Summary of Submissions on the Draft Critical Minerals List

JANUARY 2025

Te Kāwanatanga o Aotearoa
New Zealand Government

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

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Summary

This document provides a summary of submissions on the draft Critical Minerals List for New Zealand (the List). Consultation on the List started on 15 September and closed on 10 October 2024. Insights from submissions were considered by MBIE officials and Wood Mackenzie and informed advice to the Minister for Resources.

There were 39 submissions from a range of submitters. Most of the submissions came from industry participants or groups/bodies (52%), individuals (23% of submissions), and environmental and community groups (15%). MBIE officials identified five central themes present in submissions:

- Inclusion and exclusion of certain minerals (eg gold, coal, lithium, silver, garnet, and iron sand).
- Including strategically and economically important minerals produced in New Zealand.
- Adjusting the methodology and criteria for the List.
- Security of supply challenges.
- Risk of environmental impacts.

Methodology for submission analysis

The consultation document posed three key questions to focus submitters:

1. Have we missed the inclusion of any mineral(s) on the draft Critical Minerals List?
2. Have we included any mineral(s) that you think should not be on the List?
3. Do you have any further feedback on the List, or the methodology under which it was developed?

MBIE officials reviewed all submissions to understand responses to the consultation questions and identify and collate themes from submissions. This process enabled MBIE to group feedback into a number of categories.

For this report, we have used the following quantifiers to indicate the strength of themes:

Table 1: Methodology for indicating strength of themes

Quantifier	**Approximate number of submitters**
Few	Fewer than 5% of submitters on this topic
Some	5 to 25% of submitters on this topic
Many	25 to 50% of submitters on this topic
Most	50% - 90%
Almost all	90% or more
All	100%

What we heard from submitters

Industry participants and industry groups/bodies

Many industry participants suggested adding minerals to the List that are economically and strategically important to New Zealand, and/or are vulnerable to supply risk (rather than economically important to New Zealand and are vulnerable to supply risk), such as gold, coal, lithium, silver, garnet, and iron sand. Industry participants also suggested the methodology and criteria for the List should place a greater emphasis on the economic importance of a mineral to New Zealand. Feedback also included a suggestion for the Government to identify, protect, and effectively manage local aggregate resources throughout the country, and giving prominence to minerals essential for agriculture and horticulture.

Individual submitters

Most individual submitters provided feedback on the minerals listed and the methodology for developing the List. Some submitters suggested the List should include silica, fireclay, coal, gold, silver, iron, brickearth, insulator clay, glass sand, marl, alumina, bromine, nitrogen, sulphur, and limestone. Others submitted against the inclusion of certain minerals to the List including aggregate and sand. On the methodology for developing the List, some individual submitters pointed out that the List did not include some risk dimensions, including:

- climate change exposure: assessing how climate risks might affect the supply and production of minerals.
- ethical risks: referring to issues such as human rights violations or governance problems in producing countries.
- environmental footprint: addressing the environmental impacts associated with mineral production and supply.

Environmental groups

Most environmental groups opposed the List because of environmental concerns and said the List was rooted in extractive thinking. Some of the environmental groups suggested the List should not contain garnet, vanadium, cobalt, copper, manganese, nickel, phosphate and arsenic due to environmental, health and safety, and sustainability concerns. They also suggested more information should be included about how the List will be used, transparency about data sources and the assessment undertaken to develop the List.

Iwi, hapū, and Māori organisations

The sole submission from iwi said they would like to see how the List fits within the Crown Minerals Act 1991, especially concerning ownership rights. The submission also said they would like to see detail about how the government plans to use the List in the next tranche of the critical minerals kaupapa, including meaningful consultation with iwi as Treaty partners.

Local Government

The sole local government submission suggested the inclusion of gold, coal, garnet, and ilmenite due to their economic importance to their regional economy. They also highlighted the potential of other minerals such as antimony and rare earth elements that can complement existing exploration and mining for gold and heavy mineral sands to support regional economic development.

Five central themes emerged from submissions

Submitters provided feedback and insights which included advocating for a broader range of minerals to be included on, or excluded from, the List. This includes the List recognising the economic and strategic importance of minerals currently produced in New Zealand while also ensuring improvement of the visibility of the methodology for developing the List. The insights were categorised into the following five central themes.

1. Inclusion and exclusion of some minerals

Most submitters suggested the inclusion of some minerals, and a few questioned the treatment of sand and aggregate:

- Gold: Frequently mentioned as critical due to its economic value, contributing significantly to New Zealand's exports (one submitter noted exports of gold are about $600 million annually). Few submitters were of the view that gold does have a supply risk and was not captured by the analysis. One submitter also suggested that gold should be held as a reserve in times of economic uncertainty.
- Coal: Emphasised as a critical mineral for its role in domestic and international steelmaking, electricity generation, food production, and industrial processes. Submitters also noted that coal is particularly important for maintaining energy security, especially for process heat markets in the South Island.
- Sand and Aggregate: There were different views about the inclusion of sand and aggregate. Some submitters considered it is not critical due to low international supply risk, unquantified domestic supply risk, substitutability, and that its inclusion could promote the extraction from sensitive areas such as the marine environment. While others stressed the importance of these materials for construction and infrastructure, and that difficulty of obtaining approvals for these minerals had resulted in limited supplies which risked downstream pricing and developments (ie. construction and infrastructure).
- Lithium: Few submitters advocated for lithium's inclusion due to its use in clean energy technology and potential as an emerging export industry, especially with new technology being developed to extract lithium from geothermal fluids as a low-impact form of mineral extraction.
- Garnet: Some individual and industry submitters suggested adding garnet to the List as they felt it had environmental and safety benefits as an alternative to other abrasives, as well as the potential for New Zealand to establish itself as a significant supplier amid global supply risks.
- Other Minerals: Additional minerals like alumina, bromine, nitrogen, sulphur, silver, iron, calcium (limestone), salt, iodine, and geological hydrogen were proposed for inclusion due to their commercial relevance or emerging technological importance.

2. Economic and strategic importance of minerals

Some submitters suggested the List should include all minerals that are important to New Zealand irrespective of supply risk vulnerability, and a sub-set of minerals used for agriculture as summarised below:

- Local Production: Many submitters emphasised the importance of supporting New Zealand's mining industry by including minerals on the List that are produced domestically, such as gold, silver, iron sands, and coal. There is a concern that excluding these minerals might disadvantage local production and industries.
- Sub-List or heightened prominence for minerals important to agriculture and horticulture: Nitrogen, sulphur, molybdenum, zinc, cobalt, and copper were flagged for their critical role in agricultural and horticultural productivity. Some submitters called for an agricultural sub-List to ensure these minerals are not overlooked. Others were happy with the inclusion of these minerals on the List but noted that for some, their key identified use as a fertiliser was missing.

3. Questions about methodology and criteria for the List

On top of submitters request to include minerals with economic importance irrespective of supply risk (described above), some submitters queried elements of the methodology used to develop the List and suggested more rationale should be provided for minerals included in the List. Key points covered are as follows:

- Bias in Mineral Selection: Some submitters were of the view that the government has exercised subjective judgment by deeming some minerals as "critical" without a supply risk being quantified above the threshold of five points, and that other minerals with supply risk rating of five points or more were excluded. Submitters suggested that sufficient rationale should be provided to improve the transparency in the selection process of these minerals.
- Global Context and Supply Risk Assessment: Some submitters agreed with the need to develop a critical minerals list as a number of countries have done. However, few submitters did not agree with the approach taken for supply risk assessment and made technical suggestions regarding the method and data, such as the substitution of the Fraser Institute investment attractiveness score for a different dataset regarding supply risk country rating.
- Transparency and Public Participation: Some feedback called for more information and transparency in how the List is compiled, with greater public involvement in the development of the list, including the criteria used.

4. Security of supply and resource access

Some submitters emphasised the importance of ensuring a secure supply of minerals that are needed for our economic functions, clean technologies, and other uses. They noted that minerals such as lithium, cobalt, and rare earth elements are important for advanced technologies like renewable energy systems (eg wind turbines and solar panels), electric vehicle batteries, phones, and electronics, and computers. It was acknowledged that supply chain disruptions could adversely impact industries and other economic reasons why the minerals are needed.

Some submitters also commented on the difficulties in obtaining consents and permits for mineral extraction in New Zealand, and suggested these should be considered in the selection of minerals for addition to the List. They also stressed the importance of regulatory flexibility, especially for minerals like coal, which faces declining finance options. There were also a few submissions which highlighted that a clear and predictable consenting regime

would reduce uncertainties for investors while also ensuring minerals are sufficiently produced to meet demand in New Zealand in a responsible manner.

5. Risk of environmental impacts

Some submitters commented on the environmental impact of mining, particularly on biodiversity and coastal ecosystems, advocating for a shift toward a regenerative, circular economy (recycling and re-use). Key sub-themes included:

- Threats to biodiversity: Concerns included the degradation of habitats critical to native and endangered terrestrial and marine species through such activities as open-pit mining, seabed extraction, and aggregate dredging.

- Impact on water resources: Submitters commented that mining activities are flagged for their potential to harm water ecosystems, leading to issues such as increased sedimentation, pollution, and disruption to aquatic habitats.

- Cumulative and long-term environmental damage: Submitters also commented on cumulative effects of mining on already fragile ecosystems. Concerns about long-term land degradation and challenges in achieving ecological restoration were also highlighted. A few submitters were of the view that mining for critical minerals in New Zealand could exacerbate the climate crisis

- Minimising extraction: Submitters promoted circular economy thinking by suggesting recycling and innovative technologies to reduce reliance on new mineral extraction, such as e-waste mining and substitution. Submitters also suggested focusing on reducing overall consumption and material demands.

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