

Bendigo-Ophir Gold Project

Statement of James Harris MPhil

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Qualifications & Experience

1. My full name is James G Harris.
2. I am an economist and epidemiologist. I have consulted and worked for clients, companies and public agencies in New Zealand, Australia and beyond. Employers include the New Zealand Treasury, the Law & Economic Consulting Group, and national health funding agencies. I have extensive experience in economic cost-benefit analyses.
3. My academic qualifications are a MPhil in Health Economics, Epidemiology and Population Health from the Australian National University, and a BSc(Hons) in Physics from the University of Otago.

Code of conduct for expert witnesses

4. I have read the Code of Conduct for Expert Witnesses in Part 9 of the Environment Court Practice Note 2023, and I have complied with it in preparing this statement.
5. I note that I am a beneficiary of a family trust that owns property near Tarras, Central Otago and rents accommodation to farm workers in the district.

Wealth in mining towns

6. This statement uses public data to compare well-established New Zealand mining towns with similar communities elsewhere. The question that it addresses is whether towns near gold mines gain wealth and income, compared to similar towns that do not have mining nearby.
7. The data show that mining towns do not appear to be very different in their wealth or income than similar sized towns in nearby rural areas. Further, the established mining towns are much poorer than Cromwell is already.
8. I conclude that people living in existing mining towns have significantly lower incomes than the people already living in Cromwell. Regional statistics comparing mining towns with matched comparators do not support the hypothesis that mining increases the income of rural towns.

Methods

9. The Macraes and Waihi goldmines are chosen as being the most like the proposed Santana mine at Bendigo: open-pit, hard rock gold mines. The nearby regional towns for the two mines are Palmerston and Waihi.
10. I compared each town to three comparators: a similar-sized regional town; the well-established town of Reefton; and to Cromwell.
11. To find closely-matched comparators for the mining towns, I sought towns in a nearby region, of a similar size, and of similar distance from larger cities.

Town	Comparator	Reason for choice of Comparator
Palmerston	Mataura	Town of similar age and population, similar

Waihi	Kawerau	distance from urban centres Town of similar size, established to support a different capital-intensive industry (pulp and paper)
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12. I also considered Reefton (West Coast), a mining town that has supported many mines for over a century.

Palmerston is poorer than Mataka

- Palmerston is the main town near Macraes Mine, “the country’s largest goldmine”. (1) Macraes Mine has operated for a generation - 35 years - during which time it has produced over five million ounces of gold. (2) It employs “~700 people” at the Macraes site and at an office in Dunedin. The roles at the Macraes site are advertised as “residential”. (3)
- Any money made by the mine does not appear to have contributed to Palmerston’s current income or established wealth. It is unclear how the mine has affected Dunedin, but given that that city is 90km or 1hr 13m away, (4) that is immaterial to the question addressed in this statement, which is about the effect of a mine on adjacent communities.
- Table 1 compares Palmerston’s population and income with a similar rural town, Mataka.

Table 1 Palmerston compared to Mataka

Statistic	Palmerston	Mataka
Population	1,080	1,670
Median Age	47.9	40.5
Median adult income	\$ 32,600	\$ 36,300

All figures are most recent data from Statistics New Zealand unless noted otherwise.

- Both Palmerston and Mataka have a low median income, 21% and 13% below the New Zealand median of \$ 41,500.
- People in Palmerston have even lower incomes than people in Mataka. While they do rate better on the Deprivation Index, which is an indicator of material prosperity, they are still in the lower half of New Zealand’s distribution of Deprivation.
- Palmerston’s full-time employment rate is lower than Mataka’s and has been relatively stable in the last 20 years, while Mataka’s full-time employment rate has increased from 44% to 52%. (5)

Waihi is poorer than Kawerau

- Waihi is an older mining town, with 5.6million ounces of gold extracted over the seventy years until the original Martha Mine closed in 1952. Mining restarted about forty years ago, with over 0.7 million ounces taken from the open pit and underground mines since then. (6)
- Corporate recruitment videos emphasise the attraction of living “in Waihi”. (7) For this statement, I have used the Statistics NZ “urban region” definition to include both the town and its surrounding area.
- Kawerau was founded more recently, in 1953, to support the Tasman Pulp and Paper mill. It has declined along with the timber industry since the 1980s. (8)

22. Mining does not appear to have given Waihi any economic advantage over the similar nearby town of Kawerau (Table 2).

Table 2: Waihi compared to Kawerau

Statistic	Waihi	Kawerau
Population	5,850	7,670
Median Age	50.5	38.6
Median adult income	\$ 27,900	\$ 29,200

All figures are most recent data from Statistics New Zealand unless noted otherwise.

23. Waihi has lower median income than Kawerau, despite Kawerau having a much higher proportion of and number of children and youth below working age (28.9% vs 20.5%). Waihi and Kawerau have similar profiles on the Index of Deprivation, with almost all their people living in areas of greater deprivation (ie, areas ranked 6 – 10 on the NZ Deprivation Index 2018). The population of both towns has grown modestly in recent years, by similar amounts. (9)

Reefton: a mature mining town

24. Reefton provides a long-run test of mining's local benefits. After 150 years of continuous mining activity, its population remains only 1,050 and its median income sits between those of Palmerston and Waihi. Long-term mining has not generated long-term wealth. (10)

Cromwell: an established, growing regional centre

25. The town closest to Bendigo is Cromwell, initially founded in the 19th century gold rushes. As gold mining declined, the town developed to service farms and orchards in the surrounding area, becoming known for stone fruit and as the centre of the Central Otago wine region. (11)

26. Cromwell is markedly more prosperous than the current mining support towns of Palmerston and Waihi. It is slightly bigger than Waihi, and much larger than Palmerston. Table 3 shows that its population is younger than both existing mining towns, and its median income is much higher. At \$ 46,800, its median income is 11% higher than the median income for all of New Zealand.

Table 3: Cromwell compared to Palmerston and Waihi

Statistic	Cromwell	Waihi	Palmerston
Population	7,470	5,850	1,080
Median Age	40.9	50.5	47.9
Median adult income	\$46,800	\$ 27,900	\$ 32,600

All figures are most recent data from Statistics New Zealand unless noted otherwise.

27. Another useful data point is house prices, which reflect demand for houses, the quality of the housing stock, and the wealth and income of people seeking to live in each town. As of February 2026,

medium-sized houses (3-4 bedrooms) in Cromwell are listed for \$1,228,300 on average ... Year on year, the average listing price for medium-sized properties in Cromwell has actually increased by 4%, up from a value of \$1,175,500. (12)

28. Palmerston houses have much lower value. TradeMe's "median home estimate" for March 2026 is \$405,000. (13)

29. Waihi's house prices are slightly higher at \$625,000, which is barely half of the average price in Cromwell. (14)

Discussion: mining is likely to reduce Cromwell's average income

30. All three mining support towns – Waihi, Palmerston and Reefton – show a consistent pattern: incomes are low, deprivation is high by New Zealand standards, and up to 150 years of mining has not produced sustained local wealth. In short, they are no different from similar small, isolated rural towns in New Zealand.
31. Cromwell, by contrast, is a prosperous and growing regional centre.
32. These findings suggest that adding mining jobs to Cromwell will reduce the overall average income of the town. And, given that housing costs in Cromwell are over twice the costs in Waihi and Palmerston, people earning the wages offered to local staff of open-pit mines will have less disposable income if they move to Cromwell to seek employment at Bendigo than if they remain at Waihi or Palmerston.
33. The available economic evidence does not support the hypothesis that mining raises local prosperity.

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