Your Comment on the Taranaki VTM Project

Please include all the contact details listed below with your comments.

1. Contact Details	
Please ensure that you have authority to comment on the application on behalf of those named on this form.	
Organisation name (if relevant)	Whanganui District Council
First name	[redacted]
Last name	[redacted]
Postal address	[redacted]
Phone number	[redacted]
Email ***(a valid email address enables us to communicate efficiently with you)***	[redacted]

2. We will email you draft conditions of consent for your comment			
☒	I can receive emails and my email address is correct	☐	I cannot receive emails and my postal address is correct

3. Please select the effects (positive or negative) that your comments address:			
☒	Economic Effects	☒	Sedimentation and Optical Water Quality Effects
☐	Effects on Coastal Processes	☒	Benthic Ecology and Primary Productivity Effects
☒	Fished Species	☐	Seabirds
☐	Marine Mammals	☐	Noise Effects
☐	Human Health Effects of the Marine Discharge Activities	☐	Visual, Seascape and Natural Character Effects
☐	Air Quality Effects	☐	Effects on Existing Interests
☐	Other Considerations (please specify): Recreational and social values		

Attached files:

1. Financial model assessment of the TTR Taranaki VTM ironsand project by Sanofex Limited

Executive Summary

Whanganui District Council considers the information provided by the applicant to be insufficient for the purposes of weighing the environmental effects against the potential economic benefits of this proposal.

We **table** a statement of evidence by Sanofex Limited which demonstrates the revenue assumptions provided by the applicant to the New Zealand Institute of Economic Research (NZIER) are overstated and therefore the NZIER report (and the associated headline economic benefits of this project) cannot be relied on.

Additionally, we **note** the significant information deficiencies for adverse effects on marine mammals, seabirds and the effects of the sediment plume, which were identified by the Supreme Court in 2016 and have not been adequately remedied by the applicant. We also **note** our support for the Manawatu/Whanganui Sea Fishing Club and the Pātea & Districts Boating Club comment to the panel which highlights inaccuracies and omissions in the applicant's assessment of social and recreational impacts of the project.

We **submit** that the deficiencies in information on environmental, social and recreational effects, combined with the inaccurate assumptions underpinning the NZIER economic modelling mean the panel cannot adequately and reliably fulfil its duty to weigh up the project's regional or national benefits against environmental effects.

However, we understand the Fast-Track Approvals Act (FTAA) requires the panel to reach a decision even in the face of uncertainty, and in this vein, we **agree** with Taranaki Regional Council's (TRC) recommendation that the panel favour caution, environmental protection and make their judgement based on a plausible worst-case scenario for environmental effects. We **note** that determining such a scenario will require extensive caucusing with relevant experts.

We **recommend** the panel also caucus with economic experts to determine the plausible regional and national economic benefits of this project given the unrealistic assumptions underpinning the metrics the applicant provided to NZIER, as well as the economic opportunity cost of precluding offshore wind farming in the Taranaki Bight.

Our comment will focus on the impacts of the proposal for the Whanganui District, but we wish to **express** our broad support and agreement with the environmental and cultural concerns raised by our neighbouring councils and statutory Iwi authorities.

In brief, the key concerns we identify for the Whanganui District include:

- minimal and unclear economic benefit for Whanganui,
- economic opportunity cost with regards to offshore wind farming,
- uncertain adverse environmental effects from sediment plume,

- uncertain adverse effects on recreational fishing and food gathering practices.

Finally, we wish to **strongly recommend** that if the application is approved, the panel should require a significant bond and trailing liability to offset the uncertain environmental effects, ensure compliance and manage the risk of financial insolvency.

1. Economic benefits

With regards to the proposed economic benefits of this project, Whanganui District Council make four key points:

1. Firstly, we table a statement of evidence from Sanofex Limited (2025) which indicates the metrics provided to NZIER are overstated, and therefore the claimed economic benefits cannot be relied upon.
2. We note the project will provide no domestic value-added processing.
3. Even assuming the accuracy of the NZIER report the project offers minimal and unsubstantiated benefit for the Whanganui District.
4. The project will significantly disadvantage Whanganui by way of opportunity cost.

1.1 The NZIER report is underpinned by flawed assumptions

The application's economic benefits are derived from the NZIER assessment (2025) which projects approximately NZ$302 million in annual GDP and ~1,365 jobs nationally. However, the attached statement of evidence by Sanofex Limited shows these outcomes depend on optimistic inputs supplied by the applicant which have not been adjusted for product quality or marketability.

The key points provided in the Sanfofex response to the NZIER report are:

1. The NZIER report adopted inputs supplied by the applicant, including price assumptions, product specifications and an annual output of ~4.9 Mt without independent verification or robust sensitivity testing.
2. NZIER's revenue modelling used the 62% Fe benchmark price (about US$90/t) even though TTR's product is lower-grade titanomagnetite (56–57% Fe) with elevated titanium, thereby inflating expected prices.
3. The modelling failed to apply realistic quality and moisture penalties, effectively valuing wet tonnes at dry-tonne prices.
4. Sanofex Limited assessed a realistic netback of US$61–66 per dry tonne rather than the ~US$90/t implicit in NZIER assumptions, a reduction of roughly 30% once penalties are applied.
5. Applying these prices compresses indicative operating margins from about US$58/t to roughly US$17–21/t, calling commercial viability into question.

6. NZIER did not reflect the consequence of these adjustments, namely negative free cash flow, a highly negative NPV and an IRR below zero, and instead treated the project as viable.
7. Because fiscal benefits are contingent on profitability, realistic pricing would shrink royalties to less than about NZ$10 million per year and produce negative company tax in early years via loss carry-forwards.
8. The headline GDP (~NZ$302 million per year) and employment (~1,365 national FTE) multipliers are therefore overstated because they depend on sustained profitable operations that are unlikely under market conditions.
9. NZIER did not account for the constrained marketability of a niche, lower-grade titanomagnetite with elevated titanium, which narrows the buyer pool and suppresses pricing.
10. The analysis underplayed cost and operational risks by assuming steady production and unit costs (around US$42/t) without sufficient allowances for quality-related penalties, downtime, or logistics realities.
11. The sensitivity analysis was inadequate, offering few or no downside cases and thereby presenting decision-makers with a one-sided and optimistic economic picture.

NZIER are an independent economic consultancy, but the results of their economic assessment are only justifiable if the key metrics supplied by the applicant can be independently validated. We **submit** that the report by Sanofex Limited calls into question the reliability of these metrics and requires a wholesale reconsideration of some of the headline economic benefits claimed in this application as a result.

1.2 Absence of domestic processing and value-added industry

The applicant's proposal is an extract-and-export model. The concentrate would be produced offshore and shipped overseas, with no domestic refining, smelting, or critical-minerals extraction.

Vanadium credits referenced in the applicant's revenue forecasts are not supported by any proposed domestic processing facility; the Sanofex Limited report indicates a dedicated plant (order-of-magnitude ~US$400 million) would be required and is not part of the proposal.

Without domestic processing, the higher-value activities and associated skilled employment occur offshore, profits are largely repatriated and multiplier effects are externalised from New Zealand's economy.

Moreover, even if onshore processing were contemplated, it would face significant feasibility hurdles including consenting for large-scale metallurgical and chemical processing (air discharges, water takes, hazardous substances), major energy use, and developing associated infrastructure.

These are complex and protracted processes creating substantial delivery risk and delay. They would also require a highly specialised workforce, which would be difficult to attract and retain given international shortages and competition from established industrial hubs.

We **submit** that this model does not advance New Zealand's objective of growing exports through value added processing. Fast track consent applications should support integrated projects that build enduring domestic value add industrial capability.

1.3 Minimal and unclear economic benefit to the Whanganui District

The applicant aggregates "Taranaki/Whanganui" in its economic benefit claims but provides no transparent breakdown of economic benefits for the Whanganui District.

For example, the disputed NZ$234 million/year in regional operating spend and 303 FTEs lack disaggregation. Our view is that the input/output model derived total impact estimate would not be evenly distributed across the region. This view is supported by the Corydon social impact assessment commissioned by the applicant which suggests the bulk of employment would be captured in South Taranaki/New Plymouth where the mine support and export logistics would be centred.

Assertions that Whanganui Port would serve as a support base are not underpinned by engagement or agreement with the Council or port entities. No defined investment, service specification, or capacity plan has been provided.

Head-office and training locations nominated by the applicant would also be based outside Whanganui, further indicating limited local benefits for our district.

In short, even assuming the accuracy of the NZIER report, the project offers only minimal and unclear benefits for Whanganui. We **submit** that on the information provided, the proposal does not constitute a compelling economic proposition for our district and these benefits are therefore outweighed by the factors set out in the remainder of our comment.

1.4 Economic Opportunity Cost

The purpose of the FTAA is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.

The Act provides little in the way of guidance on the criteria the panel should use to make their decision. We therefore **contend** that the panel should also give regard to the factors the Minister used to determine significance and make the initial referral decision (for which there is specific criteria in s22 of the Act).

Significantly for Whanganui, we **note** that s22(6) provides a basis for considering other possible uses of the proposed mining area:

"For the purposes of subsection (1)(a), the Minister may compare the activity involved in the project against the current and other likely uses of the space, taking into account—

(a) the economic benefits and strategic importance of the proposed project; and

(b) the likely impact of the proposed project on current and proposed marine management regimes; and

(c) the environmental impacts of the competing activities."

This is highly relevant to Whanganui as our coastal position and grid interface (e.g., existing transmission infrastructure) mean we are well placed to capture operations, maintenance, and supply-chain roles from offshore wind that the mining proposal cannot offer. Our council has been actively pursuing opportunities in offshore wind, with several companies considering development in this area.

Offshore wind developers have already cited policy uncertainty and prioritisation of seabed mining as deterrents to investment, with large-scale projects withdrawn. Evidence put forward to the panel by the Taranaki Offshore Partnership (Perry, 2025) indicates seabed mining activity would likely preclude development of offshore wind in the Bight for the life of the mine. Approving seabed mining in the Taranaki Bight would therefore result in a significant economic opportunity cost for Whanganui.

1.5 The case for offshore wind farming

We **submit** that offshore wind farming is a better fit for the following criteria (which the Minister may consider under the Act (s22(2)) when determining whether the project is regionally or nationally significant):

- The project will deliver significant economic benefits.
- The project will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure.
- The project supports climate change mitigation, including the reduction or removal of greenhouse gas emissions.
- The project has been identified as a priority project in a central government, local government, or sector plan or strategy.

We **note** Taranaki Offshore Partnership's statement of evidence to the panel (by Fraser James Colegrave) which indicates offshore wind farming can offer more significant and enduring economic benefits, including a larger GDP contribution across the project's lifetime. In contrast to seabed mining (which offers only limited long-term infrastructure), offshore wind farming can also generate future industries and infrastructure legacy.

Offshore wind farming also contributes to Government priority areas, including the Government's goal to achieve net-zero emissions by 2050 by generating clean, renewable energy and displacing fossil fuel-based electricity, as well as supporting the Government's renewable electricity generation targets. By comparison, seabed mining is anticipated to increase emissions due to diesel use and iron ore processing.

The Government has also indicated the demand for electricity is expected to increase significantly by 2050 and meeting this demand will require a huge increase and investment in generation and networks. Offshore wind farming offers a strategic intervention into this nationally significant problem. We **note** that seabed mining does not contribute to the Government's energy transition goals and may in fact hinder them by occupying seabed space needed for offshore wind infrastructure.

We also wish to **emphasize** South Taranaki District Council's comments on offshore renewable wind opportunities, specifically paragraphs 16-18 which note that the Offshore Renewable Energy Bill is expected to be enacted by the end of 2025. This legislation will establish a regulatory framework for renewable energy activities in the marine environment which the panel will need to consider (under Clause 6 of scheduled 10 in the FTAA).

Similarly, we **note** from New Plymouth District Council's comment that seabed mining is not included in Taranaki's regional economic development strategy, but offshore wind energy is. We also emphasize that the Taranaki Mayoral Forum have urged the Government to first undertake a comprehensive risk analysis to ensure the proposed seabed mining does not preclude offshore wind opportunities.

<u>Recommendations:</u>

- Caucus with relevant economic and mining industry experts, including Sanofex Limited, to reassess the economic benefits of the project based on fair market pricing.
- Note that this project would disadvantage Whanganui by way of precluding a more significant and enduring economic opportunity that we are in the process of actively pursuing.
- Compare the mining project to 'other current or likely uses of the space' (as in s22(6) of the FTAA) and consider the strategic fit of offshore wind farming with the FTAA compared to this project.
- Factor in the economic opportunity cost when weighting any economic benefits of this project.

2. Environmental setting and sediment plume

The biggest environmental concern for Whanganui in relation to this proposal is the sediment plume from the mining activity.

We **note** that the information deficiencies for adverse effects of the sediment plume identified by the Supreme Court in the 2016 application remain highly relevant. The work done by the Applicant since that Supreme Court decision has done little to address this gap.

We have reviewed the evidence regarding sediment plume put forward by Taranaki Regional Council (PDP, 2025) which highlights the following gaps and deficiencies in the sediment plume modelling:

- The current application does not consider the latest worst-case scenario testing for optical and primary production effects.
- The calibration of the sediment plume model across different years and timeframes introduces uncertainty to the modelling.
- There is a lack of clarity around the interaction of two sediment discharge sources, particularly how de-ored sand is expected to trap finer sediment. This uncertainty affects conclusions about sediment dispersal.
- The size and extent of the depositional area are not fully defined, limiting the ability to accurately assess the magnitude of sedimentation effects on the environment.
- There is no updated assessment of localized impacts on reef habitats and associated species.

We share the following concerns regarding sediment plume highlighted by Taranaki Regional Council:

- The proposed activity involves the removal of approximately 5 metres of seabed material on average, with localized excavation reaching depths of up to 11 metres, to facilitate onboard extraction of mineral resources. This process will result in significant physical disturbance to benthic habitats and is expected to cause direct mortality of faunal communities residing within the affected substrate.
- Operational activities will generate a sediment plume, which may alter the optical properties of the surrounding water column. These changes have the potential to:
    - reduce light availability, thereby affecting photosynthetic organisms such as phytoplankton and benthic algae, and;
    - influence the behaviour of visual predators due to decreased visibility, potentially disrupting hunting efficiency or altering habitat use.

Recommendations:

- Note that Whanganui District Council agrees with and supports all of Taranaki Regional Council's recommendations regarding environmental setting and sediment plume, particularly the reasoning provided for favouring caution and environmental protection where there is uncertainty.
- That the panel base their decision on a plausible worst-case scenario for effects in the context of the sediment plume. This scenario should be developed through extensive caucusing with relevant experts.
- If the application is approved, then apply stringent consent conditions to address the uncertainty around adverse effects.

3. Tangata Whenua

We wish to **emphasize** the comments by various Iwi authorities that the applicant's attempts to engage with them have been minimal and insufficient.

We **note** that the Fast-track Approvals Act 2024 explicitly requires applicants to consult with relevant Iwi authorities, hapū, and Treaty settlement entities before lodging a substantive application.

The applicant's behaviour with respect to Iwi not only raises questions about whether they have met these statutory obligations in good faith, it also gives us concern that the applicant may not adequately respect kaitiakitanga if the project is approved.

4.Social and recreational impacts

Whanganui District Council **strongly supports** South Taranaki District Council's (STDC) recommendation that the panel reassess the recreational and tourism impacts of the proposal. We share STDC's concern that the Corydon Social Impacts Assessment (2013) relied upon by the applicant is outdated and fails to reflect current recreational use patterns and values.

We further **emphasize** the significant inaccuracies and omissions in the Social Impacts Assessment, as clearly documented in the submission by the Manawatu/Whanganui Sea Fishing Club and the Pātea & Districts Boating Club. These include:

- **Exclusion of Whanganui as a key access point –** The Social Impacts Assessment fails to acknowledge the Whanganui River Mouth as a major and safer access point for recreational fishers and divers. Whanganui offers more reliable launching conditions than other sites such as Pātea and is widely used by local and regional fishers. Its exclusion disregards the experiences of hundreds of users and undermines the assessment's credibility.
- **Lack of recreational boat activity data –** The Corydon report significantly underrepresents recreational use by omitting locally collected data, including

competition records, voluntary surveys, and direct observations. The Sea Fishing Club reports that on a good day, 250–300 boats and up to 900 people use the marine area. This omission results in a substantial underestimation of recreational activity and weakens the validity of the assessment.

- **Inaccurate depiction of offshore fishing activity –** We strongly disagree with the applicant's claim that "very little recreational fishing occurs more than 20km offshore along the entire west coast of the North Island." The Sea Fishing Club's submission provides detailed evidence of high-use offshore areas, which support diverse and abundant marine life and are regularly accessed by Whanganui-based fishers.

We **note** that even the Corydon report acknowledges limitations in its own findings:

> *"There is potential for moderate adverse social effects on offshore recreational fishing and diving along the coastline from Patea to Whanganui. However, assessments commissioned by TTR on coastal processes and fish habitat and stocks have found that significant changes are unlikely. However, these assessments have not been undertaken for specific sites of importance or for the full range of species that are important to the fishing and diving community" (p.2).*

We wish to **strongly emphasize** this enduring lack of bespoke assessment, particularly of the recreational fishing areas highlighted in Figure 4-2 of the Manawatu/ Wanganui Sea Fishing Club's comment. While the sediment plume modelling broadly covers these areas, there are several gaps in this modelling (as highlighted in the section above and by many other commenters) and these gaps constrain our ability to confidently determine the scale and significance of potential effects.

We also **note** the AES ecological assessment which specified that: "at the local scale close to the site, reductions in benthic primary production would exceed natural variability and there could be localised flow on effects". We **agree** with PDP's conclusions (tabled by Taranaki Regional Council) that this finding highlights the importance of determining localised impacts of the sediment plume.

We **echo** the Manawatu/ Wanganui Sea Fishing Club's comment that recreational fishing, boating and diving are central to the social fabric and wellbeing of our region. We also **stress** that some of the most vulnerable members of our community rely on the health and abundance of our coastline for food collection, with fishing providing the main source of protein for some families in our community.

Given the importance of recreational fishing, boating, and diving to the social fabric and wellbeing of our region and the reliance of some vulnerable community members on coastal resources for food we **consider** any 'minor' or 'moderate' adverse effects on visual amenity, coastal processes, or fish habitats to be highly significant. We **strongly**

urge the panel to assess worst-case sediment plume scenarios using updated and locally informed recreational data, including that provided by the Sea Fishing Club and others.

Recommendations:

- Note the omissions and inaccuracies of the Corydon Social Impacts Assessment, particularly regarding Whanganui recreational fishing, diving and boat use.
- Note the lack of bespoke sediment plume assessment of significant areas for recreational fishers, divers and boaters launching from Whanganui.
- Consider the impact of a worst-case sediment plume scenario on the social and recreational values of this area using the updated information provided by the Manawatu/Wanganui Sea Fishing Club.

5. Liability and post-extraction monitoring

Whanganui District Council **supports** the following recommendation by Taranaki Regional Council:

"The Expert Panel should:

> *1. Review the certainty, integrity, geographic coverage and term of the current assurances and consent conditions concerning the intention and capacity of the Applicant to ensure post-extraction recovery of the wider marine environment, and impose such additional measures, mechanisms, and criteria as it finds necessary to guarantee delivery of such capacity even in the case of default by the Applicant.*
>
> *2. In giving effect to the above recommendation, give consideration to the following potential requirements:*
>
> > *xii. progressive payments during mining operations into a trust fund, to be accessible as need is found once extraction ceases, and any residual to be returned to the Applicant at the end of the five-year period or the end of reinstatement works whichever comes later;*
> >
> > *xiii. the public liability insurance to be arranged such that EPA is recognised as a co-beneficiary for the purpose of environmental reinstatement cost recovery;*
> >
> > *xiv. public liability cover for the full five-year period following cessation of extraction to be certified prior to the cessation of extraction; or*
> >
> > *xv. a bond, despite the Applicant's objections to such a provision."*

We wish to add and **strongly recommend** that the panel require a bond for the following reasons:

1. Environmental risk and uncertainty – given the novelty and scale of this operation, combined with the uncertainty in environmental effects, a substantial bond would be appropriate to help remediate unforeseen environmental damage and address any unexpected cumulative effects.
2. The need to take a precautionary approach – we refer to Taranaki Regional Council's recommendations to favour caution and environmental protection here. It is our view that requiring a bond would demonstrate the panel is taking a precautionary approach and considering the uncertainties associated with this project when developing its conditions.
3. Financial insolvency risk – Bonds are commonly used in mining and extractive industries to protect public and iwi interests in case of company insolvency or abandonment. We urge the panel to consider the risk of financial insolvency and abandonment in particular, and refer them to the auditors opinion attached to Manuka Resources Limited's annual report for the year ended 30 June 2025, page 83, which states *"we draw attention to Note 3.2 in the financial report, which indicates that the Company incurred a net loss of $16,876,465 during the year ended 30 June 2025 and, as of that date, the Group's current liabilities exceeded its total assets by $47,880,425. As stated in Note 3.2, these events or conditions, along with other matters as set forth in Note 3.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern".*
4. Precedent in the Resource Management Act - Under the Fast-track Approvals Act 2024, panels are empowered to set conditions using modified provisions from the Resource Management Act 1991, including financial contributions and bonds.
5. Accountability and incentivised compliance – A bond acts as a performance guarantee, incentivising the applicant to meet environmental standards and avoid shortcuts in monitoring and mitigation. Without a bond, the financial burden of any remediation could fall on the Crown, local authorities, or affected communities.

Additionally, we **strongly recommend** that the panel require a trailing liability to ensure the current owner of the project is also financially responsible for clean-up and closure costs, even after they sell or transfer the project. This responsibility should be backed by a financial guarantee at the time of sale or change in ownership.

This is necessary to:

1. protect the rate/taxpayer from stranded liabilities if a current owner fails or walks away,

2. manage the risk of ownership changes over the long life of the project by making sure any new owner has strong financial backing,
3. ensure there is still a way to recover costs from previous owners if the new one is not financially stable,
4. encourage good planning, responsible maintenance, and proper budgeting for closure.

In light of concerns about the applicant's financial position and the viability of the project as proposed, we strongly urge the panel to ensure any trailing conditions are robust. In this vein, we **recommend** the panel require a guarantee from the parent company and a separate bond that covers the full cost of closure (updated regularly) and that the outgoing owner retain responsibility until the regulator confirms the new owner has equal or better financial and operational capacity.

Conclusion

For Whanganui the balance of environmental effects and economic benefits is clear. This project would disadvantage us both economically and environmentally.

We emphasize that it is possible we would receive adverse environmental impacts from the sediment plume and agree with Taranaki Regional Council that the panel should rely on a plausible worst-case scenario for sediment plume modelling in their decision making, noting that exactly what this looks like will need to be caucused with relevant experts.

We share the concerns of the Manawatu/Wanganui fishing club that in a worst-case scenario the mining activity could result in adverse effects on the environment, and consequently on food gathering practices, recreation and fishing related businesses in Whanganui. We stress that there is a lack of bespoke assessment of the areas regularly used by recreational fishers to reliably determine otherwise, and that the social impacts assessment provided by the applicant inaccurately omits information about recreational fishing activities which launch from Whanganui.

Even assuming the accuracy of the NZIER report, the job creation and economic benefits of this project for Whanganui would be negligible, with most of the employment benefits accruing to other regions instead. Specific and credible benefits for Whanganui are not demonstrated, despite the applicant often noting the project would benefit the wider Taranaki and Whanganui region.

However, we contend that the economic benefits put forward by the applicant are not reliable or accurate and that the attached statement of evidence by Sanofex Limited indicates they are based on optimistic revenue assumptions which have not been adjusted for product quality or marketability. Additionally, this project would result in a significant economic opportunity loss by way of precluding a materially larger offshore wind opportunity.

Whanganui District Council support the pursuit of sustainable, higher-value opportunities for the Taranaki Bight such as offshore wind and associated advanced-manufacturing and services. We conclude that these opportunities would deliver more enduring regional and national benefits and better align with the purpose of the Fast Track Approvals Act.