

PART F: REGIONAL AND NATIONAL BENEFITS

F1: Regional And National Economic Benefits

Relevance

[1] Economic benefits are primarily material in relation the purpose of the FTAA and the decision making criteria under it, particularly s 85. As well, in some of the decision making criteria in relation to particular approvals that are sought there are references to economic benefits (or net economic benefits) as we will explain later in the Decision.

The material before the Panel

[2] OGNZL's existing mining operations in the Martha Underground Mine are scheduled to end in or around 2032. Implementation of the WNP will alter the timing of the termination of current mining activity and involve additional mining in the Wharekirauponga Underground Mine and the Gladstone Pit. OGNZL maintains that this will result in regional and national economic benefits consisting primarily of additional and substantial:

- (a) direct, indirect and induced employment; and
- (b) revenue for the government in the form of PAYE, company tax and royalties.

[3] The evidence of economic benefits relied on by OGNZL came from Mr Shamubeel Eaquad. The comments we received under s 53, along with responses by Mr Eaquad and Mr Phil Stevenson (a tax accountant), provided additional material to which we have had regard. As well, on 14 October 2025, there was a conference involving four members of the Panel, along with:

- (a) Messrs Eaquad and Phil Stevenson (for OGNZL) and Greg Akehurst (who contributed to HDC's s 53 comments), all of whom participated in person; and
- (b) Mr Ed Miller, Professor Glen Banks, Dr Richard Meade; and Dr Geoff Bertram, all of whom had contributed to Coromandel Watchdog's s 53 comments and participated online.

[4] Subsequently a considerable body of additional information was provided to the Panel by those who attended the conference, not all of which was solicited.

Mr Eaqub's report

Mr Eaqub's general approach

[5] Mr Eaqub provided a comparison of implementation of the WNP and extension of existing mining operations against a counterfactual involving continuation of current mining operations associated with the Martha Underground Mine until their termination in or around 2032. He sought to identify:

... the incremental difference between the baseline (Martha Underground) and the alternative under the WNP (which will include Martha Underground, but with various changes in timing and scope).

The current situation.

[6] Mr Eaqub assessed that in 2023, the OGNZL's activities in Waihi generated employment in Waihi involving

Types of work	Numbers
Direct employees	357
Contractors in mine	129
Indirectly in suppliers	325
Induced jobs (supported by the spend of employees in the mine (110) and suppliers (122))	232
Total	1043

[7] Mr Eaqub explained the indirect jobs assessments in this way:

The analysis presented here is based on actual company data on its spending directly and in suppliers, rather than aggregated data from Statistics New Zealand. The Waihi gold mine makes greater use of suppliers relative to direct employees. At the 'industry' level, \$2.3 is spent on suppliers for every \$1 of wages (compensation of employees). At the Waihi gold mine, the figure is \$3.4 per every \$1 of wages. This means the Waihi

gold mine has a much larger indirect impact on New Zealand employment. As a result, the analysis needs to be looked at in greater detail than pro-forma multipliers from input-output tables.

I have used Statistics New Zealand data to understand how many jobs are supported in each supplying industry using the 2020 Input Output tables, and the employment data are benchmarked to the 2023 Census, so this analysis is as up to date as possible.

[8] Later in this section we review Mr Eaquad's 2023 calculations in detail.

[9] Using the same general approach, Mr Eaquad's assessment in relation to 2024, is that the applicant's activities resulted in jobs for 1,394 people.

Types of work	Numbers
Direct employees	399
Contractors in mine	138
Indirectly in suppliers	521
Induced jobs (supported by the spend of employees in the mine and suppliers)	336
Total	1,394

The increase over the 2023 figures is a function of increasing activity with exploration and preparation associated with the WNP application.

[10] The average income for the Applicant's employees in Waihi is \$100,000 per annum compared to a national average of \$67,000 and a Hauraki District average of \$55,000.

[11] Total 2023 spending by OGNZL on goldmining in and around Waihi was as follows:

Hauraki District	\$60,614,123	
Rest of Waikato	\$42,176,221	
Rest of New Zealand	\$90,583,129	
Total New Zealand		
Overseas		\$24,965,586
TOTAL		\$218,338,695

This means that of the \$193,373,129 spent in New Zealand, 31% was spent in the Hauraki District, 22% in the rest of the Waikato Region and 47% in the rest of New Zealand.

[12] Absent implementation of the WNP, mining in the Martha Underground Mine will wind-down and terminate in or around 2032 resulting in the loss of the jobs that it currently supports and associated benefits to the national and local economies.

Mr Eaquab's analysis of the incremental economic benefits of implementation of the WNP

[13] The benefits Mr Eaquab identified were:

- (a) Direct foreign investment of \$895 million. As to the significance of this figure:
 - (i) total foreign direct investment into New Zealand in the year to September 2023 was \$4.1 billion;
 - (ii) under the Overseas Investment Office guidelines the threshold for recognising an investment as significant is \$100 million; and
 - (iii) in the current infrastructure pipeline published by the Infrastructure Commission there are only 11 funded projects with anticipated expenditure in excess of \$1 billion and a further five that are unfunded.
- (b) Additional operating and capital expenditure in New Zealand totalling \$1,979 million, at an average of \$106 million per annum. Of this, \$1,086 million (or \$60 million per annum) will be spent in the Hauraki District.
- (c) Additional employment in Hauraki District. This will include, on average over the WNP project, 197 employed directly by OGNZL in the mine along with another 223 contractors.¹ This represents approximately 7 per cent of the 5,648 jobs in the district in June 2024.² With allowance for additional indirect employment (ie in suppliers in and around Waihi and induced employment) the percentage would increase.
- (d) Additional export revenue over 18 years of \$5,151 billion at an average of \$286m per year. Mr Eaquab said that this is comparable to all New Zealand's

¹ Of the 223 contractors, approximately 30 will be working on a fly-in-fly-out basis.

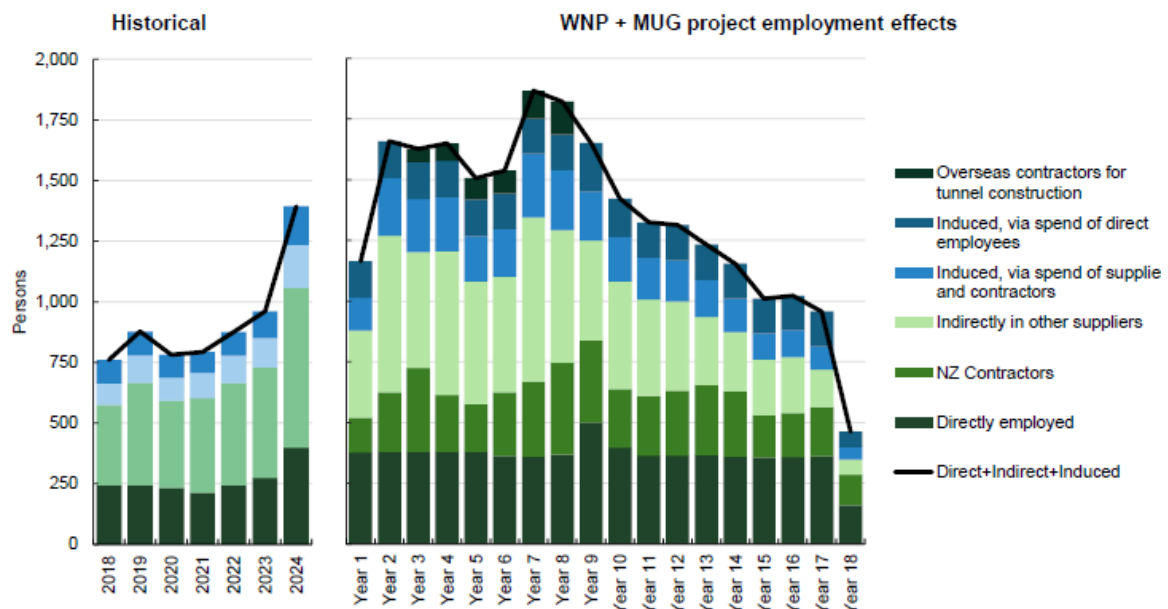
² A little more than 7% if the fly-in-fly-out contractors are included and slightly less if they are not.

exports to Italy and Belgium in 2024, and 64% of wool exports, 14% of wine exports and larger than live animal exports.

- (e) Additional revenue for the Government of \$131 million in royalties, \$726 million in corporate taxes and \$172 million of PAYE in respect of direct employment, a total of approximately \$1.06 billion.
- (f) Additional employment averaging over the 18 years of the project 858 additional jobs (197 jobs directly in the mine, 223 in contractors working in the mine, 243 indirectly in other suppliers and 195 via induced demand).

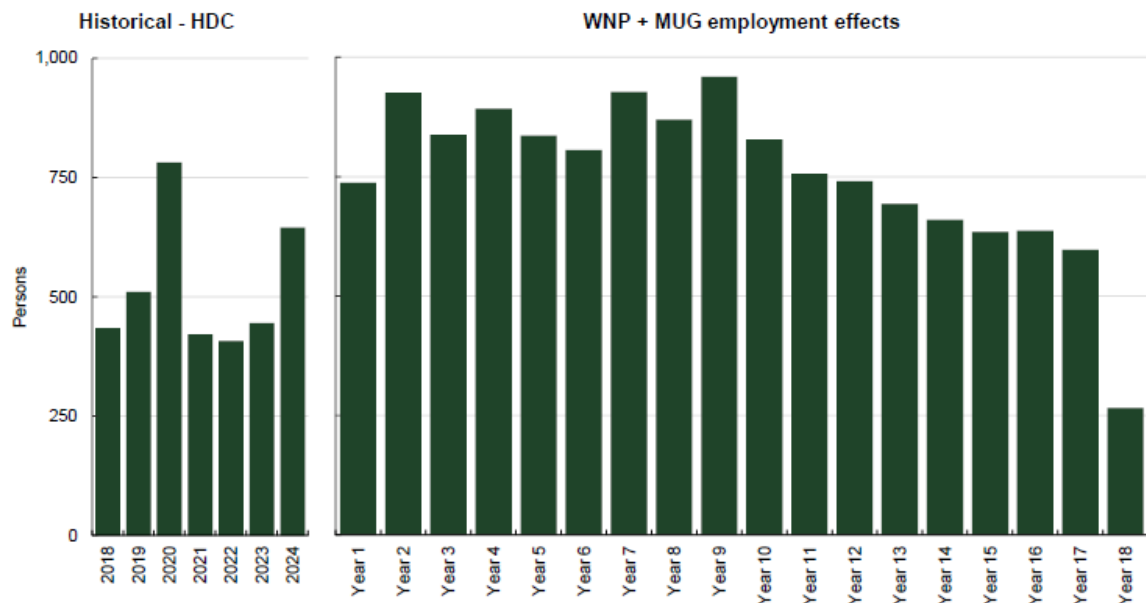
The foreign direct investment, operating and capital expenditure total revenue are indications of the scale of the WNP but, for present purposes, what matters are the benefits to New Zealand which in this context means the additional employment and Government revenue.

[14] Mr Eaquib depicted how implementation of the WNP would represent a continuation and expansion of its existing operations:



[15] After the 14 October 2025 conference, Mr Eaquib provided his calculations as to additional employment in Hauraki District. They show that average additional employment in the Hauraki District over the 18 year life of the WNP is 442.

[16] Mr Eaquad also depicted total employment in the Hauraki District associated with the combination of implementation of the WNP and continuation of existing operations.



[17] Mr Eaquad's financial figures were presented in 2024 prices. As he noted, this excluded the effect of inflation. It also did not make allowances for the time value of money. In other words, he did not discount to present values expenditure to be incurred and revenue to be derived in the future. We will come back to this shortly.

Mr Eaquad's conclusions

[18] Mr Eaquad's conclusions were:

WNP would be a transformational project to the local and national economy. The baseline scenario is for mine closure in 2032. WNP would expand and sustain economic benefits over an 18 year period from commencement.

WNP would facilitate over \$1b of foreign direct investment (\$895m excluding inflation), making it one of 12 funded \$1b+ projects nationally. It will lead to exports of over \$5b over the project life, averaging \$286m a year, and associated royalties and taxes to the crown. It will lead to expenditure in New Zealand of \$2b, with a significant portion to be spent locally, leading to current well-paid jobs (\$100k+ pa) being sustained over 18 years (versus planned mine closure in 2032). The economic benefits of direct employment and supporting suppliers will be overwhelmingly positive both locally and nationally.

In my opinion, from an economic perspective, WNP is a nationally significant project, which will be facilitated by \$1b+ of foreign direct investment, boost exports, create well paid jobs in the provinces and across New Zealand. The Waihi gold mine is already a significant economic contributor. With WNP, it will be bigger and better for longer.

Section 53 comments

[19] Some of those who commented under s 53 supported the general conclusions of Mr Eaquib. Thus the Ministry of Business, Innovation and Employment (MBIE) noted that

The Waihi mine is the second largest gold mining operation in New Zealand. Since Oceana Gold acquired it in 2016, the Waihi operation has accounted for, on average, around 25% of New Zealand's annual gold production, and around 23% of all royalties received for the mining of Crown-owned minerals (excluding petroleum).

It commented:

Oceana Gold's ability to secure the required consents, approvals, and access arrangements is fundamental to the continued operation of New Zealand's second largest gold mine and the eventual transition of mining activities from Waihi to the new Wharekairauponga mine.

It concluded:

MBIE considers the resources at Waihi and Wharekairauponga have considerable economic significance to New Zealand.

[20] Mr Greg Akehurst (of Market Economics), who provided a peer review report for the HDC, criticised the use of 2024 dollars, rather than net present values, in relation to revenues and impacts that will occur over time. The criticism of the non-discounting of future cash flows to present values was repeated by others who commented under s 53. We agree with these criticisms.

[21] In response Mr Eaquib has produced present value calculations (using an 8 per cent discount rate) of future cash flows. These figures are as follows:

Corporate tax	\$303.9m
PAYE (on those directly employed by OGNZL)	\$71m
Royalties	\$47.9m
TOTAL	\$422.8m

In our evaluation we will refer to those values (along with a value later supplied for PAYE) rather than the nominal values referred to in Mr Eaquab's first report.³

[22] Mr Akehurst generally endorsed Mr Eaquab's approach, concluding:

The ... report presents a robust assessment of the expenditures and likely economic effects associated with the WNP. It itemises accurately the likely employment effects and how expenditure is likely to be distributed across different spatial scales. ... [B]y presenting all figures in nominal terms, does not accurately portray revenues and impacts that are expected to occur, in current terms. This is a normal part of assessing flows of revenue and impacts over long time horizons to ensure they can be compared accurately with activities that occur today By failing to do so, the Eaquab report over states likely effects and therefore likely benefits .

However, on balance, and by aligning the results of the Eaquab analysis and my own assessments, I agree with Mr Eaquab, that the WNP generates significant economic benefits at the local and regional level. While the benefits also exist at the national level, their effect is more muted due to the repatriation of profits.

[23] Some of the other criticisms can be dealt with briefly.

- (a) Dr Richard Meade, who provided evidence for Coromandel Watchdog, suggested that the counterfactual should not be non-implementation of the WNP but rather non-implementation of the WNP under the FTAA. On this basis, he suggested that the relevant economic benefits are confined to acceleration of the development, in other words, involve timing differences only. This, however, is not consistent with s 85(3) of the FTAA which requires the Panel to weigh "the adverse impacts in relation to the approval sought" against the WNP's "regional or national benefits".
- (b) It was suggested that Mr Eaquab's listing of different types of benefit implied aggregation: for instance that FDI of approximately \$1 billion was being treated as additional to the expenditure of \$2 billion in New Zealand and the employment and Government revenue which results. As will be apparent, that is not the way we read his report. Rather we see the references complained about as intended to demonstrate the significance of the WNP.

³ In material provided after the conference, it was suggested that there may be some arithmetical issues with these figures. As what is required is a broad evaluative assessment, we do not see this as sufficiently material to get into.

(c) As well, Dr Meade and Dr Bertram noted that no allowance had been made for the imported content of supplies to be acquired by OGNZL and the limited economic value to New Zealand of fly in-fly out workers in the mine. In response:

(i) As to the extent to which advantage will accrue to New Zealand, Mr Eaquib referred to statistics that showed that the “metal ore and non-metallic mineral mining and quarrying” sector’s suppliers have an import content of 12.7% of sales. He said that thus implied that 87.3% of payments to external suppliers would be spent locally.

(ii) In relation fly in-fly out workers who are likely to include overseas labour, Mr Eaquib had made no allowance for employment induced by their spending.

[24] Other criticisms warrant more elaborate discussion.

(a) Mr Eaquib should have provided a cost-benefit analysis rather than an economic impact analysis. The criticism is that OGNZL has to show that implementation of the WNP will produce a net economic benefit and this requires an assessment of costs, including those that involve adverse environmental impacts, to which monetary values should have been attributed.

(b) As a subset of the cost-benefit analysis criticism, there are economic disbenefits that that in any event should be off set against the economic benefits claimed.

(c) The input/output methodologies relied on by Mr Eaquib are likely to overstate benefits. This is primarily relevant to the indirect and induced employment effects which Mr Eaquib has attributed to implementation of the WNP.

(d) Mr Eaquib over-assessed the revenue to be derived by OGNZL.

(e) Mr Eaquib over-assessed the tax to be paid by OGNZL.

- (f) OGNZL will be taking a disproportionate share of the value of the gold to be extracted.

[25] Each of these criticisms warrants discussion.

An economic impact assessment rather than a cost benefit assessment

The criticisms

[26] Mr Eaub's first report set out to quantify economic benefits consisting primarily of additional jobs and Government revenue. He did not set out to quantify in monetary terms adverse environment impacts. Although such impacts are not primarily financial in character, monetary values and costs can be attributed to them, for instance using willingness to pay and revealed preference methodologies. Mr Eaub did not carry out such exercises.

[27] The Parliamentary Commissioner for the Environment commented on what he saw as the limitations of Mr Eaub's approach:

On the cost side, the applicant's analysis completely overlooks environmental costs. These should be set out in full. The biodiversity impacts and loss of ecosystem services from the entire mine area should be included as a cost in the economic analysis, based on the best available information.

Assessing environmental (and other non-market) costs is not an exact science, but is possible and regularly done. There is a range of tools that economists use to do so, generally within a Total Economic Value (TEV) framework. In the context of this project, for example, stated preference techniques could be used to estimate the value that society attaches to the existence of particular species in the area.

[28] Drs Meade and Bertram who provided reports for Coromandel Watchdog made the same criticism. This criticism mainly focused on environmental impacts not being costed. Dr Meade gave an illustration of how such a costing exercise might be carried out.

[29] Dr Meade also noted that the benefits of additional employment had also not been valued and commented:

In principle, a present value for benefits such as these could be generated by applying an appropriate social opportunity cost of capital, given employment generated later in time is worth less to society than employment generated now

Mr Eaquab's response

[30] Mr Eaquab's response was that he carried out his exercise on that basis of assessments that:

there will be no net biodiversity loss or net loss of ecosystem services with an impact that is more than minor and, in some cases, a net gain has been assessed.

He went on to say:

... I am frequently asked to identify the exports, jobs and expenditure that a project will add to the economy, as it remains one of the key ways that decision-makers seek to understand a project's economic effects within the context of a process that assesses different classes of impact separately, each in their own right. It remains a valuable tool for that purpose, and it is offered in that light.

[31] As part of his response, Mr Eaquab carried out an exercise in which he attributed monetary values to possible adverse impacts in the area of the Coromandel Forest Park that will be affected by vibrations.

The conference with experts

[32] At the economist's conference, Dr Meade persisted with his argument that a complete cost benefit analysis should have been provided with non-market values attributed to adverse impacts where that was necessary.

[33] There was also discussion as to the weight that Mr Eaquab had placed on additional jobs. Drs Bertram and Meade had the impression that he had, in effect, valued them as being worth 100% of what the employees in the additional jobs would be paid. Mr Eaquab disagreed. His position was that he had treated the creation of additional jobs as being a benefit in itself which could be assessed as such without necessarily attributing a dollar value to the jobs created.

[34] We agree that where economic benefits are relied on by an applicant, any economic disbenefits should be allowed for, particularly if the benefits and disbenefits are of the kinds that have market values against which they can be measured in money terms. But parting company with Dr Meade, we do not accept that adverse environmental impacts must be monetised and factored directly into the assessment of economic benefits. Instead, we are of the view that we can assess the benefits relied on by OGNZL separately from any adverse environment impacts.

[35] We see this as consistent with the language of s 85(3) of the FTAA. Under this subsection, the ultimate question is whether adverse impacts:

..are sufficiently significant to be out of proportion to the project’s regional or national benefits the Panel has considered under section 81(4), even after taking into account—

- (i) any conditions that the Panel may set in relation to those adverse impacts; and
- (ii) any conditions or modifications that the applicant may agree to or propose to avoid, remedy, mitigate, offset, or compensate for those adverse impacts.

[36] Two points come out of this:

- (a) There is no explicit requirement for either the “benefits” or “adverse impacts” to be quantified in monetary terms. This is so even where the claimed benefits are economic in character (as new jobs are). And:
- (b) If adverse impacts have already been monetised and factored into the benefits assessment, there would not be much point in a weighting exercise of the kind required by s 85(3).

[37] This accords with the approach taken in Supreme Court in *Trans-Tasman Resources Ltd v Taranaki-Whanganui Conservation Board*.⁴ The case concerned sea-bed mining and the decision-making criteria included:

the effects on the environment or existing interests of other activities undertaken in the area covered by the application or in its vicinity.

...

the economic benefit to New Zealand of allowing the application.

It was argued that the reference to “economic benefit” required a cost benefit analysis which ascribed monetary values to environmental, social and cultural costs. This argument was rejected by the Supreme Court which concluded that a “qualitative analysis of environmental, social and cultural benefits and costs” had been open to the decision-maker.⁵

⁴ *Trans-Tasman Resources Ltd v Taranaki-Whanganui Conservation Board* [2021] NZSC 127.

⁵ At [188] – [192].

There are some disbenefits that that in any event should be set-off against the economic benefits claimed.

[38] This was alluded to in the s 53 comments in at most very general terms in the material supplied by Dr Meade, but it was supplemented to some extent at the economist's conference and in the unsolicited material provided after the conference.

[39] These disbenefits are:

- (a) the loss of productive land in the Willows Road area;
- (b) the deferral of benefits associated with Waihi becoming a "post-tourist destination";
- (c) socio-economic effects (around increased demand for housing in Waihi); and
- (d) the risk of tailings dam failure.

[40] The loss of agricultural production from land in the Willows Road area that is temporary (in other words, only during the duration of the WNP) is of insufficient moment to warrant detailed discussion. We deal with the National Policy Statement: Highly Productive Land in Part G of this Decision.

[41] Deferral of benefits associated with Waihi becoming a post-tourist destination, was not mentioned in the s 53 comments. More generally the line of argument developed in the unsolicited post-conference material is speculative (in that it is based on assumptions). We note that effects on tourism and recreation were assessed in a separate report provided as part of the application.⁶ They are also discussed earlier in this Decision in section E15.

[42] Socio-economic effects and the risk of tailing dam failure are assessed elsewhere in this Decision and are taken into account in the final balancing exercise.

⁶ By Rob Greenway and Associates (Application, B.55).

The input/output methodology relied on is likely to overstate benefits

Mr Eaqub's calculations indirect and induced employment effects

[43] It will be recalled that Mr Eaqub assessed employment generated by OGNZL's Waihi operations in 2023 as follows:

Types of work	Numbers
Direct employees	357
Contractors in mine	129
Indirectly in suppliers	325
Induced jobs (supported by the spend of employees in the mine (110) and suppliers (122))	232

[44] In material he supplied after the conference with economists, he explained how he arrived at these figures.

[45] The assessment of indirect employment was calculated as follows:

- (a) the total spend on suppliers came to \$144,203,403;
- (b) of that figure, approximately 23% represented the cost of employment (based on input-output tables) which Mr Eaqub calculated as \$32,696,926;
- (c) the average FTE annual salary in the mix of the industries of the suppliers was assessed at \$71,968;
- (d) the assessed cost of employment (\$32,696,926) divided by the average FTE annual salary as assessed (\$71,968), produces a figure of 454, representing the number of additional jobs indirectly attributable to the WNP; and
- (e) of the 454 additional indirect jobs, 129 are contractors working in the mine, leaving the rest (325) to be attributed to those working outside of the mine.

[46] For induced employment, in 2023, the approach was as follows:

- (a) Consumption resulting from the additional direct and indirect employment was assessed at \$22,953,242 and \$20,779,045, respectively. Mr Eaquad excluded overseas tunnelling contractors from the calculation because of uncertainty as to how much they would spend locally. And
- (b) From the input-output tables, Mr Eaquad assumed 5.3 jobs additional jobs for every \$1 million of consumption.

The criticisms

[47] A number of the criticisms were addressed to Mr Eaquad's input-output multiplier analysis.

[48] By way of example, the Parliamentary Commissioner for the Environment noted:

Multiplier models have known limitations. While they can generate results that may be more accurate at a very local level, they have been demonstrated to overestimate the impact of projects at a regional or national level. This is because the model assumes that any resources – including labour and capital – used in the project were sitting idle before the project happened.

In reality, this will rarely be the case. Resources will be diverted from other economic activities and, depending on what those activities are, there may be relatively little **net** economic gain.

Multiplier effects (indirect and induced), export revenue and total project spend (capex and opex) are of limited value in demonstrating benefit. In lieu of more accurate estimates, I recommend that the Panel only consider the **direct** economic benefits created by this project (197 jobs + 192 contractors). ... If the Panel is interested in a more accurate estimate of the benefit of this project at a national level, it could consider using a computable generalised equilibrium model.

[49] Drs Bertram and Meade expressed similar views.

[50] To correlate these comments to the WNP, those who will be directly employed as a result of implementation of the WNP are unlikely to be economically inactive if it does not proceed. Whether and by how much overall employment increases will depend on the ripple effects through the economy of workers taking (or continuing) employment in, and increased activity at, the mine. It follows that the employment generated by the WNP will not necessarily be additional to employment levels in the counter-factual (that is, assuming the WNP does not

proceed). As well, conceivably the demand (including higher wages) generated by the WNP may crowd-out other activity.

[51] As noted by the Parliamentary Commissioner for the Environment in the comments just cited, a more sophisticated (but also time-consuming and expensive) technique for assessing the impact of a project is computable general equilibrium analysis (CGE).

Mr Eaquad's responses

[52] Mr Eaquad's referred to the absence of a CGE in this way:

30. ... the key insight from a CGE in this case would be to better understand the substitution effect. That is, would the introduction of new endowment capital (the gold and silver resource) and FDI [foreign direct investment] displace other capital and investments, whether the labour resources for mining will be cannibalised from other parts of the economy or lift overall employment outcomes, especially at the local level, and whether the exchange rate will be raised reducing competitiveness of other exporters.

He then dealt separately with each of the questions posed.

[53] As to the first, he concluded that OGNZL's investment of approximately \$1 billion would not displace other investment into New Zealand. And, as to the third, that the additional export revenue to be derived from the sale of gold and silver extracted from the mine would not affect the value of the New Zealand dollar.

[54] In relation to the second question – the most significant of the questions – whether the WNP “will lift overall employment outcomes, especially at the local level”, he said:

33. We can say with confidence that the employment directly in the mine and contractors are unlikely to exist without this project. Would this project lift incomes in the economy (that is produce a higher cost of labour for employers) and reduce employment in other industries as a result? At the local level this would show up as a reduction in non-mining jobs when mining jobs rise. That is, the growth in gold mining jobs would be *negatively* correlated with jobs in other parts of the economy. Data for the Hauraki District, sourced from Statistics New Zealand's Business Demography, shows the correlation between gold mining and other jobs is strongly *positively* correlated (a correlation of 0.59, where 1 is perfectly correlated).

34. This is consistent with the analysis I have supplied, where I have broken down the effects at local, regional and national levels. Because the effects are large at the local level, we can observe the effects of mining on the local labour market. But at regional and national levels, there are clearly many other confounding factors at play, and these correlations cannot be easily observed.

35. It is my considered opinion, based on the history of the Hauraki District, that mining jobs growth increases overall employment in the district.

He also said:

40. Many of the jobs associated with mining are not a straight substitution from other sectors of the economy, due to their specialist skillset. OceanaGold trains many of its employees – ... almost a quarter of the Waihi workforce attended Waihi High School. I am aware that some workers currently taking up employment in mining operations within New Zealand have transferred from two, large completed or soon to be completed tunnelling projects in Auckland. Some workers are joining mining operations within New Zealand from previous mining jobs in Australia (and these are often returning New Zealanders). It is incorrect to characterise the mining workforce as readily transferable into equally productive jobs in other sectors.

The conference with experts

[55] At the conference with the economists the limitations of input-output multiplier analysis were discussed. There was, however, no substantial dispute that implementation of the WNP would involve substantial economic activity and that, as a result, there would be increased:

- (a) jobs at the mine that, but for that implementation, would not exist;
- (b) demand for supplies to the mine and thus additional economic activity on the part of the firms that make such supplies; and
- (c) consumption that would be likely to result in additional induced employment.

Evaluation

[56] We accept that input-output multiplier analysis of the kind used by Mr Equab is likely to over-state economic impacts.

[57] That said, it is clear that there will be additional jobs created by the implementation of the WNP. Substantial economic activity in and around Waihi will produce significant employment associated with the mine, most obviously, the jobs of those either employed directly by OGNZL or as contractors in the mine. These jobs are, as Mr Equab pointed out, reasonably specialised and also well-paid. Absent implementation of the WNP, these jobs will not exist in Waihi after 2032. We see no rational reason why these jobs will displace existing

jobs in and around Waihi. This is particularly so since an effect of the continuation of mining that will result from the implementation of the WNP will enable a workforce that would otherwise disperse in or before 2032 to have continued employment.

[58] It is likewise clear that implied and induced employment effects are real. Those who supply the mine will need employees to do so. And the spend of those directly or indirectly employed in the mine will support other (or induced) jobs. The problem is not so much the existence of the phenomena that Mr Eaqub referred to, but rather their quantification.

[59] A feature of the WNP is that it will facilitate the extension of what, in broad terms anyway, is an existing activity. We know that just over 50 per cent of OGNZL's current spending is the Waikato Region with 31 per cent in Hauraki District. There is thus current local capacity and capability to meet a substantial proportion of OGNZL's requirements.

[60] If the focus is on Waihi and the surrounding area (the Hauraki District for convenience), the jobs associated with indirect and induced employment will plainly be additional to those in the counterfactual. In other words, without OGNZL's spending those jobs will not exist in Hauraki District.

[61] A focus on Hauraki District is significant for two reasons:

- (a) As is apparent from the comments of the Parliamentary Commissioner for the Environment, much of the criticism of input-output multiplier analysis has addressed its use to assess regional and national, as opposed to local, impacts.
- (b) What is proposed is not so much a new proposal but rather (i) an increase in, and intensification of, what is already significant mining activity and (ii) the lengthy deferral of a negative shock, that is the cessation of OGNZL's mining activities in an around Waihi. OGNZL already has a substantial workforce (both employed and working on contract). There are already firms in place who supply the mine. The local, regional and national distribution of current spending is known.

For these reasons, in relation to employment in Hauraki District at least, most of the uncertainties that underpin the criticisms of input-output multiplier analysis fall away.

[62] We are thus satisfied that implementation of the WNP will create additional indirect and induced employment in the Hauraki District in figures broadly comparable to those asserted by Mr Eaquad, so that the total jobs created or sustained in that District, counting those directly employed by OGNZL will be around 442, on average, over the life of the project.

[63] As for the rest of the country, the ripple effects of increased economic activity in Hauraki District on employment around the country are not capable of precise assessment. However, the very substantial levels of spending associated with the WNP that will occur outside of the Hauraki District must logically drive additional induced employment.

[64] It is generally considered that input-output multiplier analysis is likely to over-assess the extent of this additional employment of this kind. Over-assessment risk can be mitigated by discounts for caution built into input-output tables. But as we were not told that such discounts have been built into the tables, we will assume that they have not been. It follows that we accept that that Mr Eaquad's assessments of additional indirect and induced employment outside Hauraki District are likely to be on the high side.

[65] Difficulty of assessment in relation to the extent of indirect and induced employment outside Hauraki District do not absolve us of the duty under s 81(4) to "consider the extent of the project's regional or national benefits". In this context, we allow for uncertainties as to input-output multiplier analysis by concluding that additional employment outside the Hauraki District associated with the WNP will be substantial but probably less than the 416 jobs as assessed by Mr Eaquad.

[66] On that basis we assess increases of employment associated with the WNP as around 442 in Hauraki District and a substantial number (but likely to be less than 416) in the rest of New Zealand.

56 As already discussed, Mr Eaquad treated additional jobs associated with implementation of the WNP as amounting to an economic benefit which he did not attempt to quantify in

monetary terms. This was subject to some, but not detailed criticism, at the conference with economists.

[67] A well-paid job is beneficial to the person who holds it (and members of that person's family), and in ways that are not only financial. An increase in the number of well-paying jobs strengthens the resources, resilience and social cohesion of the community in which they are located. More generally additional employment is correlated with economic growth. We are therefore of the view that, for the purposes of the analysis required by the FTAA, a substantial number of additional jobs is a benefit and one which need not be separately quantified in monetary terms.

Mr Eaquad over-assessed the revenue to be derived by OGNZL

The criticisms

[68] The primary criticism was from by Dr Meade who saw Mr Eaquad's USD 2,000 an ounce gold price assumption as consistent with gold prices between 2010 – 2025 but not "conservative".

Mr Eaquad's responses

[69] Mr Eaquad's response as to the challenge to his gold price assumption was:

The gold price that has been used to assess export revenue of \$5.151 billion, and associated taxes and royalties is USD 2000 / oz at an exchange rate of NZD/USD 0.61. That compares with the gold price history shown below (the spot price on 28 August 2025 was USD 3417 per oz) and an average exchange rate for the 12 months to 28 August 2025 of NZD/USD 0.59. The project would generate export revenue, at today's NZD gold price, of over \$9 billion.

The experts conference

[70] Mr Eaquad said that from the point of view of OGNZL and implementation of the WNP, the break-even gold price is NZ\$2,142 per ounce. He provided the range of NZD/USD exchange rates since 1990. The minimum value of the NZD during that period was 0.40. At this value, the NZD break-even point would be achieved at USD prices per ounce of \$854. At the maximum value of the NZD (0.87) the break-even point would be achieved at \$1,863. At the current value of the NZD **(to be added at time of release of Decision)** the USD breakeven figure is \$###.

[71] As to what the gold price assumption (USD per ounce) should be, Mr Eaquad provided the following figures:

Spot (13/10/25)	\$4,048
CIBX Global Mining Group Analyst Consensus Commodity Price Forecasts, October 2025, long term gold price:	\$2,646
Average last 5 years	\$2,234
Average (last 10 years)	\$1,811
Average (last 20 years)	\$1,478

[72] Dr Meade noted that the January 1980 gold price peak (in inflation adjusted dollars) was not reached again until October 2024.

[73] Also material to this are the probabilities as to whether the gold able to be extracted will amount to 1.5 million ounces. In relation to this, Mr Eaquad advised:

... the Resource and Reserve (R&R) statement for Wharekiraupnga Underground Mine (WUG) shows 1.4M ounces of Measured and Indicated Resources of which there are 1.21M ounces of Proven and Probable Reserves, broadly consistent with the economic modelling (1.5M ounces for WUG and Gladstone Open Pit (GOP) combined). The Inferred Resource adds another 0.6M ounces. Exploration drilling continues to increase confidence in the Resource.

[74] The drift of the discussion at the conference with economists was that the gold able to be extracted would likely exceed 1.5 million ounces; in other words, variation from the 1.5 million ounce estimate was more likely to be on the upside than the down side. As to this we note that the figure used in the Application was 1.7 million ounces.

Evaluation

[75] We start our evaluation with two considerations:

- (a) we assess that the gold that OGNZL will extract is more likely to be more, rather than less than 1.5 million ounces; and

- (b) the gold price assumption is around 50% of the current gold price and well-below the consensus forecast referred to in [71], above.

[76] It is possible that the gold price will drop to a point that is less than Mr Eaquad's assumption. There have been substantial falls in the gold price before (by way of examples, between 1979 and 1982 and 2011 to 2015). But, assessing the probabilities on the basis of the material before us, we regard Mr Eaquad's gold price assumption of \$2,000 as appropriate. Indeed, given current prices, it is now conservative.

Mr Eaquad over-assessed the tax to be paid by OGNZL

The criticism

[77] Mr Edward Miller challenged Mr Eaquad's taxable income projections as implying an implausibly high average pre-tax profit margin between years 9 – 17 of 58% compared to its pre-tax profit margin over recent years which has averaged 14% and has not exceeded 22%. He also referred in reasonably general terms to tax avoidance activities which can include maintenance of artificially high levels of debt, and payment of management fees to associated companies in low tax jurisdictions.

Mr Stevenson's response

[78] Mr Phil Stevenson, a Deloitte tax partner who has advised OGNZL responded to Mr Miller's statement of evidence. He explained the particular tax regime that applies to mining and why pre-tax profit margins during a period in which OGNZL had active mining operations at Macraes and Waihi and, as well as engaged in exploration under the Coromandel Forest Park, are not a good indicator of likely pre-tax profit margins in years 9 – 17 of the WNP.

[79] More generally, he said that the tax regime is designed to produce a result that, over time, will mean that OGNZL will pay tax on its pre-tax profits from the WNP and that there are specific anti-avoidance provisions such as the thin-capitalisation rules and deductibility criteria in respect of intra-group transfers (such as management fees) that deal with the concerns raised by Mr Miller.

The experts conference

[80] Mr Miller argued that the assumed the profitability margin of the WNP overall was unlikely to be achieved in practice, resulting in a reduction in the Government tax take projected by OGNZL. Mr Miller based this on the current profitability of Oceana (a 13-20% margin) and mining companies in general (averaging 14%).

[81] Mr Eaqub responded that the WNP itself is expected to be more highly profitable than present operations, and that the current margins are based on an entity basis, which includes significant expenditure on exploration across the Macraes site as well as Waihi. He also noted that significant expenditure is being incurred now, which effectively serves to reduce current margins, but having already been incurred, will increase margins in future.

[82] Mr Stevenson discussed the tax regime (in particular the provisions of the Income Tax Act 2007 that address mining income, ss CU 1 to CU 9, expenditure, ss DU 1 to DU 12, spreading, ss EJ20B – EJ20E, and what would otherwise be stranded losses, s LU 1.

Evaluation

[83] Although Mr Stevenson was able to address the particular tax avoidance possibilities identified by Mr Miller, some scepticism about the corporate tax figures may nonetheless be warranted.

[84] On the other hand:

- (a) It is more likely more (and not less) than the assumed 1.5 million ounces of gold will be extracted and that OGNZL will receive more than on average US\$2,000 an ounce.
- (b) As the PAYE figure is calculated solely by reference to PAYE to be paid in respect of direct OGNZL employees, it too is conservative as it makes no allowance for tax paid by (or on behalf of) contractors working in the mine and PAYE on other indirect and induced employment. How much that will be is uncertain. Mr Eaqub later told us that the present value of the additional PAYE is \$25.2m. We presume that this is on the basis of his national employment

figures derived from input-output multiplier analysis which we have discounted. However, some additional PAYE will be paid.

- (c) No allowance has been made for taxes that will be paid by suppliers to the mine. And:
- (d) Any reductions in OGNZL's profit margins resulting from expenses incurred in New Zealand will be associated with additional economic activity in New Zealand and will generate additional tax revenue from suppliers that will mitigate the diminution in corporate tax paid by OGNZL.

[85] In short, we see the net present values assessed by Mr Eaquib as a realistic and likely conservative assessment of additional Government revenues that is fairly indicative of the range within which they will lie.

OGNZL will be taking a disproportionate share of the value of the gold to be extracted

[86] It might be thought that the only value the gold has is its realisable value less the costs of extraction. Since there would appear to be no New Zealand-owned miner capable of extracting the gold, the costs of extraction are inherently likely to include profits that are remitted overseas. Leaving the gold in the ground obviously preserves options for the future which are excluded by extraction. But whether such options are more advantageous than extraction now (particularly when it can be effected in a context in which there is existing infrastructure which can be utilised) is speculative.

[87] In the unsolicited material received after the conference with economists, the future options were explored but at high levels of generality. Raising what in substance is a new line or argument in this way is not consistent with the process provided for in the FTAA.⁷ And as it happens, we see the associated discussion in that material as too speculative.

⁷ See s 81(3) of the FTAA.

Where we get to

Significance

[88] Section 3 of the FTTA sets out its purpose in this way:

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

As this purpose is referred to repeatedly in the Schedules to the FTTA which set out decision-making criteria, a brief comment as to “significant” is appropriate.

[89] “Significant” is not defined in the FTAA. But some assistance is provided by s 122(2), which provides the criteria the Minister may have regard in determining whether to refer a project:

- (2) For the purposes of subsection (1)(a), the Minister may consider—
 - (a) whether the project—
 - (i) has been identified as a priority project in a central government local government, or sector plan or strategy (for example, in a general policy statement or spatial strategy), or a central government infrastructure priority list:
 - (ii) will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure:
 - (iii) will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020):
 - (iv) *will deliver significant economic benefits:*
 - (v) will support primary industries, including aquaculture:
 - (vi) *will support development of natural resources, including minerals and petroleum:*
 - (vii) will support climate change mitigation, including the reduction or removal of greenhouse gas emissions:
 - (viii) will support climate change adaptation, reduce risks arising from natural hazards, or support recovery from events caused by natural hazards:
 - (ix) will address significant environmental issues:

(x) is consistent with local or regional planning documents, including spatial strategies ...

(Emphasis added)

[90] “Significant” is a word of indeterminate meaning. It can, for instance, be used in in the sense of “game-changing”. But it can also have meanings along the lines of “worthy of note”.

[91] In the context of “deliver significant economic benefits” and “development of natural resources including mining”, it is not particularly likely that any one project will produce game-changing effects, certainly across the country as a whole. The same can be said of any one project to “increase the supply of housing”. Indeed, in a large city, even a substantial housing project is unlikely to make a material change to the supply of housing. All of this supports the view that “significance” is not to be determined by reference to whether implementation of the project will appreciably change national or “regional” gross domestic product or the annual tax revenue of the Government. Rather it is an indication of scale.

[92] For reasons explained, we see the economic benefit of implementation of the WNP as additional:

- (a) government revenue with a present value of \$421.99 million; and
- (b) jobs over the 18 year life of the WNP that will be in the order of 442 for the Hauraki District with additional employment outside the Hauraki District associated with the WNP that will be substantial but probably less than 416 jobs.

[93] We do not see the word “regional” when used in relation to benefits as denoting the areas of a regional council constituted under the Local Government Act. Rather;

- (a) we construe “regional” in a more general sense that, for our purposes, encompasses the area in and around Waihi which we will treat as the Hauraki District; and;
- (b) in any event, we consider that 442 additional jobs for the Hauraki District is a significant regional benefit irrespective of the meaning to be attributed to “regional”.

[94] The around 442 additional jobs associated with implementation of the WNP will represent a substantial proportion of employment in the Hauraki District (in excess of 7 per cent of the current number of jobs).

[95] We see no job losses likely to result from implementation of the WNP. No other material and tangible economic disbenefits were identified in the assessment process we have conducted. So, we see no relevant economic disbenefits to set off against the benefits we have recognised in relation to the additional jobs in Hauraki District which we regard as resulting in “significant regional ... benefits”.

[96] The same is true of the national benefits we have identified, an increase in employment nationwide over the life of the WNP of 442 jobs in the Hauraki District and substantially more (but probably less than 416) in the rest of New Zealand and additional Government revenue with a net present value of around \$421.99 million.

A final comment: the precision of the figures

[97] The apparent precision of Mr Eaquad’s figures for employment and Government revenue are artefacts of the methodologies he used to calculate them. As will be apparent we see them as merely fairly indicative of what the outcomes are likely to be and able to be used in that way for the purposes of our Decision.

F2: Waihi North Biodiversity Project (WNBP)

The WNBD

[98] OGNZL proposes to establish an area of up to 18,870 ha in the Coromandel Forest Park for biodiversity enhancement and predator control (Application document B.35). A conceptual project plan for this Waihi North Biodiversity Project (WNBP) has been developed. It will be developed in more detail and then implemented in conjunction with iwi and DOC.

[99] What follows in this section is largely taken from the material supplied by OGNZL.

[100] A baseline monitoring programme is underway. It includes biodiversity and pest mammal monitoring across eight sites in the Southern Coromandel. As described, the biodiversity monitoring includes:

- (a) vegetation community (RECCE plot based) and incidental observations of notable species;
- (b) nocturnal emerged frog surveys for Archey's and Hochstetter's frog surveys;
- (c) nocturnal emerged invertebrate surveys (plot based);
- (d) nocturnal and diurnal lizard surveys (plot / transect based);
- (e) bird and bat surveys using acoustic recorders;
- (f) establishing photo points to monitor vegetation response to proposed pest management (optional).
- (g) collection of eDNA samples at each site.

Pest animal monitoring is said to include:

- (a) chew card surveys for rodents and possums (7-night monitor); and
- (b) camera trap surveys for mustelids, cats and pigs (21-night monitor);

[101] The data collected will form a basis for developing the WNBP Project Plan which, according to OGNZL will include:

- (a) the specific management and enhancement objectives for the Biodiversity Project;
- (b) the detailed programme of activity for the first 5 years following the commencement of activities authorised by the WNP approvals;
- (c) any land access arrangements (concessions) with the Department of Conservation which are required to implement the Project Plan;
- (d) measurable and time bound performance targets for effectively reducing target pest species;
- (e) methods of outcome monitoring for pest and native species to determine Project effectiveness; and
- (f) the reporting and review process for the Project

Funding

[102] OGNZL is committing a total of at least NZ\$8.4 million (adjusted according to the Consumer Price Index) to the WNBP annually. The initial payment will \$2.4 million and will be followed by annual payments of \$600,000 annually which is to continue for a minimum of 10 years, or until stopping associated with WUG is completed, whichever is later. This is all provided for in OGNZL's proposed consent conditions.

Design and governance

[103] A Biodiversity Project Group will be set up prior to the commencement of underground mining below Wharekirauponga to oversee the design, governance, implementation, monitoring and review of the WNBP and associated funding. OGNZL proposes that this will consist of the following members:

- (a) an independent chair;

- (b) representatives of OGNZL;
- (c) at least one suitably qualified and experienced restoration ecologist appointed by OGNZL;
- (d) a representative from each of Ngāti Hako, Ngāti Maru, Ngāti Puu, Ngāti Tamaterā, Ngāti Tara Tokanui / Ngāti Koi, Ngaati Whanaunga, if they agree to participate; and
- (e) a representative of the Department of Conservation.

Location

[104] The WNP will be located within an area totalling 18,870 ha in the Southern Coromandel. This encompasses all public conservation land administered by DOC between the Wires/Wentworth Crossing in the north and State Highway 2 in the south.

[105] This area has been chosen given:

- (a) Its cultural significance to several iwi groups who have indicated interest in being involved in the project/
- (b) It contains significant biodiversity values which would benefit from a wide scale pest control programme, including native frogs, bats, and birds.
- (c) Previous survey data indicates the area contains high or very high densities of a range of pest species. Controlling pests within this area would deliver significant benefits for forest health and native species.
- (d) The area surrounds the WUG footprint where 632 ha of intensive pest control to manage the potential effects of vibration on frogs is proposed as part of the WNP. A project area adjacent to, or surrounding, the 632 ha of pest control already proposed could provide significant additional benefits for biodiversity.

- (e) The area contains the Otahu Ecological Area, which has historically been home to kiwi, kokako, and native frogs.

[106] The final location is expected to be selected on the basis of:

- (a) the results of baseline monitoring undertaken;
- (b) the funding available and cost of proposed pest control methods, noting that additional funding for the WNP may be sought from sources other than OGNZL;
- (c) stakeholder priorities and values, including the willingness of DOC to support the WNP on Crown land it manages; and
- (d) advice from an appropriately qualified restoration ecologist on goals, outcomes, and achievability of any proposed goals and outcomes within the WNP area.

Conditions dealing with WNP

[107] The conditions dealing with the WNP are C29 – C41 in the Combined HDC and WRC conditions.

Why OGNZL has offered the WNP

[108] OGNZL maintains that the WNP is not offered as mitigation or compensation for an adverse effect of the WNP. It then explains

... it is a positive beneficial project OceanaGold has proposed in addition to the mining related aspects of the WNP. As such, given it provides an opportunity for tangata whenua to take a central role in the development of the Project's goals and practical implementation of the Project in recognition of their role as kaitiaki the exact goals and design of the project are intended to be defined through a collaborative process with iwi. The Department of Conservation (**DOC**), as the land administrator of the Project area, are also expected to be a key stakeholder in the collaborative process to design and implement the Project.

[109] It says that the WNP can be expected to deliver ecological benefits and can provide:

- (a) Social and economic benefits such as training, development, and long-term job opportunities for local residents including iwi. And more generally, advance the

NZ Government's Predator Free 2050 goal which can be considered and incorporated into the project. In the future, the increase in wildlife may also provide tourism opportunities, with associated increases in visitor numbers to the area. And

- (b) Cultural benefits include increased opportunities for tangata whenua to practice traditional cultural uses of the forest, increases in numbers of taonga species, the possibility to reintroduce taonga species to the area that are not currently present, and to create a kaitiakitanga legacy for the area.

Panel assessment

[110] The incomplete level of planning for the WNBP precludes detailed assessment of its benefits. That said, the associated consent conditions provide certainty that the WNBP will result in environmental benefits, even though the scale and nature of those benefits is uncertain.

[111] As to the FTAA criteria, we do not assess the WNBP as offering, in itself, significant regional benefits although it could be seen as supplementing the regional economic benefits primarily relied on by OGNL. This is why this discussion appears in this Part of the Decision. However, and perhaps more significantly, it forms a component of the overall WNP which is before us and as such, it provides part of OGNZL's response to iwi concerns and aspirations.