

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

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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:

West Coast Regional Council

D. The best way to describe your role is:

Academic/researcher/research institute

Independent expert (please specify below)

Community group (please specify below)

Business owner (please specify below)

Consultant (please specify below)

Environmental NGO (please specify below)

Tradesperson (please specify below)

Student (please specify below)

Industry group (please specify below)

Other (please specify below)

Industry participant (please specify below)

Prefer not to say

Please specify here:

Public servant

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?

The West Coast region has significant currently mined and untapped mineral resources, including pounamu, serpentine, gold, high-quality coal, limestone, schist, and rock, gravel and sand. Viable sources of antimony have recently been discovered, and garnet and ilmenite are being mined.

Ministry of Business, Innovation, and Employment Figures show the average income for people working in petroleum and minerals sector earn about \$96,000.00 per annum, almost double the average across all sectors nationally.

At a regional level, mining is among the largest sources of GDP, in the year ending 31 March 2022 it accounted for \$183.3 million of regional GDP (7.7% of the total) and is the third-largest source of GDP in the region after dairy cattle farming, and electricity and gas supply.

Council seeks that the following minerals are added to the Critical Minerals List (CML or the List). Information about their location and use is from the Minerals West Coast website:

Gold should be included in the CML. With the currently increasing price of gold and demand for it, increased gold mining on the West Coast is creating jobs and income in the West Coast Region, contributing to social and economic wellbeing. Some gold mining operations employ up to 20 or more people, but most are at a small enough scale that the majority of West Coast operations are locally owned and operated

We recognise that the gold mining industry is cyclical and dependent on the global market price, but it has been extracted on the West Coast by small operators for more than 150 years. Gold is predominately sold into the financial sector (as a private investment or as a store of value for central banks and financial markets), and also for jewellery, electronics, chemistry, and in medical technology. Cumulatively and over time it is an important contributor to regional economies.

Coal should be included in the CML, it has an important role not only on the West Coast but in other regions in the South Island, and overseas. Sub-bituminous (“thermal coal”) is used as an industrial or commercial fuel, while bituminous coals are also called “metallurgical coal” or “coking coal” for their use in steelmaking. West Coast thermal coal is sold to customers throughout the South Island, to process milk into powder, as well as butter, cheese, and other products, also to freezing works or abattoirs, and hothouses that grow vegetables such as tomatoes, cucumbers and eggplants all year round.

Some coal is also used to process limestone into calcium oxide and hydroxide for water purification or treatment, and for drying crushed limestone for pasture soil conditioning, and to a lesser extent for space heating in hospitals, schools, and universities.

Coking coals produced on the West Coast are exported to international markets for use in steel production, and also the manufacturing of silicon metal, and carbon fibres.

Council recognises that coal mining and use is not consistent with reducing carbon emissions to meet national emissions reduction targets. However, some coal use should be allowed to bridge the gap while New Zealand moves to a lower carbon emissions state. If there is no timeframe for when the CML will be updated, then metallurgic coal should be added to the List until the transition to zero carbon is achieved.

Garnet should be moved up to be on the CML. As with gold and coal, extraction of garnet will contribute to the West Coast’s social and economic wellbeing. Garnet deposits occur in large quantities along the West Coast, in particular, near Westport, the Barrytown flats, near Ruatapu south of Hokitika, and as far south as Hunt’s Beach in South Westland. Garnet is widely used as an

industrial mineral, its hardness lending itself to use in sand blasting, waterjet cutting and sandpaper, having the additional benefit of being much safer than silica-based abrasives as no harmful dust is produced when garnet is mined or used. There will continue to be demand for garnet as long as the uses of it remain.

Ilmenite is not on the draft CML but it should be. Table 15 listing minerals not included in the Critical Minerals List does not include ilmenite and why it is not on the List. Ilmenite is a titanium-iron oxide mineral found in many of the same heavy mineral sand deposits as garnet. It can be found in West Coast coastal sand deposits along the 320 kilometre coastline between Karamea in the north and Bruce Bay in the south. It is used worldwide for whitening in pigmentation and coatings for everyday products such as paints, printing inks, fabrics, plastics, paper, food, sunscreen, toothpaste, and cosmetics.

Council supports Antimony and Rare Earth Elements (REE) being on the List. Both of these are found on the West Coast and when mined, will contribute to the Region's economic wellbeing. Antimony is a highly critical mineral used in the manufacturing of solar panels, wind turbines, lithium-ion batteries, and next generation liquid metal grid storage batteries. Reserves have been found in the Reefton area. Placer deposits of REE have been found in trace quantities in the same heavy mineral sands that host ilmenite and garnet. The largest deposits occur in the heavy mineral sand resources of Westport and Barrytown.

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?

Thank you

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