

Hon Chris Penk

Minister of Defence
Minister for Building and Construction
Minister for Veterans
Minister Responsible for the GCSB and NZSIS
Minister for Space
Associate Minister for Emergency Management and Recovery



22 May 2026

Hon Chris Bishop
Minister for Infrastructure
infrastructure.portfolio@parliament.govt.nz

FTAA-2511-1150

Subject: Notice of application by McCallum Brothers Limited, and invitation to comment under the Fast-track Approvals Act 2024

Dear Minister,

Thank you for the opportunity to comment on the application by McCallum Brothers Limited for the Bream Bay Sand Extraction Project under the Fast-track Approvals Act 2024.

As Minister for Building and Construction, I support the referral and consideration of this proposal through the Fast-track process. My comments are focused on the proposal's implications for housing supply, construction sector performance, and the resilience of critical building material supply chains.

Support for the Proposal

I consider that the Bream Bay Sand Extraction Project has strategic merit for the following reasons.

Supporting housing supply through access to critical construction materials

Increasing the supply of affordable housing in the Auckland region depends on maintaining access to cost-effective sources of aggregates such as marine sand. The Bream Bay proposal demonstrates a functional need for marine sand, showing that high strength concrete accounts for around 60% of concrete poured in Auckland. Marine quartz feldspar sands are an essential component of the high-performance concrete used in multi-storey housing.

Securing long-term supply in light of existing constraints

The proposal directly addresses the need to secure the future supply of marine sand as a result of the closure of the Pākiri extraction site, and the potential expiry of the Kaipara Harbour consents. The new supply also has the advantage of being located near a major growth centre, in line with the Minerals Strategy for New Zealand to 2040 and the Resource Strategy for Aotearoa NZ.

Reducing transport costs and improving efficiency

The proposed Bream Bay site is closer to Auckland than the existing extraction facility at Kaipara Harbour. Transport costs are a key driver of housing costs, and the proposed site does not have the same operational constraints as the Kaipara Harbour facility. In the Economic Assessment prepared by *m.e consulting*, it is estimated that opening a new facility at Bream Bay will deliver \$258.2m in net cost savings.

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Improving supply certainty and market stability

A new source of suitable construction sand will improve the long-term certainty of supply. The current market is tight. As the volume and pace of construction in Auckland increases, the pressure on sand supply will also increase, resulting in price spikes and construction delays. By expanding the supply of sand, the proposal will stabilise prices and prevent cost escalation in housing delivery.

Enhancing competition and reducing market concentration

An additional supply of sand will also increase competition and reduce market concentration, contributing to the containment of housing costs.

Concluding Comments

Overall, I consider that the proposal aligns with broader government objectives to increase housing supply, improve infrastructure delivery, and ensure the availability of essential construction materials. While recognising that environmental effects and other impacts will need to be fully assessed through the fast-track process, from a building and construction perspective the proposal offers clear benefits in terms of supply resilience, cost efficiency, and market functioning.

Thank you for the opportunity to provide comment.

Kind regards

A handwritten signature in black ink, appearing to be 'CP' or similar initials.

Hon Chris Penk
Minister for Building and Construction