MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

# COVERSHEET

| Minister | Hon Shane Jones | Portfolio | Regional Development |
|---|---|---|---|
| Title of Cabinet paper | Regional Infrastructure Fund: Investing in Critical Minerals Projects | Date to be published | 24 August 2026 |

| List of documents that have been proactively released | | |
|---|---|---|
| **Date** | **Title** | **Author** |
| May 2026 | Regional Infrastructure Fund: Investing in Critical Minerals Projects | Office of the Minister for Regional Development |
| May 2026 | Critical Minerals Information pack | MBIE |
| 27 May 2026 | Regional Infrastructure Fund: Investing in Critical Minerals Projects<br>ECO-26-MIN-008 Minute | Cabinet Office |
| 27 May 2026 | Regional Infrastructure Fund: Investing in Critical Minerals Projects<br>ECO-26-SUB-008 Summary | Cabinet Office |

**Information redacted** **YES** / **NO** *(please select)*

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Some information has been withheld for the reasons of Commercial Information, Confidential Advice to Government, Legal Professional Privilege and International Relations.

ECO-26-SUB-0088

# Cabinet Economic Policy Committee

## Summary



## Regional Infrastructure Fund: Investing in Critical Minerals Projects

**Portfolio** — **Regional Development**

**Purpose**

This paper seeks agreement to invest in two critical minerals projects that do not meet the Regional Infrastructure Fund (RIF) eligibility criteria (set out in **Annex One**), and agreement to amend the RIF criteria to allow the Regional Development Ministers Group (RDMG) to approve RIF funding for future critical minerals projects.

**Previous Decisions**

In June 2024, Cabinet agreed to the:

- detailed settings of the $1.200 billion RIF, including that the single overarching objective of the RIF was to achieve a lift in the productivity potential of the regions through the delivery of regional infrastructure initiatives;
- eligibility criteria for RIF investments, including specific requirements for investments in individual businesses.

[CAB-24-MIN-0214]

In December 2025, the RDMG agreed to set aside $80.000 million of RIF funding for critical minerals projects.

**Proposal**

Agreement is sought to RIF funding for two critical minerals projects on the West Coast that do not meet the Cabinet-approved RIF criteria:

- New Zealand Critical Minerals Separation Facility project (Westport project), which is seeking up to $30.000 million towards a $70.000 million mineral separation and processing facility producing ilmenite, garnet, zircon and monazite (Investment proposal at **Annex Two**);
- Tāiko Critical Minerals Sand Separation Plant (Barrytown project), which is seeking up to $20.000 million towards an $87.000 million mineral sands mining and processing operation producing ilmenite, garnet and zircon (Investment proposal at **Annex Three**).

Both projects could deliver significant benefits for the West Coast and New Zealand's critical minerals sector, creating or re-establishing around 170 permanent high-value jobs and 90-95 construction jobs, with an estimated

International relations

Benefits and risks for each project are outlined in **paragraphs 56 to 59** (Westport) and **paragraphs 65 to 68** (Barrytown), and MFAT comments at **paragraphs 82 to 84**.

| | |
|---|---|
| **Impact Analysis** | Not required. |
| **Financial Implications** | The Westport project is seeking up to $30 million and the Barrytown project is seeking up to $20 million. Funding will come from the existing RIF appropriation. |
| **Legislative Implications** | None from this paper. |
| **Timing Matters** | Commercial Information |
| **Communications** | None indicated. |
| **Consultation** | Paper prepared by MBIE (Regional Development). DoC, MfE, Treasury, DIA, TPK, MPI (Agriculture), MHUD, MSD, MBIE (Resources) and MFAT (Trade and Investment) were consulted.<br><br>The Minister indicates that the Minister of Finance, Minister for Infrastructure, Minister for Energy, Minister for Māori Development, Minister of Local Government, ECO members and Government parties were consulted. |

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**The Minister for Regional Development recommends that the Committee:**

### Background

1 note that in June 2024, Cabinet agreed the detailed settings of the $1.200 billion Regional Infrastructure Fund (RIF), including that the single overarching objective of the RIF was to achieve a lift in the productivity potential of the regions through the delivery of regional infrastructure initiatives [CAB-24-MIN-0214];

2 note that Cabinet also agreed to eligibility criteria for RIF investments, including specific requirements for investments in individual businesses;

### Critical minerals projects

3 note that critical minerals are essential inputs across a range of strategically important industries;

4 note that developing domestic processing capability would enable New Zealand to capture greater value from its mineral resources while supporting participation in increasingly diversified global supply chains as a supplier of higher-value processed material;

5 note that expanding processing capability supports the critical minerals sector to scale over time by improving the economics of extraction and enabling more consistent, higher-value production;

6 note that in December 2025, the Regional Development Ministerial Group (RDMG) agreed to set aside $80.000 million of RIF funding for critical minerals projects, however critical minerals are not included as an eligible primary focus area in the Cabinet-approved RIF eligibility requirements for individual businesses;

7 note that the two projects outlined in the paper under ECO-26-SUB-0088, the New Zealand Critical Minerals Separation Facility project (Westport project) and the Tāiko Critical Minerals Sand Separation Plant project (Barrytown project), do not meet the RIF's Cabinet-approved eligibility criteria for investment in individual businesses due to their primary focus on critical minerals;

8 note that, if successful, the Westport and the Barrytown projects could achieve significant benefits, including:

8.1 creating or re-establishing an estimated 170 permanent high-value jobs;

8.2 International relations

8.3 generating more than $ Commercial In million in additional GDP;

9 note that the Westport and the Barrytown projects above Commercial Information Commercial Information and that, while some risks can be mitigated through funding conditions, material residual risk would remain;

10 note that RDMG considers that, on balance, the potential scale of regional development benefits, alongside the strategic importance of critical minerals, is sufficient to justify RIF investment and an exception to the eligibility criteria;

11 note that section 65L of the Public Finance Act 1989 (PFA) empowers the Minister of Finance to provide a loan to any person or organisation if it appears to the Minister to be necessary or expedient in the public interest to do so (the public interest test);

12 note that, if Cabinet agrees to fund the Westport and the Barrytown projects, Kānoa – Regional Economic Development & Investment Unit (Kānoa) will separately seek approval from the Minister of Finance to provide loans under section 65L of the PFA;

13 agree to waive the requirement for the above proposed investments to meet the RIF's eligibility criteria for investment in individual businesses, on the basis that the proposals could:

13.1 lift regional productivity;

13.2 International relations

13.3 support high-value employment;

## Westport Project approvals

14 **agree to provide a Commercial Information loan as the investment instrument and to the following key terms from the RIF for the New Zealand Critical Minerals Separation Facility project:**

| Term | Proposed terms for this project |
|---|---|
| Borrower | Westland Mineral Sands Co Limited (WMS) |
| Loan Amount | Up to $Commercial Information million |
| Term | Up to Commercial Information years |
| Interest | Commercial Information |
| Repayment | Commercial Information |
| Security | Commercial Information |
| **Option** Commercial Information | |
| Entity | Westland Mineral Sands Co Limited |
| Shareholding | Commercial Information |
| Shares | Commercial Information |
| Director | Commercial Information |

15 agree that the above is subject to the standard conditions precedent and the following additional conditions being met to the satisfaction of Kānoa within Commercial Information of Cabinet approving the investment (unless otherwise agreed by Kānoa):

Commercial Information

## Barrytown project approvals

16 **agree to provide a Commercial Information loan as the investment instrument and to the following key terms from the RIF for the Tāiko Critical Minerals Sand Separation Plant project:**

| Term | Proposed terms for this project |
|---|---|
| Borrower | Tāiko Critical Minerals Limited (TCM) Commercial Information Commercial Information |
| Loan Amount | Up to $ Commercial Information million |
| Term | Up to Comme years |
| Interest | Commercial Information |
| Repayment | Commercial Information |
| Security | Commercial Information |
| **Option** Commercial Information | |
| Entity | Tāiko Critical Minerals Limited Commercial Information Commercial Information |
| Shareholding | Commercial Information |
| Shares | Commercial Information |
| Director | Commercial Information |

17 agree that the above is subject to the standard conditions precedent and the following additional conditions being met to the satisfaction of Kānoa within Commercial Information of Cabinet approving this investment (unless otherwise agreed by Kānoa):

Commercial Information

## Next steps

18 note that:

18.1 if Cabinet agrees to fund the two projects above totalling $50.000 million, $ Commercial million of funding will remain in the Critical Minerals $80.000 million RIF allocation;

18.2 Commercial Information

19 agree to amend one of the RIF eligibility criteria for individual businesses agreed under CAB-24-MIN-0214 to the following (*changes italicised*), to enable RDMG to approve otherwise-eligible critical minerals proposals for RIF funding:

19.1 be a business that has a primary focus on one of the following areas:

19.1.1 energy security, water security, food security, connectivity (transport solutions or digital connectivity), *critical minerals,* or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region;

20 note that both the Westport and the Barrytown projects have requested funding for their own critical minerals testing facility, however, internationally sector-wide testing facilities for multiple firms are more common and generate greater economic efficiencies;

21 Commercial Information

Rachel Clarke
Committee Secretary

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Cabinet Economic Policy Committee


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