement date, on the date of the notification of the Minister’s decision to the permit holder. 20

*Financial securities***46 Financial securities entered into before commencement**

If a permit holder or licence holder obtained 1 or more financial securities before the commencement of this clause,—

- (a) the provisions of the principal Act relating to the determination of, and the kind and amount or means of calculating the amount, and conditions, of those financial securities and notification of the Minister’s decision to the permit holder or licence holder, as they read immediately before the commencement of this clause, continue to apply in respect of those financial securities; and 25 30
- (b) the other provisions of this Act, as they read on or after the commencement of this clause, apply in respect of those financial securities with any necessary modification; and
- (c) if any changes are proposed in relation to any financial securities entered into before the commencement of this clause, **sections 89ZL to 89ZO** (as they read on and after the commencement of this clause) apply. 35

Ministerial consent required for certain transactions

47 Requirement for ministerial consent for certain transactions relating to existing privileges: petroleum

- (1) The purpose of this clause is to ensure that, in general,—
- (a) ministerial consent is required for transfers of licences and participating interests in licences for petroleum and changes of control in licence holders and holders of participating interests in licences for petroleum; and 5
 - (b) the same rules requiring consent to changes of control and the provision of outgoing guarantees that apply to permits also apply to licences for petroleum; and 10
 - (c) consents to transfers and changes of control may be conditional on the provision of an outgoing guarantee.
- (2) The following provisions apply with necessary modifications to the transfer of a licence or participating interest in a licence, or a change of control of the holder of the licence or the holder of a participating interest in the licence for petroleum: 15
- (a) **sections 41AA to 41AF** (which relate to requirements for ministerial consent to certain changes):
 - (b) sections 41D to 41I: 20
 - (c) **section 41(6A):**
 - (d) subject to **paragraphs (a) to (c)**, the provisions of the Petroleum Act 1937.

48 Certain applications for ministerial consent to transfer

- (1) **Subclause (2)** applies if an application for ministerial consent to the transfer of all or part of a participating interest in a permit or the transfer of a licence or all or part of a participating interest in a licence (**permit or licence A**) was determined after 2 December 2021 but before the commencement of this clause. 25
- (2) The provisions of this Act that applied immediately before the commencement of this clause continue to apply to the former licence or permit holder of permit or licence A or person who formerly held a participating interest in permit or licence A. 30
- (3) However, on the completion of any subsequent transfer to another person, or a change of control, after the commencement of this clause, the former permit or licence holder of permit or licence A, or the person who formerly held a participating interest in permit or licence A, ceases to be liable under subpart 2 or 3 of Part 1B of this Act, in relation to permit or licence A, in respect of any matter that occurs on or after— 35

<p>(a) <u>the completion of the subsequent transfer; or</u></p> <p>(b) <u>the change of control.</u></p> <p>(4) <u>For the purposes of this clause, a transfer or change of control is completed on the date the Minister consents to the transfer or change of control.</u></p>		
49	<u>Certain undetermined applications</u>	5
<p>(1) <u>Subclause (2)</u> applies if an application for ministerial consent to the transfer of any or all of a participating interest in a permit was made after 13 March 2025 but has not been determined before the commencement of this clause.</p> <p>(2) <u>The provisions of this Act that apply on and after the commencement of this clause apply to the transfer.</u></p> <p>(3) <u>Subclause (4)</u> applies if an application for consent to a change of control under section 41AC was made after 13 March 2025 and not determined before the commencement of this clause.</p> <p>(4) <u>The provisions of this Act that apply on and after the commencement of this clause apply to the change of control.</u></p> <p>(5) <u>Subclause (6)</u> applies if an application for the Minister’s consent to the transfer of a licence or participating interest in a licence, or the change of control in a licence holder or holder of a participating interest in a licence, has been made after 13 March 2025, but has not been determined before the commencement of this clause.</p> <p>(6) <u>The provisions of this Act and, subject to this Act, the Petroleum Act 1937 that apply on and after the commencement of this clause apply to the transfer or change of control.</u></p>	<p>10</p> <p>15</p> <p>20</p>	
50	<u>Change of control before commencement</u>	25
<p>(1) This clause applies if—</p> <p style="padding-left: 2em;">(a) <u>there is a change of control (as defined in section 41AA as it read before the commencement of this clause) of a permit participant who is not the permit operator; and</u></p> <p style="padding-left: 2em;">(b) <u>that change of control takes effect before the commencement of this clause.</u></p> <p>(2) <u>The provisions of this Act that applied immediately before the commencement of this clause continue to apply in respect of the change of control.</u></p>	<p>30</p>	
	<i>Regulations providing for transitional matters</i>	
51	<u>Regulations providing for transitional matters</u>	35
<p>(1) <u>The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations—</u></p>		

- (a) providing transitional and savings provisions concerning the coming into force of the Crown Minerals Amendment Act **2024** that may be in addition to, or in place of, the transitional and savings provisions in this Part of this schedule:
- (b) providing that, subject to such conditions as may be specified in the regulations, during a specified transitional period,— 5
- (i) specified provisions of this Act (including definitions) do not apply:
- (ii) specified terms have the meanings given to them by the regulations: 10
- (iii) specified provisions repealed, amended, or revoked by the Crown Minerals Amendment Act **2024** continue to apply:
- (c) providing for any other matters necessary for facilitating or ensuring an orderly transition from the provisions of any enactments replaced by the Crown Minerals Amendment Act **2024**. 15
- (2) No regulations made under this section may be made, or continue in force, later than 2 years after the date of commencement of this section.
- (3) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislative history

24 September 2024	Introduction (Bill 82–1), first reading and referral to Economic Development, Science and Innovation Committee
25 October 2024	Reported from Economic Development, Science and Innovation Committee
5 November 2024	Second reading
19 November 2024	Committee of the whole House (Bill 82–2)
29 July 2025	Recommitted to the committee of the whole House (Bill 82–3)