Hon Shane Jones

Minister for Oceans and Fisheries Minister for Regional Development Minister for Resources Associate Minister of Finance Associate Minister for Energy



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Rt Hon Simon Upton Parliamentary Commissioner for the Environment PO Box 10241 Wellington 6140 Kelly.Halvey@pce.parliament.nz

SJC1360

Dear Commissioner

Thank you for your letter dated 3 February 2025 regarding the preferential pathways outlined in New Zealand's Minerals Strategy and the inclusion of gold and metallurgical coal on New Zealand's critical minerals list.

I was proud to publicly launch the Minerals Strategy for New Zealand to 2040 alongside New Zealand's first critical minerals list. Minerals enable nearly every aspect of our modern world and are at the heart of sectors driving New Zealand's economy, including infrastructure, agriculture and information processing. These two initiatives are tools that will help to create an enduring pathway forward for the minerals sector. The Minerals Strategy includes a clear commitment to responsible and sustainable environmental practices. It also highlights my desire for New Zealand to contribute the critical minerals essential to New Zealand's economy and technological needs, including clean energy and international trade, rather than merely consuming minerals supplied by other economies.

I have been clear that New Zealand needs to have a measured, public debate on the role of mining and minerals in our modern economy. I thank you for your public comments acknowledging the balance we need to achieve between extracting the minerals required for our daily lives and the global clean energy transition, alongside important environmental and ecological considerations.

In response to your question about the process for developing preferential pathways for critical minerals, the delivery roadmap of the Minerals Strategy includes actions to explore, and subsequently implement, preferential pathways for critical minerals development, and includes indicative timeframes. New Zealand can produce 21 of the 37 minerals on our critical minerals list, and the Government seeks to support key developments, facilities and capabilities for these minerals in New Zealand. Establishing preferential pathways and settings for development and supply of minerals on the list will enable critical minerals developments to activate faster, reduce New Zealand's vulnerability to supply disruptions, and support the resilience of international supply chains. I expect this work will start shortly and my officials to brief me on the wide range of pathways that could be available to give preference to these minerals. Any policy decisions requiring Cabinet approval will be progressed according to standard consultation requirements. Your comments on such matters would be appreciated during consultation.

In response to your question on whether I intend to prescribe lower environmental standards for critical minerals developments through preferential pathways, the short answer is no. As I have said before, the Government is interested in cutting barriers, not corners. The introduction of preferential pathways is intended to streamline and incentivise the development of critical minerals projects, which will happen in a responsible manner where environmental protection, the health and safety of our workers, and impacts on regional communities are given priority.

In response to your question about the criteria used to support the inclusion of gold and metallurgical coal on New Zealand's critical minerals list, I acknowledge that metallurgical coal (also known as coking coal) is not on the critical minerals lists of the countries you mention, and that neither coal nor gold are on the list of critical minerals provided by Wood Mackenzie. However, coking coal was included on the European Union's list of critical raw materials in 2014 and has remained on the EU list following reviews in 2017, 2020 and 2023. Despite being less vulnerable to supply disruptions than the other minerals on the list, Cabinet agreed to include gold and metallurgical coal on New Zealand's critical minerals list due to their economic importance. Gold and metallurgical coal are the backbone of New Zealand's mineral sector, and their exploration and development are essential to help us understand our wider minerals estate and ensure we have the information, skills, machinery, resources and capability to support a modern and responsible mining sector for critical minerals. In addition, gold mining can also facilitate recovery of critical minerals such as antimony as byproducts from the primary mining operation.

The Government is committed to developing a minerals sector that is productive, valued and resilient. We welcome the measured perspective you bring to the national conversation about the role, importance, and source of minerals in our modern society.

Yours sincerely

Hon Shane Jones Minister for Resources