

Submitter information

The Ministry of Business, Innovation and Employment (MBIE) would appreciate if you would provide some information about yourself. If you choose to provide information in the "About you" section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name: Lochlan McGregor

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B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes

No

C. Are you making this submission on behalf of a business or organisation?

Yes

No

If yes, please tell us the title of your company/organisation:

McGregor Concrete Ltd.

D. The best way to describe your role is:

Academic/researcher/research institute

Community group (please specify below)

Consultant (please specify below)

Tradesperson (please specify below)

Industry group (please specify below)

Industry participant (please specify below)

Independent expert (please specify below)

Business owner (please specify below)

Environmental NGO (please specify below)

Student (please specify below)

Other (please specify below)

Prefer not to say

Please specify here:

I am the owner and General Manager of McGregor Concrete Ltd, which is a long established family business operating out of Southland. The business was founded in 1966 and I have actively been involved with the business for over 40 years.

McGregor Concrete Ltd core services include ready-mix concrete production, supply of concrete aggregate, supply of AP40 and AP20 and supply of sealing chips for Southland. Our products (sand, gravel and rock) are primarily sourced from local rivers in the Southland region.

E. Privacy information

- The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions, or a summary of submissions, received to MBIE's website at www.mbie.govt.nz. If you do not want your submission or a summary of your submission to be placed on our website, please check the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

F. Confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential and have stated my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have checked this box, please tell us what parts of your submission are to be kept confidential.

A Draft Critical Minerals List for New Zealand

MBIE is developing a critical minerals list for New Zealand to identify the minerals that are:

- essential to New Zealand's economy, national security, and technology needs, including renewable energy technologies and components to support our transition to a low emissions future; and/or
- in demand by New Zealand's international partners to enable us to benefit from international economic opportunities, contribute to the diversification of global mineral supply chains and improve the pipeline of the end-use products for which these minerals are essential; and
- susceptible to supply disruptions domestically and internationally. In some instances, we rely on domestic sources of minerals, but the supply of these minerals can be constrained, for example by regulatory factors and social licence. Internationally, supply chain disruptions could arise due to geopolitical risks and external market forces.

Minerals play an essential role in New Zealand's economic growth through high-paying jobs, Crown royalties, direct positive impact in the regions where mining takes place, and through export revenues. Minerals are also critical inputs into products that are necessary for other sectors to thrive, including the use of aggregates in construction and infrastructure.

Minerals are also essential to modern economies as they are needed to manufacture advanced technologies such as semi-conductors, defence applications and medical equipment. Minerals are also critical for a clean energy transition as low emission technologies requires more mineral inputs than those fuelled by fossil fuels.

The extraction and processing of the minerals essential to New Zealand and our international partners are concentrated in a few countries. Any disruption that interrupts operations at a large facility or group of facilities can have a major impact on supply availability, and therefore on prices. The greater the concentration of production the larger the affect a disruption can have.

In addition, New Zealand does not manufacture a wide range of technologies, we are generally an end consumer of many products produced internationally and rely on the functioning of international supply chains and their access to resilient supplies of minerals.

The development of a critical minerals list is one of the key actions identified in the draft Minerals Strategy that was publicly consulted on from 23 May – 31 July 2024. Due to the technical nature of the list, MBIE engaged a consultancy with specialist expertise, Wood Mackenzie, to support the development of the list.

We are seeking feedback on the content of the draft list that has been developed by Wood Mackenzie for New Zealand. It identifies the minerals that are critical to New Zealand and summarises the reason for their inclusion in the list. Once the list is finalised, actions could be identified to help us reduce the 'criticality' of those minerals, i.e., secure better access to them.

Please see the draft Critical Minerals List attached below for more information.

Questions for the consultation

1. Have we missed the inclusion of any mineral(s) on the draft Critical Minerals List?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

2. Have we included any mineral(s) that you think should not be on the list?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

3. Do you have any further feedback on the list, or the methodology under which it was developed?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

McGregor Concrete Ltd is principally interested in the inclusion of aggregate and sand on the Critical Minerals List and agree with its inclusion on the list.

It is understood that the list includes minerals that are essential to New Zealand's economic functions and face high risks to supply domestically, among other things. The Government is investigating specific actions for securing better access to the minerals deemed critical.

As experienced industry participants we support the drive to secure better access to aggregate and sand. It is understood that improved access could materialise through a second Resource Management Act Amendment Bill, which is expected to be introduced into the House in December 2024 and will pass into law in mid-2025. It is understood that the amendments will make it easier to obtain consents for quarrying material, including crushed rock, gravel and sand.

In our experience it has become increasingly difficult to secure access to reliable aggregate supplies due to the complexities and time involved in securing the necessary resource consents and changing expectations. Regardless of the scale of potential adverse effects of gravel extraction, for every resource consent application, consent authorities require us to consult with many stakeholders, including Fish and Game, Department of Conservation, relevant iwi groups, other Councils, landowners and Land Information New Zealand. With the number of stakeholders to be engaged with and no fixed timeframes for stakeholders to provide feedback, this is often a time consuming and uncertain part of the process leading to lengthy timeframes to secure consents.

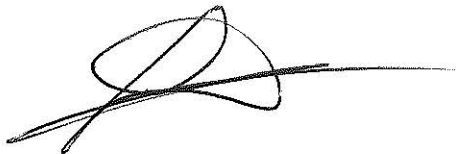
These delays can sometimes mean that once the consent is secured, the gravel is no longer there to be extracted as it has been carried away by large river flow events.

There are also changing expectations to contend with. For example, historically it has been acceptable to abstract gravel via a 'pond extraction' method. This method allowed relatively large volumes of gravel to be extracted from defined areas which were relatively small in the context of a river's extent. Now the 'pond extraction' method is not considered to be an acceptable practice. Instead gravel extraction via 'beach skimming' method is the preferred option, which yields significantly smaller volumes of gravel compared to the same footprint as the 'pond extraction' method. The change in extraction methodology means more areas need to be consented to obtain the same volume of gravel. While we are accepting of changing practices to ensure the sustainable management of rivers, it is vitally important that the approach to consenting evolves with it so that the return on investment in obtaining resource consents remains viable. While we are working on changing the approach to consenting gravel extraction, it is early days, and the outcomes are still uncertain.

There have also been significant changes to the enforcement of compliance with resource consents which have caused our business significant issues. In Southland, historically compliance with gravel extraction consents next to rivers has been enforced by the Catchment Team. This has recently moved to the Compliance Team, which is responsible for enforcing compliance with all other resource consents in Southland. This change has resulted in changes to interpretation of resource consent conditions, meaning activities that have been acceptable for many years are now unacceptable. Because these activities are very difficult to change at short notice, this has resulted in compliance warnings and Abatement Notices for activities that were recently considered acceptable. Not surprisingly, this adds considerable stress to a business meaning focus is taken away from other important aspects of the business, including securing new gravel supplies which are critical to the continuity of the business.

As a result of these challenges, we are looking forward to seeing aggregate and sand being included on the final Critical Minerals List and then how that will lead to improving access to this critical mineral.

Thank you

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Thanks for your feedback, we really appreciate your insight on the development of New Zealand's Critical Minerals List.