Buller Plateaux Continuation Project

Peer Review of Economic Impact Assessment

9 March 2026

m.e consulting

EXECUTIVE SUMMARY

1. This report provides an independent review of the Economic Impact Assessment (EIA) for the Buller Plateaux Continuation Project (BPCP) and evaluates the Project's national and regional significance, with particular reference to the Fast-Track decision-making framework.

2. I conclude that the EIA presents a credible and methodologically sound assessment. Its benefit assessment framework, aligned with New Zealand Treasury guidance, provides a conservative and appropriate basis for quantifying impacts, and the distinction between national and regional impacts is clearly articulated and well-supported by data.

3. At the project level, the analysis demonstrates substantial additional economic benefits relative to the base case. These benefits arise primarily from sustaining export revenues, employment income, and associated supply-chain activity that would otherwise decline. The magnitude and direction of the reported effects are reasonable, and sensitivity testing indicates the overall conclusions are robust to plausible variations in key assumptions.

4. At the regional level, the Project is shown to have significant economic importance to the Buller District and the wider West Coast Region. The continuation of employment and business activity associated with the Project represents a substantial share of the local economic base. In this context, the Project would play an important role in avoiding a sharp near-term economic contraction and in providing time for a more managed economic transition.

5. The EIA also appropriately identifies the strategic importance of the Project to New Zealand, particularly in relation to supporting export income, maintaining trade relationships, and contributing to national economic resilience in the medium term.

6. While the report is generally robust, several minor presentational improvements are recommended to enhance clarity and internal consistency. These matters do not affect the substantive conclusions of the analysis.

7. In conclusion, I am satisfied that the EIA provides reliable and comprehensive economic evidence. The Project generates significant net additional economic benefits at both the national and regional levels and, as such, can reasonably be regarded as economically significant within the relevant statutory framework.

INTRODUCTION

8. My full name is Gregory Michael Akehurst. I am a founding Director of Market Economics Limited (ME).

9. This technical assessment addresses the EIA prepared for the BPCP and provides an independent review of the economic aspects of the Project.

Qualifications and experience

10. I have the following qualifications and experience relevant to this assessment:

    (a) I hold Bachelor degrees in Geography and Economics from the University of Auckland.

    (b) I am a member of the Resource Management Law Association (RMLA).

    (c) I have 29 years' experience assessing the economic effects of growth and structural change in the New Zealand economy.

    (d) I specialise in the assessment of economic impacts, Cost Benefit Analysis (CBA), and land use economics, and have provided expert economic analysis and evidence for councils, private developers, and central government agencies. I have presented this evidence as an expert witness in the Environment Court and High Court. I have undertaken economic impact assessments, peer reviews and fast-track assessments for a range of major infrastructure and resource projects, including:

        (i) Waihi North Gold Mine

        (ii) Drury Quarry Sutton Block

        (iii) King's Quarry

        (iv) Mill Road Stage 1 for NZTA

11. This review builds upon my prior involvement with the project, which included examining earlier drafts of the EIA.

Code of conduct

12. I confirm that I have read the Code of Conduct for expert witnesses contained in the Environment Court Practice Note 2023. This assessment has been prepared in compliance with that Code, as if it were evidence being given in Environment Court proceedings. In particular, unless I state otherwise, this assessment is within my area of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Purpose and scope of assessment

13. The purpose of this assessment is to provide an independent review of and comment on:

(a) the Economic Impact Assessment: BPCP prepared by Aigis Group;

(b) in particular, the applied methodology, assumptions, and analytical framework applied in the assessment;

(c) the interpretation of the Project's economic effects at the local/regional, and national levels; and

(d) any matters relevant to evaluating the robustness, completeness, and reliability of the finalised assessment.

(e) Finally, its fitness for purpose under the Fast Track Approvals Act 2024.

14. In preparing this independent review, I have relied on several assumptions and applied a number of exclusions, as follows:

(a) I have assumed that all project information supplied by Aigis Group and Bathurst Resources Limited, including production profiles, employment estimates, investment values, and operational parameters, is correct and reflects the intended Project design.

(b) I have assumed that any financial, commercial or technical information referenced implicitly in the economic analysis has been independently verified by the authors of the EIA or by other specialists engaged for the Project.

(c) I have not undertaken an audit or verification of the underlying raw data, financial models, or economic modelling tools used by Aigis Group.

(d) I have not reviewed or provided expert opinion on environmental, social, cultural, commercial, engineering, or planning matters, except insofar as they are explicitly incorporated into the economic analysis.

(e) I have not undertaken an independent reconstruction of the cost–benefit or economic impact modelling, nor have I recalculated multipliers, input–output flows, or net present values.

(f) I have not assessed the financial viability or commercial feasibility of the Project.

THE BULLER PLATEAUX CONTINUATION PROJECT

15. The full description for the Project is provided in the AEE. I do not repeat it in my assessment.

METHODOLOGY

16. In undertaking this assessment, I completed a structured expert review of the *Economic Impact Assessment: BPCP* prepared by Aigis Group. My review focused on evaluating the transparency, internal

consistency, and robustness of the methods used to quantify the Project's economic effects, based on the information provided.

17. My review process involved the following steps:

(a) Reviewing the full Economic Impact Assessment to understand the analytical framework, the assumptions applied, and the economic metrics used to quantify benefits, including the net present value calculations and scenario design, and the treatment of the counterfactual of mining cessation in March 2027.

(b) Assessing the suitability of the methods used, including the approach to quantifying direct economic benefits such as net employee benefit and disposable income effects, supplier value added, fiscal contributions (taxes, royalties, and other government revenues), and producer surplus; the valuation parameters applied; the calculation of present values and net present values; and the structure of the economic scenarios assessed, including the allocation of national-level benefits to regional scales on a pro-rata basis.

(c) Evaluating the use of discount rates and present value calculations, including consistency with New Zealand Treasury guidance and whether the time horizon, discounting method, and sensitivity testing are appropriate for a multi-decade mining project.

(d) Evaluating the structure and plausibility of the two scenarios assessed (i.e the continuation scenario and the base case), including whether the assumptions underpinning each scenario are reasonable and clearly explained, and whether the counterfactual appropriately reflects the expiry of existing Coal Mining Licence (CML) and Ancillary Coal Mining Licences (ACMLs) and the cessation of mining activities.

(e) Applying professional judgement to test whether the scale and direction of the reported economic effects were reasonable when considered against comparable projects, industry norms, and regional economic characteristics, including the relative scale of the mining sector within the Buller District and West Coast Region and its contribution to national mining activity.

(f) Reviewing the clarity and completeness of reporting, including whether the distinction between national, regional and local effects was logically defined and maintained; whether benefits were presented with transparent assumptions and without double-counting; whether results were interpreted appropriately and contextualised; and ultimately whether the assessment demonstrates the project's alignment with the requirement of Fast-track Approvals Act 2024 to deliver 'significant regional or national benefits'.

18. This methodology relies on my professional experience in EIA, CBA, and fast-track economic analysis. I did not reconstruct the economic modelling or independently calculate values; rather, my assessment

evaluates the reliability of the Aigis analysis based on its documentation and the extent to which the methods and assumptions align with accepted economic practice.

COMMENT ON EIA METHODOLOGY

19. The EIA for the BPCP is structured around two related analytical components: an assessment of the overall economic benefits of the project (including national-level effects) and a separate assessment of regional economic benefits. I have reviewed the full EIA to understand this analytical framework, the assumptions applied, and the economic metrics used

Project-Level Economic Significance Assessment

20. The assessment of overall economic benefits employs a dual approach combining quantitative modelling and qualitative analysis. The core methodology is a monetised economic benefit assessment undertaken with reference to guidance published by the New Zealand Treasury. I have evaluated the use of discount rates and present value calculations and find the application of the 8% central rate and 2% sensitivity rate to be consistent with Treasury guidance and appropriate for a multi-decade project. The inclusion of sensitivity testing provides useful insight into the robustness of the reported results under alternative assumptions.

21. The economic assessment is primarily focused on the identification and quantification of project-related economic benefits. Consistent with the approach adopted across the broader Assessment of Environmental Effects (AEE), adverse impacts that are assessed within other specialist technical reports are not deducted within the EIA in order to avoid double counting. In particular, the principal environmental and social effects associated with the Project are evaluated separately within other components of the AEE. The EIA does, however, deduct countervailing costs arising from the Project where these are not identified and assessed as adverse impacts within other specialist technical assessments forming part of the AEE. As a result, the analysis should be understood as a monetised economic benefit assessment that accounts for direct economic costs attributable to the Project, rather than a comprehensive net economic evaluation of all project effects.

22. While the approach adopted differs from a conventional Input–Output (I-O) economic impact framework, which typically estimates direct, indirect, and induced (flow-on) effects through multipliers, the structure of the quantified benefits captures broadly comparable channels of economic activity through a welfare-based framework. The quantitative assessment identifies and monetises a comprehensive range of economic benefits, including net employee benefits, returns to New Zealand-based equity holders, corporate taxes, royalties, community contributions and regional non-labour expenditure, which functions as a proxy for supplier-related economic benefits retained within New Zealand.

23. In broad conceptual terms, workforce income effects are analogous to direct impacts, regional non-labour expenditure reflects supply-chain or indirect effects, and the valuation of workforce disposable income captures induced or consumption-related flow-on effects. However, unlike an I-O model, the approach avoids the use of fixed multipliers and instead estimates benefits through resource-based valuation (i.e. actual use of real resources) and present value calculations, which reduces the risk of double counting and provides a measure more consistent with economic welfare concepts.

24. It is noteworthy that a significant portion of the net producer surplus is retained domestically, with Bathurst Resources Limited advising that as of December 2024 approximately 44% of shareholder capital was New Zealand-owned. Under an 8% discount rate, the retained net producer surplus is reported as approximately $255 million, representing around 39% of the total quantified economic benefits of the continuation project.

25. The quantitative analysis is supplemented by qualitative discussion that contextualises the Project within New Zealand's critical minerals strategy and international trade relationships, including the export of metallurgical coal to India. The design of the two core scenarios (Project continuation versus a 2027 closure base case) appears plausible and clearly explained, providing a logical foundation for comparing incremental impacts relative to the counterfactual.

26. Based on this review, I consider the methodologies used to be generally robust and appropriate for the purpose of identifying and describing the scale of potential economic benefits associated with the Project. The results should therefore be interpreted within the context of the report's defined scope, which focuses primarily on economic benefits rather than a full net impact assessment across all domains. Applying professional judgement, the magnitude and direction of the reported overall economic effects appear reasonable and broadly consistent with expectations for a project of this scale within the national mining sector and export economy.

Regional Economic Significance Assessment

27. The regional assessment applies the same economic benefit framework used for the overall project analysis, with adaptations to identify and quantify the spatial distribution of benefits within the West Coast Region and Buller District. The distinction between national-level and regional-level effects is clearly articulated and generally well maintained throughout the report.

28. The methodology employs a dual allocation approach to estimating regional benefits. First, certain benefit streams that accrue nationally, such as fiscal revenues, are apportioned to the region on a proportional basis. I have assessed the suitability of this approach and consider the allocation of national-level benefits (for example, taxation) using the West Coast Regional Council's share of the national population (0.67%) to be a conventional and reasonable simplifying assumption. In practice,

however, central government expenditure is often influenced by relative need and regional economic conditions rather than strictly population share, meaning this assumption may understate the potential regional incidence of nationally collected revenues, given West Coast has higher relative needs than population share.

29. Second, and more significantly, the assessment uses project-specific data sources to estimate locally retained benefits, including workforce expenditure patterns and regional supplier expenditure. The use of a dedicated workforce survey alongside internal expenditure data provides a robust empirical basis for estimating the proportion of economic activity retained within the region. This approach strengthens the credibility of the regional analysis by grounding it in primary evidence specific to the Project rather than relying solely on generic multipliers or assumptions.

30. I consider this refined approach to regional benefit estimation to be appropriate and well suited to the characteristics of the West Coast economy. It recognises the Project's disproportionate scale within a relatively small and geographically isolated regional economy, where labour market constraints and supply-chain linkages are likely to result in a relatively high level of local benefit retention. The reported regional economic effects are presented transparently and appear reasonable when interpreted in the context of the region's economic structure and the benefit-focused scope of the assessment.

COMMENT ON EIA FINDINGS

31. I find that the EIA presents a compelling quantitative case at the national level. The analysis demonstrates substantial quantified economic benefits associated with the Project, with total economic benefits estimated to be between approximately NZ$661.5 million and NZ$956.1 million in present value terms over the life of the mine, depending on the discount rate applied. This represents a very large increase relative to the base case scenario, where mining activity would otherwise cease in 2027. The assessment also appropriately highlights the Project's broader strategic importance, including its role in sustaining a key export commodity and supporting New Zealand's international trade relationships.

32. At the regional level, I consider the assessment to convincingly position the Project as a critical economic anchor for the West Coast. The projected sustenance of approximately 388 jobs represents a substantial share of the Buller District employment base. The EIA estimates regional economic benefits of between approximately NZ$158.5 million and NZ$223.9 million in present value terms over the Project life, driven primarily by locally retained workforce expenditure and regional supplier activity. This underscores the Project's material contribution to regional economic stability. The analysis also presents a credible case that continuation of the BPCP would help avoid a significant

near-term economic disruption associated with mine closure, thereby providing a window for a more managed economic transition within the region.

33. In my judgement, the EIA successfully establishes that the Project offers substantial economic value within the scope of the assessment undertaken. It identifies significant quantified economic benefits and strategic advantages that support the continued economic performance and resilience of the Buller District, the West Coast Region, and New Zealand.

SUMMARY

34. I have reviewed the EIA for the BPCP and evaluated the methodology used to determine national and regional economic significance. I conclude that the report is generally robust and methodologically sound. The application of a monetised economic benefit framework, undertaken with reference to guidance published by the New Zealand Treasury, provides a credible quantification of the economic benefits associated with the Project. The clear distinction between national and regional effects, supported by primary data on the local workforce and supply chain, contributes to a realistic appraisal of impacts at both spatial levels.

35. The substantial additional economic benefits identified relative to the base case - estimated to be between approximately NZ$589.3 million and NZ$883.1 million at the national level over the life of the mine, depending on the discount rate applied - are convincingly demonstrated and supported by sensitivity analysis. Therefore, I am satisfied that the EIA provides a reliable and appropriately scoped economic assessment that is capable of informing decision-making under the Fast-track Approvals Act 2024 framework.

Gregory Michael Akehurst

09 March 2026