

16 December 2023

Wasted opportunity to expand Australia's critical minerals list

The Commonwealth Government has today expanded Australia's Critical Minerals List. The new elements added to include arsenic, fluorine, molybdenum, selenium and tellurium. A second Strategic Materials List will include copper, nickel, aluminium, phosphorous, tin and zinc.

"Today's expansion of the Commonwealth's critical mineral list is a wasted opportunity. Instead of expanding Australia's critical minerals list to include Nickel and Copper, they have missed the mark completely" said AMEC Chief Executive, Warren Pearce.

"That's not to say, that these additional minerals aren't important. Of course they are. But in terms of the economic opportunity for Australia that these minerals represent, it is relatively small.

"The potential opportunity and value for Australia for developing large nickel and copper projects, and local down-streaming to go with them, is immense."

Industry is projecting that the demand for nickel will be almost four times higher than current production by 2050. Copper demand is also expected to double before 2050.

"This is the type of development opportunity that could set up Australia's economy through much of this century."

Being off the Critical Minerals list, means that nickel and copper projects will not be eligible to access industry support programs like the \$4 billion Critical Minerals Facility, to support the financing and development of projects.

"This news couldn't come at a worse time, for Australia's nickel industry, with companies battling high costs and a flatlining nickel price, primarily due to major competition from Indonesia."

With volatile energy markets and the global energy transition facing the challenge to accelerate, this was an optimal time to update Australia's critical minerals list. It was a chance to ensure we are best positioned to secure domestic supplies, and grow our international export capacity, up and down the value chain.

Mr Pearce commented, "Adding nickel and copper to the critical minerals list would have helped grow Australia's critical minerals sector exponentially, by growing our position as a globally significant producer of both raw and processed critical minerals."

According to Geoscience Australia, Australia is the fifth largest producer of nickel and eight largest producer of copper. However, in terms of resources, we are ranked number one and number two in the world for these respective minerals.

By including nickel and copper in this latest update, the government would be unlocking a resource that Australia has in vast supply. In-turn this would assist Australian companies to become more competitive on the world stage.

AMEC member company NickelSearch shared this sentiment, with Managing Director, Nicole Duncan, commenting “The decision not to include minerals like nickel and copper means that Australian companies will need to seek more funding from international sources. So, there is a rational pathway ahead – it just means a relatively lower level of participation in that development for the Australian economy.”

“We are just at the start of the global energy transition. Minerals sourced from Australia can play a significant role in that transition, if we have appropriate policies in place to support development and production.

Mr Pearce added, “We have seen what other countries like the United States are doing, with their Inflation Reduction Act (IRA), throwing everything at the critical minerals race. This was an opportunity for Australia to start fighting back in our own right.”

ENDS –

For more information or to interview AMEC Chief Executive Office, Warren Pearce, please contact Ryan Rampling – 0419 809 341