

Revised Departmental Disclosure Statement

Crown Minerals Amendment Bill

A revised departmental disclosure statement for a Bill the government is proposing to amend seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill in amended form.

It highlights material changes to previous disclosures relating to:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

The original disclosure statement for the Crown Minerals Amendment Bill dated 6 September 2024 can be found at this link <https://disclosure.legislation.govt.nz/bill/government/2024/82/>

A supplementary disclosure statement for Amendment Paper No 214, dated 12 November 2024 can be found at this link <https://disclosure.legislation.govt.nz/ap/government/2024/214>

This revised disclosure statement was prepared by the Ministry of Business, Innovation and Employment.

The Ministry of Business, Innovation and Employment certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

28 July 2025.

Contents

Contents 2

The Main Areas of Change to the Original Disclosures 3

Part One: General Policy Statement 4

Part Two: Background Material and Policy Information 6

Part Three: Testing of Legislative Content..... 9

Part Four: Significant Legislative Features 14

The Main Areas of Change to the Original Disclosures

This is a revised disclosure statement for the Crown Minerals Amendment Bill.

A revised disclosure statement incorporates the content of the original disclosure statement for the Bill, but also includes and highlights the changes needing to be made to the original disclosure statement to accurately reflect the Bill with the proposed government amendments incorporated.

The main areas of change to the original disclosure statement are amendments to:

- general policy statement
- regulatory impact analysis sections (2.3 and 2.3.1)
- costs section (2.5)
- offences and pecuniary penalties sections (3.4 and 3.4.1)
- privacy issues section (3.5 and 3.5.1)
- external consultation section (3.6)
- retrospective effect section (4.3)
- delegated legislation (4.7 and 4.8).

These changes all relate to the amendments to assign liability for petroleum decommissioning costs and create flexibility for exemption powers for decommissioning obligations.

Part One: General Policy Statement

This Bill amends the Crown Minerals Act 1991 (the Act) to remove the ban on new petroleum exploration permits beyond onshore Taranaki. It supports the Government's objective to promote petroleum exploration and production, to ensure gas remains a transition fuel until viable and cost-effective alternatives are in place.

The Bill also makes changes to immediately improve investor confidence in the New Zealand petroleum sector and increase regulatory efficiency of the Crown Minerals regime.

Removing the ban on new petroleum exploration outside onshore Taranaki

The Bill reverses amendments made to the Act in 2018, that limited new petroleum exploration permits to onshore Taranaki, prohibited surface access to conservation land for permits in onshore Taranaki except for minimum impact activities, and explicitly restricted applications for petroleum exploration permits to public tenders (e.g., Block Offer).

These changes will allow the responsible Minister to receive and assess applications for new petroleum exploration permits outside onshore Taranaki, through the existing regulatory framework. Removing the restriction on access to conservation land in onshore Taranaki will ensure that conservation land in Taranaki is treated the same as conservation land across New Zealand. Conservation land in Taranaki that is listed in Schedule 4 (Land to which access restrictions apply) of the Act will continue to have these protections in place.

The Bill also extends the exclusive-use timeframe for existing speculative prospectors who were impacted by the ban. The Act currently provides speculative prospectors with a 15-year confidentiality period for the data they collect; during this time they can on-sell their data to interested explorers. The Bill extends this period by six years, reflecting the period of time lost due to the ban.

Changes to the petroleum decommissioning regime relating to financial securities and post-decommissioning

The Bill makes changes to the petroleum decommissioning regime, to provide greater flexibility and clarity about the types of financial securities that may be accepted.

The Bill also removes the requirement for permit and licence holders to provide payments, or financial security, to cover post-decommissioning costs that may be required. It introduces perpetual liability for permit holders who have completed their decommissioning obligations, for any wells and infrastructure left in situ. This will ensure that a permit holder who decommissions remains liable for any actual risks, as opposed to contributing payments in anticipation of any future risks.

Changes to the petroleum decommissioning regime relating to trailing liability

The Act currently provides that former petroleum permit holders or licence holders are liable for the cost of decommissioning petroleum infrastructure and wells if the current permit or licence holder fails to meet their decommissioning obligations. The Bill removes this automatic imposition of liability for decommissioning costs on former permit or licence holders.

Instead, the Bill gives the Minister for Resources and Minister of Finance joint discretion to determine whether an outgoing person (or related body corporate) must provide a guarantee that they will meet relevant decommissioning costs. The Ministers can consider whether to require an outgoing guarantee as part of Ministerial consent to a transfer of a petroleum permit or licence and change of control of a petroleum permit or licence participant. An outgoing guarantee is limited to the costs of decommissioning petroleum infrastructure and wells in place at the time of the transaction, in the event the permit or licence holder does not meet their decommissioning obligations and the financial securities are insufficient.

The purpose of these provisions is to allow, at the point of these transactions, for outgoing guarantees to be provided so that any unmet petroleum decommissioning costs do not fall to the Crown. The outgoing guarantees are in addition to financial security arrangements and separate from financial capability assessments of incoming persons.

These changes apply to petroleum permits granted under the Act and petroleum licences granted under the Petroleum Act 1937.

The Bill also provides greater flexibility under the exemption and deferral powers for decommissioning to consider exemptions for either the whole *or parts* of particular items of petroleum infrastructure.

Amending the purpose statement of the Act and introducing an optional Government Policy Statement

Prior to a change in 2023, the purpose of the Act was to 'promote prospecting for, exploration for, and mining of Crown owned minerals for the benefit of New Zealand'. In 2023 the purpose of the Act was amended, replacing 'promote' with 'manage'; the Bill reverses this change. It also amends the Minister's functions under the Act, to 'attract permit applications' to align with the change in purpose.

The Bill also introduces a mechanism to allow for an optional Government Policy Statement (GPS) to cover petroleum and minerals. A GPS, if issued, could signal focus areas for the Government, provide strategic guidance to the regulator on how it should manage its functions, and inform the sector and general public of the Government's priorities for the sector.

Improving regulatory efficiency and consistency within the Act

The Bill makes a number of changes to the Act to improve regulatory efficiencies within the Crown Minerals regime, and fix inconsistencies or drafting errors. The most significant of these is the creation of a new permit category (Tier 3) to ensure a proportionate and risk appropriate approach to small-scale, non-commercial gold mining operations. The new Tier 3 permit will be subject to a simpler and quicker application process, and less onerous reporting requirements. The Bill includes transitional provisions to allow existing Tier 2 permit holders and applicants for Tier 2 permits who meet the new Tier 3 requirements to readily move to a Tier 3 permit when they come into force.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	NO
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Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<p>MBIE completed the following regulatory impact statements on the proposed changes in the Crown Minerals Amendment Bill on 15 May 2024:</p> <ul style="list-style-type: none">• <i>Amendments to the Crown Minerals Act 1991 relating to petroleum exploration</i>• <i>Amendments to the Crown Minerals Act 1991 relating to small scale non-commercial gold mining.</i> <p>They are available at: https://www.mbie.govt.nz/dmsdocument/28877-regulatory-impact-statement-amendments-to-the-crown-minerals-act-1991-relating-to-petroleum-exploration-and-mining-proactiverelease-pdf</p> <p>MBIE completed an annex to <i>Regulatory Impact Statement: Amendments to the Crown Minerals Act 1991 relating to petroleum exploration and mining</i> on 30 October 2024 in relation to extending trailing liability for decommissioning costs to certain persons with controlling interests.</p> <p>It is available here: https://www.mbie.govt.nz/dmsdocument/29856-annex-to-regulatory-impact-statement-amendments-to-the-crown-minerals-act-1991-relating-to-petroleum-exploration-and-mining-pdf</p> <p>MBIE updated the annex to the <i>Regulatory Impact Statement: Amendments to the Crown Minerals Act 1991 relating to petroleum exploration and mining</i> on 24 March 2025. It is available here: https://www.mbie.govt.nz/dmsdocument/30925-annex-to-regulatory-impact-statement-amendments-to-the-crown-minerals-act-1991-relating-to-petroleum-exploration-and-mining-proactiverelease-pdf</p> <p>MBIE prepared a Supplementary Analysis Report <i>Amendments to the Crown Minerals Act 1991 Decommissioning Regime</i> on 16 June 2025 in relation to removing automatic trailing liability for immediately previous permit holders. It is available here: https://www.mbie.govt.nz/dmsdocument/30926-supplementary-analysis-report-amendments-to-the-crown-minerals-act-1991-decommissioning-regime-proactiverelease-pdf</p>	
2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?	NO

<p>The Ministry of Regulation's RIA team delegated the responsibility for providing comment on the quality of the regulatory impact statements, annex and supplementary analysis to an MBIE Quality Assurance Panel. The Panel considered that:</p> <ul style="list-style-type: none"> the information and analysis in the Regulatory Impact Statements (15 May 2024) partially meets the criteria necessary for Ministers to make informed decisions on the proposals. the Annex (30 October 2024) and updated Annex (24 March 2025) meets the RIS QA criteria. the information and impact analysis summarised in the Supplementary Analysis Report (16 June 2025) partially meets the Quality Assurance criteria. The Panel consider that the Supplementary Analysis Report would benefit from: further analysis of the guardrails to support Ministerial discretion to address any risk/perception of risk of regulatory capture and to ensure discretion is exercised in a consistent manner; and consultation on the proposed changes, particularly with iwi and hapū. 	
2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	YES
<p>The Climate Implications of Policy Assessment (CIPA) team was consulted and confirms that the CIPA requirements apply to the proposal to remove the current ban on new petroleum exploration and measures to improve investor confidence. The associated disclosure sheet is available at Climate Implications of Policy Assessment disclosure sheet (mbie.govt.nz)</p>	

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	YES
<p>In September 2024, further whole of energy system modelling was published by MBIE. This is available here: Crown Minerals Amendment Bill modelling (mbie.govt.nz)</p>	
2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	NO
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	NO
<p>The size of potential costs or benefits from the amendment to reverse the exploration ban and changes to improve investor confidence are largely dependent on the increase in oil and gas exploration. No quantified estimates are available as costs and benefits cannot be accurately estimated.</p> <p>The potential costs of the changes to assigning liability for unmet decommissioning costs are difficult to quantify and will, for each permit, depend on the estimated cost of decommissioning, amount of any financial securities and extent to which the permit participants cannot meet their decommissioning obligations.</p>	
2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be affected by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	NO

The size of potential costs or benefits from the amendments to reverse the exploration ban and improve investor confidence are largely dependent on the increase in oil and gas exploration. The level of effective compliance or non-compliance, and the level of regulator effort into encouraging or securing compliance, will not substantively impact this.

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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New Zealand's international obligations were considered during the policy development process.
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Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

Treaty analysis

MBIE undertook Treaty analysis during the development of this Bill. The analysis considered what effect the policy would have on Māori, what the Treaty/Māori interests are, what Treaty arguments might be made against the policies, and how we are meeting the good faith obligations of the Crown. The good faith obligations have been limited by the speed and urgency given to this Bill.

Meeting Treaty settlement obligations

MBIE has specific consultation obligations set out in Treaty Settlement Protocols, Accords and Relationship Agreements. Some Crown Minerals Protocols in force have an obligation to consult on wider policy and legislative developments related to Crown-owned minerals. Each protocol is different, but the same themes are recurrent. They set out specific basic principles that will be followed in consultation, including:

- consultation as soon as reasonably practical following identification and determination of the proposal or issue
- providing sufficient information to make informed decisions and submissions
- ensuring sufficient time for participation in the decision-making process and to prepare submissions, and
- ensuring consultation will be approached with an open mind and genuine consideration will be given to submissions received.

An online hui was held prior to Cabinet decisions with the Minister for Resources and Minister for Māori Development, with iwi and hapū with whom MBIE has Treaty settlement commitments or with whom MBIE has a relationship with. A second online hui was with Taranaki iwi focused on the proposed changes of significance to Taranaki iwi. Following feedback from iwi that was critical of the nature of the engagement and limited time to provide written submissions, further hui were held that introduced the proposed CMA amendments as decided by Cabinet, with a wider group of iwi and hapū. Further opportunities to provide written feedback were provided.

The intention with these changes is not to impact rights and interests that have been provided or recognised through the Treaty settlement process. The specific consultation requirements set out in many of the Protocols, Accords and Relationship Agreements will continue unchanged.

There was no specific Treaty analysis undertaken for the amendments to assigning liability for decommissioning costs. In earlier engagement, MBIE received submissions from iwi and hapū which generally supported strengthening the decommissioning regime including: retaining decommissioning requirements including financial securities, trailing liability, and liability in the post-decommissioning period.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?	NO
<p>The Ministry of Justice's advice to the Attorney-General is publicly available at Advice on consistency of Bills with the Bill of Rights Act New Zealand Ministry of Justice.</p> <p>The Ministry of Justice did not raise any issues about the New Zealand Bill of Rights Act 1990.</p>	

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	YES
(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO
<p>The Bill allows for liability for petroleum infrastructure decommissioning costs to be assigned through Ministerial discretion. The Ministers can consider requiring an outgoing guarantee for relevant decommissioning costs from an outgoing person or a related body corporate as part of permit transfers and changes of control of permit participants that require prior Ministerial consent.</p> <p>Currently under the Crown Minerals Act 1991, if a change of control of a Tier 1 petroleum permit operator goes ahead without prior Ministerial consent, then:</p> <ul style="list-style-type: none"> the incoming person (ie the new shareholder) commits an offence if they knew, or ought reasonably to know, they would obtain the controlling interest (section 100(2A)) the permit operator commits an offence if they knew, or ought to have known, about the change of control and fail to notify the Minister (section 100(2A)). <p>The Bill amends the change of control provisions by (see clause 26B):</p> <ul style="list-style-type: none"> requiring prior Ministerial consent for change of control of petroleum permit participants who are not operators (these currently only require notification after the fact) broadening the definition of change of control to include transactions where a person <i>ceases</i> to have a controlling interest (currently only where a person <i>obtains</i> a controlling interest). <p>This means the offences in section 100(2A) will apply to those scenarios. The Bill also allows for pecuniary penalties under section 89ZZV to apply to an outgoing person if a change of control goes ahead without prior Ministerial consent (see clauses 26B, 26C and 45).</p> <p>Clause 45 repeals section 89ZZV(1)(a)(iv), which are the pecuniary penalties associated with the existing post-decommissioning requirements, that are being replaced by clause 43.</p>	
3.4.1. Was the Ministry of Justice consulted about these provisions?	YES
The Offences and Penalty Vetting team at the Ministry of Justice were consulted. They advised that these proposals did not raise any issues or require changes.	

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	YES
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The Bill amends or creates powers to require information as part of regulatory decision-making:

- Clauses 19, 28, 41 and 46 create information gathering powers for assessing Tier 3 permit applications.
- Clause 28, new section 41AG(6) creates a power for the Minister to require information about the technical capability of a permit operator who is undergoing a change of control.
- Clause 29A, new section 41H creates a power for Ministers to require information to assist them in determining whether to require an outgoing guarantee and by whom the guarantee should be provided.

Section 90A of the Crown Minerals Act 1991 imposes restrictions on the disclosure of information obtained under various sections of the Act, and this section will apply to a number of the information powers created by the Bill.

3.5.1. Was the Privacy Commissioner consulted about these provisions?

NO

The Privacy Commissioner was not consulted during policy development.

The Privacy Commissioner was invited to make a submission on the Bill to Select Committee. The Commissioner's submission is available here

https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/54SCEDSI_EVI_81dbd590-6e68-48d1-8be4-08dcdc4c6a57_EDSI7201/privacy-commissioner

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	Yes
<p>Limited and specific engagement with iwi and hapū went ahead of Cabinet decisions in 2024 to satisfy obligations as set out in Crown Minerals Protocols, Relationship Agreements and Accords. A further hui was undertaken with Taranaki iwi focused on the proposed changes of significance to Taranaki. Following Cabinet decisions, further engagement took place with a wider group of iwi and hapū.</p> <p>Feedback from iwi and hapū noted strong opposition to removing the ban on new petroleum exploration permits beyond onshore Taranaki, and concern over the lack of robust consultation and engagement.</p> <p>Industry have been consulted on the proposed changes throughout the development of the Bill. Industry supported removing the ban.</p> <p>Environmental groups were briefly consulted on the proposed changes, and noted their opposition to the proposed changes.</p> <p><i>Changes to the petroleum decommissioning regime relating to trailing liability</i></p> <p>Key industry stakeholders were consulted on the changes relating to assigning liability for decommissioning costs. They were consulted on proposed policy and provided feedback on an exposure draft of the Amendment Paper. They were generally supportive of the discretionary approach, but preferred that no form of trailing liability apply.</p> <p>Iwi and hapū and environmental groups were not specifically consulted on these changes (see 3.2 above re Treaty analysis).</p>	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	YES
<p>New Zealand Petroleum and Minerals, the government regulator that manages New Zealand's Crown minerals estate, has assessed the provisions in the Bill and are comfortable that these achieve the policy intent of the Bill.</p> <p>Crown Law and an external barrister were engaged on the draft Amendment Paper that related to assigning liability for petroleum decommissioning costs.</p>	

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
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Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	YES
<p>Clause 50 of the Bill amends Schedule 1 of the Act to include transitional provisions (as new Part 6):</p> <ul style="list-style-type: none">• Clause 48 of the Schedule retains existing trailing liability for former permit holders that applies as a result of permit transfers consented to after the 2021 Amendment Act came into effect. This liability continues until a transfer or change of control is consented to under the proposed provisions (after commencement of the Bill). The trailing liability of former permit holders under the existing law is extinguished when Minister consents to a transfer or change of control under the proposed provisions. This clause does not impose obligations retrospectively, but releases obligations retrospectively because there will be an opportunity for Ministers to look at new transactions and consider requiring an outgoing guarantee.• Clause 49 of the Schedule applies the proposed law to applications for changes of control and transfers that have been made since 13 March 2025 (when the sector was informed of the proposed changes) but are not determined before commencement. For applications for permit transfers, this will mean an outgoing guarantee can be considered instead of automatic trailing liability for former permit holders. For applications for changes of control, this means an outgoing guarantee can be considered, and the transitional is necessary to ensure the policy change is not avoided before commencement. This clause does not affect existing rights, only applications.	

Strict liability or reversal of the burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
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Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	YES
<p>Clause 40B of the Bill amends the ministerial exemption and deferral power for petroleum decommissioning to consider exemptions and deferrals for either the whole or parts of particular items of petroleum infrastructure.</p> <p>Clause 49 makes a corresponding change to the class exemption and deferral regulation-making power in section 105(1)(qb).</p> <p>Clause 50 of the Bill amends Schedule 1 of the Act to include transitional and savings provisions (as new Part 6). Clause 51 of the Schedule creates a regulation-making power that allows for transitional and savings provisions to be made by regulations concerning the coming into force of the Amendment Bill. Regulations made under this power can be in addition to, or in place of the transitional and savings provisions in the Bill and may provide that specified provisions of the Act do not apply, define specified terms, and apply provisions repealed or amended by the Bill. The regulation-making power and any regulations made under it are only effective for up to 2 years after the commencement of the clause.</p>	

4.8. Does this Bill create or amend any other powers to make delegated legislation?	NO
<p>Clause 49 of the Bill allows:</p> <ul style="list-style-type: none"> requirements for the work programme for Tier 2 permits to be specified in regulations. arrangements or other things that are or are not to be treated as financial securities to be prescribed in regulations. 	

Any other unusual provisions or feature

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	YES
<p>Clause 2 of the Bill provides that provisions relating to Tier 3 permits will commence on a date to be appointed by order in council, with a backstop commencement date of 1 January 2026.</p>	