
JOINT SUBMISSION ON THE DRAFT CRITICAL MINERALS LIST FOR NEW ZEALAND FROM
(via email: resourcesfeedback@mbie.govt.nz)
1. NEW ZEALAND COAL & CARBON LTD (INC. ROA MINING COMPANY LTD & FRANCIS MINING CO. LTD)
2. BIRCHFIELD COAL MINES LTD
3. BATHURST RESOURCES LTD AND BT MINING LTD

The submitters are the major coal mining companies of both export and domestic use coal in New Zealand.

Coal is critical to, and in short supply in, New Zealand. We support a Critical Minerals List (the list) **which includes coal**.

Given the below, **we request that the Government amend the list to include coal**.

We believe that the Wood Mackenzie report **wrongly excludes coal from the list**, because:

- it does not properly consider coal against the criteria for inclusion on the list; and
- the method of analysis fails to take an accurate account of the position of coal in terms of demand, production and supply risk.

Quite simply, **coal meets the three criteria for a mineral to be included on the list**:

1. *Essential¹ 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*

- Coal is critical to New Zealand's national energy security.
- Without coal the survival of our domestic and export industries² who rely on this are at risk. This in turn threatens our domestic and export economies which are essential to New Zealand's overall economic survival.
- During Covid-19 the Government deemed the domestic supply of coal to be an essential service.
- Within the South Island approximately 1 million tonnes of coal is required to supply the energy needs of the dairy industry and other food processors alone. There is currently no economic or practical alternative to coal to supply the required energy to these industries within the South Island.
- New Zealand relies on imported coal for our energy security and to address the domestic coal gap. We need Indonesian coal, and it is the only option at present. This itself is reason to consider coal critical, to enable further investigation into, and improve, future coal supply options.
- Alternative energy sources are very limited due to lack of availability, affordability or reliability.
- Advanced carbon products and emerging uses (e.g. the use of coal to produce batteries) may support the transition to a low emissions future.

2. *In demand by New Zealand's international partners, and*

- New Zealand's coking coals are highly sought after globally, especially with the steelmakers. The unique properties of these New Zealand coals provide numerous benefits to the steel mills, including reduced emissions for steel produced. They are a significant export earner for New Zealand.

¹ *Essential is defined as critical to maintaining New Zealand's economy today and into the future and not readily substitutable (MBIE).*

² *Within New Zealand coal is used for process heat in dairy processing, food production and manufacturer, hospitals, schools, aged care facilities and a range of public facilities. New Zealand exports coal for steel making and specialist applications (e.g. silicon metal production, activated carbon).*

- The coal mining companies, and their export earnings, also provide critical support to, and are the lifeblood for some of, our regions, including:
 - business and employment across the regions and country;
 - the social wellbeing of, and essential services for, our communities (e.g. rescue helicopter, schools); and
 - the viability of transport links, that in turn provide critical operational functions for regional businesses and activities (e.g. midland rail line and its use by Westland Milk and tourism).

3. *Susceptibility to supply disruptions domestically and internationally.*

- As we have seen in recent years, there is the ever-present threat to security of coal supply from:
 - an escalation of conflict, or a global pandemic, which reduces shipping and supply to New Zealand;
 - regulatory risk:
 - significant challenges in obtaining regulatory approvals; and
 - escalating costs, potentially of a prohibitive nature, to obtain regulatory approvals which are threatening the viability of, and investment in, coal mine expansion and/or development.
 - transportation network issues or disruptions (e.g. the current Reefton rail tunnel outage or the recent midland rail line (South Island) fires).
 - shortage of coal in New Zealand – please see below.
 - natural disasters/weather events both in New Zealand (e.g. Christchurch and Kaikoura earthquakes, Cyclone Gabrielle) and overseas.

We **disagree with the statement that “coal is not in short supply in Australasia”³**, and what appears to be a reason for it not being on the list, because:

- You cannot combine the coal supply profiles of Australia and New Zealand, they are different.
- In terms of Australia, they have a considerable domestic coal and natural gas resource that allows their domestic needs to be met.
- In New Zealand, **coal is in short supply:**
 - we do not have sufficient coal and natural gas resources to meet our domestic needs;
 - we have to import coal to meet our domestic energy needs;
 - there are a number of different coals, each with their own types of use, you cannot “lump” these together to conclude that “we have enough coal”;
 - coal in the ground is not the same as coal that is produced and available for domestic use or export, that is:
 - if we cannot develop coal mines, due to regulatory risk (as described above), we cannot produce the coal; or
 - if there are supply disruptions (as described above), we cannot supply the coal; and
 - both our domestic and international supply of coal is susceptible to supply disruptions (as described above).

³ Hon Shane Jones, Radio New Zealand, 16 September 2024