

Minerals West Coast submission to New Zealand Petroleum & Minerals on “Minerals Programme (draft for public consultation)”

February 2025

To: Consultation submission form — update to Minerals Programmes [DOCX 484KB] [Crown Minerals Act 1991 Programmes - New Zealand Petroleum and Minerals](#)

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Minerals West Coast

[1] Minerals West Coast is an industry organisation representing the shared and collective interests of people and businesses operating in the minerals sector of the West Coast region and elsewhere in New Zealand.

[2] Our membership is diverse, spanning individuals engaged in part-time or fulltime mining operations and associated services, through to small and medium-sized, family-owned enterprises, all the way through to large companies with international shareholdings.

[3] Miners on the West Coast and throughout New Zealand produce a [variety of minerals](#) via a [range of methods](#). This includes gold from alluvial and hard rock deposits, sub-bituminous coal as a source of energy for food production and space heating, bituminous coal for steelmaking, aggregates and gravels for roading and construction, limestone for fertiliser, pounamu (often as a by-product of gold mining), and mineral sands producing industrial minerals and rare earth elements.

[4] In 2024 the GDP of the West Coast region was about \$2.7 billion NZD. When breaking this down by sector (using the [ANZSIC](#) system) mining was the third largest source of GDP in the region, accounting for [\\$311,200,000, or 10.5% of the total](#).

[5] Mining is among the highest-paid sectors in the New Zealand economy. In most of the past 15 years it has ranked highest paying sector in the country. In [2024 the annualised median earnings for the sector were \\$103,740](#), the highest of all sectors.

This submission

Minerals West Coast welcomes the opportunity to submit on the [Minerals Programme](#) (draft for public consultation) (the Programme), and focuses this submission on Chapter 13 which introduces the new Tier 3 permits for “small-scale, non-commercial” alluvial gold mining.

The following limitation on the consultation is noted - “The scope of consultation is limited to the operational application of the updated Programmes, and we are not seeking feedback on policy decisions and positions.” Minerals West Coast will seek to remain within the confines of the consultation.

This submission is structured into general comments and recommendations, and comments and recommendations on specific clauses of Chapter 13. A full list of recommendations is appended for ease of reference.

EXECUTIVE SUMMARY

Minerals West Coast supports the introduction of a new category of permit, the Tier 3 permit, treated in detail in Chapter 13 of the Programme. The proposals are generally workable, although, we observe that different individuals appear to have worked on different chapters of the Programme; the drafting is not consistent.

Key points

- Expand the scope of Chapter 13 to hobby and recreational operators on *former* rivers and beaches, because these are geologically equivalent to present-day rivers and beaches
- Explicitly mention “blacksanding”, in addition to the already mentioned technique of suction dredging, as a non-commercial, alluvial gold mining technique
- Explore expanding the scope of Chapter 13 and Tier 3 permits to small-scale, commercial, alluvial gold mining operations

GENERAL COMMENTS

Scope of Chapter 13

In his media release of [7 May 2024](#), Resources Minister Hon Shane Jones foreshadowed the introduction of Tier 3 permits for “hobby miners”, or “recreational mining”, which appears to focus on users of suction dredges in rivers, and on beaches to find gold.

There is a further category of “hobby mining” person, known as “blacksanders”, who use low-tech, shore-based equipment to process shovelled sand to win a gold concentrate. Such people would fall logically within the purview of Chapter 13, and Tier 3 permits.

Recommendation 1: Make specific mention of “blacksanders” or “blacksand miners” in relation to Tier 3 permits.

Small-scale, commercial alluvial gold mining

The Minister’s intent to make life less burdensome for the hobby or recreational end of the mining spectrum could be extended to small-scale, commercial, alluvial gold mining.

Here, there is inherent uncertainty surrounding the production of resource estimates, and, as a result, uncertainty in mine planning and determining work programmes. While some alluvial gold mines are significant operations, larger in scale than some riparian quarries, others are comparatively small in the size of their operation. Such operations may at most involve a small excavator, a rotating, cylindrical screen (trommel), a loader or dozer, and a small-scale device for recovering “wash”, or gold-bearing sand concentrate, collected daily in a household bucket or similar.

Recommendation 2: Consider including small-scale, commercial, alluvial gold mines within the scope of Chapter 13.

SUBMISSIONS ON INDIVIDUAL CLAUSES

The following submissions concern Chapter 13 only, except where otherwise stated.

Clause of the Programme	Minerals West Coast comment, and recommendations
<p>13.1 Introduction</p> <p>(1) This chapter applies to Tier 3 permits only.</p> <p>(2) Section 2B(2A) of the Act defines a Tier 3 permit as a permit that:</p> <p>(a) authorises mining for gold in the bed of a river (which includes a stream or creek) (a Tier 3 river permit) or –</p>	<p>Chapter 13 fails to consider alluvial gold-bearing gravels that are not situated in a present-day river, or on a present-day beach.</p> <p>Non-commercial gold activities could potentially occur at former rivers and beaches, ie geological alluvial formations.</p> <p>Recommendation 3: expand the scope of Chapter 13 to include small-scale, non-commercial operations at former rivers and beaches.</p>
<p>13.1 (3) The purpose of the Tier 3 permit class is to create a specific permit class for small-scale, non-commercial, gold mining operations.</p>	<p>“Non-commercial” is not defined in the Programme, and it should be to avoid confusion for permit applicants, and for NZP&M.</p> <p>Recommendation 4: Insert a definition into the Programme of “non-commercial”. Alternatively, provide more clarity on the purpose of Chapter 13.</p>
<p>13.1 (4) Reflecting the small-scale, non-commercial, nature of their operations, Tier 3 permit holders are not expected to operate at a scale that would require them to pay royalties. However, where the net sales revenue from a Tier 3 permit meets or</p>	<p>So, these operations could be “commercial”, if they are liable for royalty payments in certain circumstances.</p> <p>See Recommendation 4.</p>

<p>exceeds the thresholds by which royalties are payable, relevant obligations and rates regarding the payment of royalties will apply.</p>	
<p>13.3 (2) The Minister will ordinarily grant a Tier 3 permit if satisfied that: (a) the permit applicant is highly likely to comply with and give effect to the permit conditions, including the work programme, and</p>	<p>“Highly likely” is (as elsewhere in the Programme) challenging to determine; it is not easy to differentiate between “likely” and “highly likely”, despite the petroleum-focused case law.</p> <p>Recommendation 5: In all instances where “highly likely” occurs in Chapter 13, replace with “likely”.</p>
<p>13.4 (2) It will ordinarily count against, but not necessarily preclude, the granting of a Tier 3 permit if the applicant or a related party does not have a good record of compliance with the conditions of a previous or current permit or licence, whether in New Zealand or internationally in the last ten years.</p>	<p>In terms of an assessment of international compliance, how would that be done? For example, and with respect, how would NZP&M assess compliance with regulations in a country such as Mauretania, or Kirgizia?</p> <p>Recommendation 6: Taking a risk-based approach, limit the assessment of a record of regulatory compliance to New Zealand only.</p>
<p>13.10 (1) A Tier 3 permit will be granted for a period of not more than ten years.</p> <p>(2) Where an extension of duration is granted, that extension will be for a period of not more than ten years.</p>	<p>It is not clear whether a Tier 3 permit could be extended for an indefinite number of 10-year periods.</p> <p>Recommendation 7: Clarify the intent of this provision (13.10 (1) and (2)).</p>
<p>13.15 (1) Under the Regulations, a Tier 3 permit holder must submit to NZP&M, by not later than 31 March each year, an Annual Summary Report (ASR) covering the previous calendar year. The detailed requirements are set out in the Regulations.</p> <p>(2) The ASR must include information that:</p> <p>(a) confirms whether any mining took place within the permit area; and</p> <p>(b) provides a reasonable estimate of the number of days on which mining occurred under the permit; and</p> <p>(c) states how much gold was recovered under the permit.</p>	<p>This looks to be overly onerous in the context of small-scale, non-commercial mining.</p> <p>Recommendation 8: Simplify the ASR reporting to an accurate statement of the amount of gold recovered under the permit.</p>
<p>13.16 Restoration of land to which a Tier 3 permit relates</p>	<p>“Restoration” is a specific term, which carries an ordinary meaning of to return land to exactly what it was prior to disturbance, which, in practical terms, is an impossibility.</p>

	<p>Recommendation 9: Everywhere the term “restoration” occurs in the Programme, replace with “rehabilitation”, for accuracy.</p>
<p>13.16 (2) The Minister may include restoration obligations (in accordance with good industry practice) as a condition of a Tier 3 permit. Sections 92 and 92A of the Act provide specific processes for transfers of permits following death, bankruptcy or liquidations of a permit holder (including a Tier 3 permit holder).</p>	<p>Surely, such obligations would be required already under a resource consent. This is unnecessary regulatory duplication.</p> <p>Recommendation 10: Delete the first sentence of 13.16 (2).</p>

FULL LIST OF RECOMMENDATIONS

Recommendation 1: Make specific mention of “blacksanders”, or “blacksand miners” in relation to Tier 3 permits.

Recommendation 2: Consider including small-scale, commercial, artisanal alluvial gold mines within the scope of Chapter 13.

Recommendation 3: Expand the scope of Chapter 13 to include small-scale, non-commercial operations at former rivers and beaches.

Recommendation 4: Insert a definition into the Programme of “non-commercial”. Alternatively, provide more clarity on the purpose of Chapter 13.

Recommendation 5: In all instances where “highly likely” occurs, replace with “likely”, and amend the Crown Minerals Act accordingly.

Recommendation 6: Taking a risk-based approach, limit the assessment of a record of regulatory compliance to New Zealand.

Recommendation 7: Clarify the intent of this provision (13.10 (1) and (2)).

Recommendation 8: Simplify the ASR reporting to an accurate statement of the amount of gold recovered under the permit.

Recommendation 9: Everywhere the term “restoration” occurs in the Programme, replace with “rehabilitation”, for accuracy.

Recommendation 10: Delete the first sentence of 13.16 (2).