

Guide to Mines Fee Regulation Pits and Quarries

Pits or quarries are mines at which mining activities in relation to rock, industrial minerals, limestone, earth, clay, sand or gravel occur.

1. When do the fees come into force?

Effective April 1, 2015, fees will be charged for applications for pit or quarry permits as issued under the *Mines Act* or amendments to pit or quarry permits. The amount of the fee is based on the lifespan of the pit or quarry and the maximum annual tonnage of extracted material in the period being applied for.

Operators of low volume pits and quarries, below the set tonnage thresholds will not pay any fee.

2. What if I have already lodged an application prior to April 1, 2015 and the permit hasn't been issued yet?

Fees will only apply for applications for new pit or quarry permits or amendments to existing pit or quarry permits that are lodged on or after April 1, 2015. If you have an application in the system prior to that time, it will not attract a fee.

3. What are the fees for?

Fees are charged for applications for new permits and for amendments to existing permits as issued under the *Mines Act*. The amount of the fee is based on the size of the pit or quarry operation and the length of time it has been in operation.

Minor amendments such as a change of holder address or other administrative or clerical amendments will not be charged a fee.

4. When are pit or quarry permit fees paid?

Each time an application for a new pit or quarry permit or an amendment to an existing permit is lodged, and if your operation meets the criteria, you will be required to pay a fee before the application is accepted.

If you apply to amend your pit or quarry permit to increase the volume above your current fee threshold or to increase the proposed life of the operation, Ministry staff receiving the application will advise you of the fee you will be required to pay.

Permit applications will not be processed if payment of permit fees is outstanding.

5. Which pit or quarry operators have to pay the fees?

Irrespective of the tonnage extracted in any one year at a pit or quarry, no permit fee applies in respect of an application for an amendment that, in the opinion of the chief inspector, is merely administrative or clerical in nature.

Otherwise, fees are required when an application is lodged for a new permit or for an amendment to an existing permit. The fee is based on two factors: the maximum annual tonnage of extracted material being applied for and the expected lifespan of the mine. A mine operating for more than five years pays fees based on Column 2 thresholds in Table 1 below. A short term operation (i.e., five years or less) pays the fees set out in Column 1.

Based on these factors, it is expected that about 65 percent of all pit and quarry permit applications, including applications to amend will be required to pay a fee.

Pits and quarries that will operate for more than five years (including the number of years they have already been operating at the time an application for an amendment is lodged) will pay fees based on the maximum annual tonnage of extracted material in the period being applied for, as set out in the application (Notice of Work).

Table 1: Pit or Quarry Permit Fee Schedule

Column 1	Column 2	Column 3
Tonnes proposed to be extracted in highest producing year		Permit fee
Pit or quarry proposed to operate for 5 years or less	Pit or quarry proposed to operate for more than 5 years	
< 60,000	< 10,000	\$0
≥ 60,000 to < 125,000	≥ 10,000 to < 60,000	\$4,000
≥ 125,000 to < 250,000	≥ 60,000 to < 125,000	\$8,000
≥ 250,000 to < 500,000	≥ 125,000 to < 250,000	\$16,000
≥ 500,000	≥ 250,000	\$32,000

6. How do the fees work?

When applying for a new permit for a pit or quarry, a Notice of Work must be lodged for authorization with the permit application. The period over which the activities in the Notice of Work are to be undertaken is at the discretion of the applicant.

If a new pit or quarry is only required for a short-term purpose and will only operate for up to five years, then the permit fee is based on different tonnage thresholds when compared with a pit or quarry operating for longer than five years.

If a short-term pit or quarry operator applies to extend the life of the pit or quarry to a period beyond five years from the date of initial authorization, then the tonnage thresholds set out in Column 2 of Table 1 above apply.

The tonnage component of the fee is based on the maximum annual tonnage of material to be extracted in the future period being applied for under the application.

7. Why is there a difference in tonnage thresholds for the short-term versus the long-term producers?

Through consultation with pit and quarry operators, the approach was adopted to set a threshold cost increase of no greater than six cents per tonne. Industry also advised that there are both short- and long-term operations and these need to be assessed differently to ensure fairness of fee impact.

As a result, a one-year operation producing 60,000 tonnes would pay a fee equivalent to six cents per tonne as would a six-year operation producing 10,000 tonnes per year (both paying a permit fee of \$4,000). These examples represent the shortest operating period in each category and demonstrate the highest potential fee impact of six cents per tonne.

8. If I want to withdraw from the application process can I get a refund of the permit fee?

No, the Regulation does not allow for a refund of a permit fee.

This is a fee-for-service so in order for the application to be processed and decided the fee needs to be paid.

9. Why are fees being charged?

The fees have been structured to contribute towards the cost of processing and authorizing permit applications by permitting staff in MEM.

10. What happens if I don't pay?

Permit applications will not be processed if payment of permit fees is outstanding.