

BEFORE THE FAST-TRACK APPROVALS

PANEL

In the matter of the Fast-Track Approvals Act
2024

And

In the Matter of applications by Oceana Gold
(New Zealand) Limited for various resource
consents and other authorities relating to the Waihi
North Project (including the Wharekirauponga
Underground Mine)

And

In the matter of the submission on the above
applications

by Coromandel Watchdog of Hauraki Inc

Brief of evidence of Glenn Adrian Banks

Dated: 23 August 2025

Evidence of Professor Glenn Adrian Banks:

Introduction

1. My full name is Glenn Adrian Banks.
2. I hold the degrees of Bachelor of Science (Hons) and a Master of Science (Geography) from University of Canterbury, and Doctor of Philosophy (PhD) in Geographical Sciences from the Australian National University in Canberra, Australia.
3. I have worked as a researcher on, and consultant to the mining sector in the Pacific for over 35 years. Both my Masters and my PhD were on mineral development in Papua New Guinea. I have published more than 50 academic papers, chapters and books on aspects of large-scale mining in the Pacific and more generally. One of my co-authored papers (Ballard and Banks 2003 *Resource Wars: The anthropology of large-scale mining, Annual Review of Anthropology...*) is the most cited social science paper on the mining sector. Initially my work focussed on the local socio-economic impacts and community development associated with large-scale mining. In recent decades, alongside a continuing focus on the local and regional effects of large-scale mining in the Pacific, I have also been involved in policy work and discussions at the national and regional level, including leading a UNDP National Human Development report in Papua New Guinea that focussed on

Translating mineral wealth into sustainable human development, and providing advice on mineral policy in the Solomon Islands and Fiji.

4. I have also completed over 20 major consultancy reports for the mining industry in the Pacific on social and economic aspects of their operations, including social impact assessments, social baseline studies, social monitoring, risk assessments, inward migration plans, human rights and resettlement.
5. I was also invited by OceanaGold onto their 'Advisory Panel: External Affairs & Social Performance' in 2020 and took part (remotely) in one high level 'Independent Strategy Review Panel: New Zealand Projects' meeting in early 2021.
6. Currently I am Professor of Geography in the School of People, Environment and Planning at Massey University, Palmerston North, where I teach undergraduate and Postgraduate courses in Geography, International Development and Climate Action. In the last two years my research has expanded to include issues around the economic and social effects of mining and proposals for mining in Aotearoa and I have published a number of commentaries on this.

Code of Conduct

I confirm that I have read the Environment Court Practice Note 2023 - Code of Conduct for Expert Witnesses (Code), and have complied with it in the preparation of this memorandum. I also agree to follow the Code when participating in any

subsequent processes, such as expert conferencing, directed by the Panel. I confirm that the opinions I have expressed are within my area of expertise and are my own, except where I have stated that I am relying on the work or evidence of others, which I have specified.

Scope of Evidence

7. I have reviewed both the *Economic effects of the Waihi North Project* report produced by Shamubeel Eaqub, and the *Social Impact Assessment: Waihi North Project* from WSP and provide the following comments based on my expertise and experience.
8. My comments are provided in the context of the Fast Track Approvals Act (FTA) requirement to demonstrate that any project 'adverse impacts are sufficiently significant to be out of proportion to the project's **regional or national benefits** that the panel has considered under section 81(4)'.
9. Specifically my comments on the *Economic Effects* report speak to the purported 'regional or national benefits', while my comments on the *Social Impact Assessment* relate to the conclusions drawn regarding 'project adverse effects'.
10. I have also generally reviewed the first iteration of consent conditions. I have not reviewed, but seek an opportunity to review, the latest iteration of consent conditions, and related documents. Unfortunately these arrived too late in preparation of my evidence.

Economic Effects

11. The FTA **requires a careful and critical examination of the regional and national benefits of the proposal** against which adverse effects are assessed.
12. Having reviewed the economic effects report assessment produced by Shamubeel Eaqub, I would offer the following: **In my view, Mr Eaqub does not provide such an analysis.** Instead he provides a partial account of the economic benefits of the proposed extension that significantly exaggerates the economic benefits of the proposal to the regional and national economies and does not consider the loss of resource to the nation that the project very clearly entails.
13. One key consideration should be **the extent to which the economic benefits accrue to New Zealand compared to those that will accrue to parties outside New Zealand.** A simple measure here is the difference between CAPEX + OPEX (+ taxes and royalties) and value of exports shown in Appendix 1. In the average, per annum figures the breakdown is export receipts of \$286m, taxes of \$57m and CAPEX and OPEX of \$110m. The difference – which is essentially returns to the foreign investor – comes to \$119m per annum, or 41.6%.
14. In addition though, the **import component of both the CAPEX, and the OPEX** (including the salary and wages component) is not considered by the author. While we do not have access to these figures, they are likely to be significant.
15. Any increase in the **gold price** over and above the un-discounted figure used in the analysis (US\$2,000oz) will generate **significant 'windfall' profits** to the foreign owner that are likely to overwhelmingly accrue offshore. With the current gold price, based on the figures in Appendix 1, the proportion that is

likely to accrue offshore will be closer to 75% of the value of the mineral resource that will be exported.

16. Summarising this line of argument, it is likely that **significantly more than half of the total value of the gold mined accrues to the foreign investor** – the bulk of the value of the resource will provide a much reduced contribution to New Zealand than export or FDI figures shown would appear to indicate.
17. It is not clear that the author has distinguished between the **FIFO contractors and the local residents in the calculations of the local spend/ contribution of employees** – especially the ‘WUG Development Contractors’ – who are around a third of the local contractors up to year 8, and based on experience, will spend little locally. This equates to a not insignificant component of the labour contribution.
18. One other aspect of the minerals sector that is significant is **volatility** – in inputs as much as in terms of the price of gold. This means, more so than other sectors, that projected figures are subject to huge variations. As noted above, we are already well ahead of the gold price at the time the study was done. And recent history shows that even the years of positive projected income tax are subject to significant variation and risk. Investors talk about risk, but it is important to note that the resource owner – the Crown and the country – are also exposed to risk from this volatility: the risk that we see little or no return from the value of this resource as it is being extracted.
19. **Negative tax** (and royalty?! No idea how there can be a credit received in terms of royalties in year 1?) implications – the report (Appendix 1) shows no corporate income tax for 8 years? No positive accumulated tax revenue value

until year 12. And these potential longer-term future positive values must be treated with caution for the reasons above. There are plenty of offshore examples where corporate income tax simply doesn't eventuate as projected. In PNG, for example, a heavily resource-dependent nation, the government revenue from the sector fell to virtually nothing while the value of exports from the sector doubled between 2014-2017, all for reasons to do with tax holidays, equipment renewal and replacement, depreciation credits, and commodity prices.

20. **Gold is listed as a 'critical mineral' in New Zealand** (MBIE 2025). It is not regarded as such or included in lists of critical minerals for any other country.
21. The Draft Critical Minerals list (September 2024) prepared for MBIE noted that Critical Minerals were defined as "minerals that are:
 - essential to New Zealand's economy, national security, and technology needs, and/or equally important to New Zealand's international partners; and is
 - susceptible to supply disruptions domestically and internationally."
22. In my opinion, gold does not meet the criteria as originally (and internationally) defined. Gold as a commodity is not rare, is not essential for New Zealand's economy, national security, or technology needs, is not susceptible to supply disruptions, and is not important to human welfare. **In my opinion, it would be erroneous for the Panel to give substantive weight to arguments about criticality in relation to gold and the Waihi North extension.**
23. The national economic benefits should include the lost value of the (non-renewable) resource (taonga) to the country? **We will receive well under**

half of the economic market value of this non-renewable resource under this proposal based on the country's current taxation and royalty regime. All for some short-term employment and local business benefits.

Social Impact Assessment

24. The SIA carried out by WSP covers a broad range of social issues and adopts a set of standard methodologies that appear largely appropriate for this type of work. **However, any SIA in the context of the Waihi mine (or any existing mining operation), needs to look at history, trajectories and trends rather than a snapshot 'community profile'.** I have written on this: Banks, G. (2013) Little by little, inch by inch: Project expansion assessments in the Papua New Guinea mining industry, *Resources Policy*, 38: 688-695.
25. An SIA that was more historically situated would note that there is clear evidence in the Social Impact Assessment community profile that **the extended presence of the Waihi mine (3 decades plus) has not had a clear benefit** for Waihi as a community.
26. The most obvious sign of this is that Waihi's **Deprivation Index score** is higher (meaning higher levels of deprivation) than the regional and national figures, despite (or because of) the long-term presence of the mine. Hence, Waihi town scores an NZDI of 8.4, which is significantly higher than the local area score of 6.8 and the New Zealand score of 5.6. Despite advising caution in the use of this score, the SIA author's do not adequately account for how this higher deprivation has come about in a town with a significant gold mine at its physical and economic core for decades.

27. The **material on employment** follows the same (illogical) logic. Arguing that ‘with a relatively high unemployment rate and proportion of the young population who are not employed, the WNP provides an opportunity to reduce local unemployment’, completely obscures the obvious question of the economic benefits and flow on effects from the existing operation. If a large-scale mine is good for local employment and will alleviate deprivation, why does the presence of Aotearoa’s second largest gold mine, in a historic gold mining centre only produce higher levels of unemployment and deprivation in the current context?
28. In other words, the authors of the social and economic impact studies are relying on the extension of mining bringing about a change in the socio-economic situation in Waihi that hasn’t occurred over the last century of mining.
29. There is a large literature on the concept of a ‘resource curse’ at local and national levels (see Owen, Kemp, and Marais (2021). The cost of mining benefits: Localising the resource curse hypothesis. *Resources Policy*, 74 <https://doi.org/10.1016/j.resourpol.2021.102289.xxx>). Waihi exhibits all the markings of a local ‘resource curse’ whereby the levels of well-being and standard of living for the community are actively undermined by the presence of the mine. The evidence from the literature strongly suggests that the Waihi North project will exacerbate this process, regardless of the mitigation effects proposed in the SIA.
30. In this respect **the SIA is deficient and overstates the economic and social benefits that will accrue**. Indeed given the historical and contemporary record

of mining in Waihi, it could well be fairer to say that **there is likely to be adverse effects (dis-benefits) socially and economically from the proposed extension regardless of the mitigation proposed.**

Conditions

31. I have reviewed the conditions proposed by regulators and found them to be irrelevant to mitigating the effects outlined above.

Professor Glenn Banks

Massey University

23 August 2025