

9 March 2026

## Economic impacts of Barrytown Minerals Project

### Purpose of note

1. This note provides an update of the economic impacts of the proposed Barrytown Minerals Project (BMP).
2. My economic assessment draws on financial modelling prepared for Tāiko Critical Minerals Limited (TCM) by Orecast Modelling and reviewed by PWC,<sup>1</sup> regional economic data<sup>2</sup> and information from Statistics New Zealand on the linkages between industries.<sup>3</sup>
3. I previously (2023) estimated the economic impact of a more limited mining operation at Barrytown. Since then, there have been several developments with this project.<sup>4</sup> As a result, expected mineral production levels are higher, and of a better grade, than in my 2023 analysis. An update of 2023 analysis is therefore warranted.

### Summary of economic impacts

4. The table below outlines the key economic benefits from BMP, based on an average year across the 22-year life of the operation.

TABLE 1 SUMMARY OF BMP ECONOMIC BENEFITS

Economic measure	Estimated impact
Additional GDP per year	\$122.7 million
Additional exports per year	\$230.0 million
Additional local spending per year	\$76.7 million
Additional wages per year	\$13.0 million
Additional full time equivalent jobs (direct)	135
Additional jobs supported in local economy	189
Additional royalties and tax revenue per year	\$45.6 million

<sup>1</sup> Orecast. 2026. 'Financial Model Report: Barrytown Minerals Project'. 16 February 2026.

<sup>2</sup> Infometrics. 2026. 'Regional Economic Profile: West Coast Region'. <https://regions.infometrics.co.nz/west-coast-region> Accessed 10 February 2026.

<sup>3</sup> StatsNZ. 2021. 'National accounts input-output tables: Year ended March 2020'. <https://www.stats.govt.nz/information-releases/national-accounts-input-output-tables-year-ended-march-2020/> Accessed 12 February 2026.

<sup>4</sup> Key changes include: Resource consent has been issued for the Coates block which permits mining north of Canoe Creek including on site processing and trucking to the downstream processing site; resource consent issued for the Mineral Separation Plant (MSP) at Rapahoe; 30 year lease (with rights of renewal) for the Birchfield Coal site where the MSP is located, allowing for direct loading onto the rail line and freighting export product to Timaru and Lyttelton Ports; access to all the mining areas on Coates and the Southern Resource Block; JORC resource estimation work completed for the majority of the southern resource block which confirms higher grades than previously estimated.



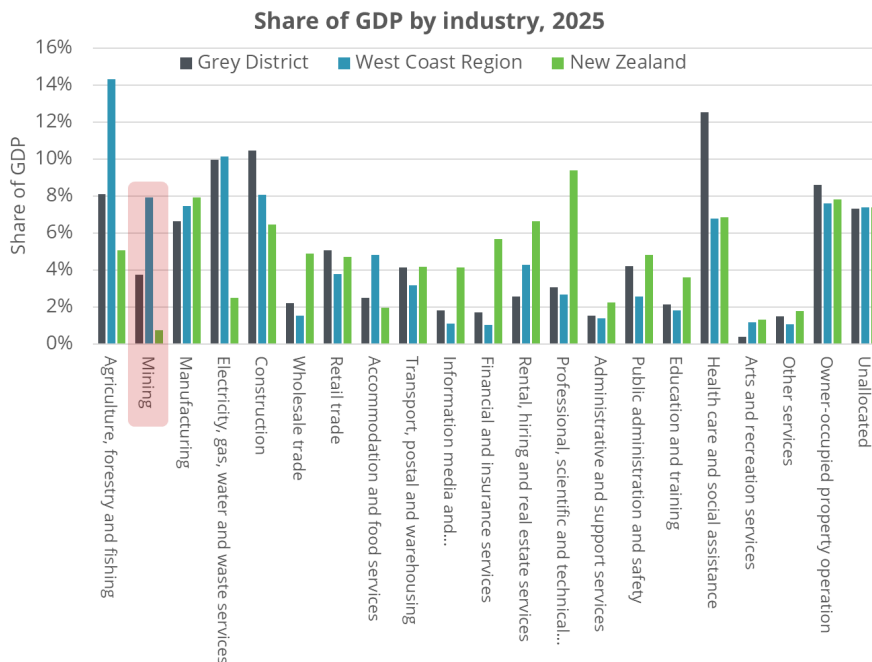
5. I do not consider any economic costs, in terms of adverse tourism impacts, foregone economic activity onsite or pressure on the housing stock to be material.
6. I therefore conclude BMP will deliver significant net economic benefits to the local and regional economies.

## Economic benefits

### 135 direct jobs

7. Mining is an important industry for the Grey District and wider West Coast region. As of March 2025, at the national level mining accounts for 0.23% of all jobs.<sup>5</sup> This share is 1.30% for the Grey District and 4.56% for the West Coast region.
8. That is, mining is over five and a half times as important for jobs in the Grey District as the national average, and almost 20 times as important for the West Coast region.
9. A similar pattern emerges when looking at mining’s share of the West Coast and national economies (see Figure 1).
  - a. Mining accounted for 3.7% of the Grey District’s GDP in 2025, and 7.9% of the West Coast region’s GDP 2025.
  - b. For the New Zealand economy as a whole, mining’s share was 0.7%.

FIGURE 1 THE IMPORTANCE OF MINING FOR THE GREY DISTRICT & WEST COAST ECONOMIES



Source: Infometrics. *Ibid.*

<sup>5</sup> Infometrics, *ibid.*



10. TCM expects to directly employ an estimated 135 Full Time Equivalent workers at the mining and processing sites. These jobs include:
  - a. 17 technical roles e.g. mining engineer, surveyor, geologist, metallurgist, safety superintendent, environmental officer, electrical engineer.
  - b. 11 administrative roles e.g. accountant, IT, human resources, operations manager.
  - c. 37 mining roles e.g. mine superintendent, shift supervisor, machine operator.
  - d. 39 plant operations roles at the MSP and Wet Concentrator Plant e.g. supervisor, floor operator, control room operator, machinery operator.
  - e. 31 maintenance roles e.g. maintenance superintendent, mechanical supervisor, electrical supervisor, boilermaker/welder.
11. This would see direct mining employment in the Grey District increase by 135% from its February 2025 level of 100 employees.
12. Given total employment in the Grey District was 7,704 at February 2025, the BMP operation would directly increase the number of jobs available in the District by 1.8%.
13. The BMP would increase the number of direct mining jobs in the West Coast region (6,826 in February 2025) by 18.0%.

#### **189 jobs supported elsewhere in the economy**

14. Fleming and Measham<sup>6</sup> explore in an Australian context the extent to which an expansion in direct mining employment leads to downstream multiplier effects on employment in local economies which already have mining operations present.<sup>7</sup>
15. While it would be preferable to draw on a New Zealand-specific version of this report, I am not aware of any that exist. In my view, drawing inferences from the Australian study is a reasonable approach to exploring the flow-on effects of the proposed BMP, as the upstream and downstream industry linkages of Australian and New Zealand mining operations are broadly similar.<sup>8</sup>
16. They find statistically significant impacts of mining employment on jobs in four broad sectors: 'Accommodation and food services', 'Rental hiring and real estate services', 'Wholesale trade' and 'Transport, postal and warehousing'.

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<sup>6</sup> Fleming, A. and D. Measham. 2014. 'Local job multipliers of mining'. *Resources Policy* 41 (214) 9-15.

<sup>7</sup> Their econometric approach to estimating mining multipliers is more robust than the traditional 'input-output' approach, since it is based on time series data recording actual employment patterns after mining project commence. It also considers any potential negative flow-on employment effects, such as job displacement, which an input-output multiplier cannot capture.

<sup>8</sup> This can be seen by looking at the latest input-output tables for New Zealand and Australia, which summarise the upstream and downstream industry linkages in an economy. While the Australian mining sector spends proportionately more than the New Zealand mining sector on accommodation services due to the need to house workers in more remote locations, the remainder of supplying and using industries are broadly similar.



17. They estimate that for the average region with existing mines (as is the case here), every additional mining job generates around 1.4 further jobs in the local economy. This implies the 135 direct jobs at BMP could support a further 189 jobs in the wider local economy during the mine's operation.
18. In my view, the proposed BMP would deliver a meaningful increase in local and regional employment, both directly and indirectly, which will enable economic well-being for the community.

**Local economy supported by \$13.0 million in additional wages and \$76.7 million in other spending per year**

19. Mining jobs are very well paid, relative to the average wage. In the West Coast region, the median mining salary in 2024 was \$96,390, over 60% higher than the median salary for all industries of \$59,120.<sup>9</sup>
20. Based on TCM remunerating its workers at this median wage level, the 135 new direct jobs will generate \$13.0 million per year of additional income in the region.
21. While some of this additional income will be saved and some may go to overseas contractors<sup>10</sup>, much of it, plus BMP's non-employment operating expenditure of an estimated \$76.7 million per year<sup>11</sup>, will be circulated within the local economy, supporting local businesses.
22. Aside from the initial capital expenditure on imported plant, it is only the returns to capital or profits that will end up leaving the regional economy to overseas owners. This will compensate them for their financial risks.
23. These figures provide an indication of the additional spending injection supported by the proposed mining operation – around \$89.7 million per year.
24. In my view, many businesses (such as retailers, accommodation providers, cafes and restaurants and rental businesses) will benefit substantially from the wages and other operating expenditure circulating through the local and regional economies.

**Exports of \$230 million per year**

25. Based on peer reviewed financial modelling prepared for TCM, the BMP will generate around \$230 million of export earnings per year, on average across the life of the mine (LOM).<sup>12</sup> Over the total LOM (2027-2049), this equates to \$5.05 billion.
26. The export of Ilmenite will account for 59% of this figure, followed by Garnet (36%), Critical Minerals Concentrate (3%) and Zircon (2%).

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<sup>9</sup> StatsNZ. 2025. LEED dataset: 'Table 1.5: Main earnings source, by industry (ANZIC06)'. Accessed 12 February 2025.

<sup>10</sup> Barrytown is "confident that the majority of personnel can be found within commuting distance of the mine", p.24 of 2021 Application.

<sup>11</sup> Orecast, *ibid*. My analysis assumes an exchange rate of 0.65USD per NZD.

<sup>12</sup> Orecast, *ibid*. Production and hence export revenue is lower in earlier years (averaging \$94.5 million between 2027 and 2032) before ramping up between 2033 to 2049 (averaging \$269.4 million per year).



27. To provide a sense of context, the Grey District's total exports – including tourism – were \$208.7 million in 2025, and the West Coast region's exports were \$1.20 billion.<sup>13</sup>
28. That is, BMP would significantly boost West Coast regional export revenue by around 19.1% per year, and more than double (110%) the Grey District's current exports.<sup>14</sup>

**Direct GDP contribution of \$122.7 million per year**

29. The BMP operation would directly generate around \$122.7 million of additional GDP per year on average across its LOM.<sup>15</sup>
30. Across the 22 years' LOM, this equates to around \$2.7 billion of additional GDP for the region.
31. Current Grey District nominal GDP is \$1.13 billion and West Coast region GDP is \$2.82 billion.<sup>16</sup> The average annual GDP generated by BMP would therefore boost District GDP by around 10.8% per year, and West Coast regional GDP by 4.4%.

**\$1.0 billion of royalties and taxes over the life of the mine**

32. TCM will be required to pay royalties to the New Zealand government at a rate of 2.5% of net sales of the mineral obtained under the permit. Based on the applicant's revenue projections, these royalties will be on average around \$8.0 million per year across the LOM. This sums to \$175.6 million in total across the LOM.
33. It will also pay business tax averaging \$34.7 million per year across the LOM, or \$763.5 million across the LOM.
34. Income taxes paid by the 135 additional FTE workers at the mine will equate to around \$2.93 million per annum.<sup>17</sup> This equates to around \$64.4 million of additional income tax flowing into the government's coffers over the LOM.
35. This combined \$1.00 billion of royalties and tax income across the LOM (\$45.6 million per year on average) can be used by the government to deliver important, well-being-enhancing public services such as health, education, etc, or to fund infrastructure development.

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<sup>13</sup> Infometrics, *ibid*.

<sup>14</sup> This is the average export revenue per year across LOM as a share of current West Coast regional or Grey District exports.

<sup>15</sup> Calculated by multiplying gross revenue by the share of value added in gross output for the 'Metal ore and non-metallic minerals mining and quarrying' industry in StatsNZ's 2020 input output tables (the latest available).

<sup>16</sup> Infometrics, *ibid*.

<sup>17</sup> Using average salary estimates and the IRD income tax calculator <https://www.ird.govt.nz/income-tax/income-tax-for-individuals/how-income-is-taxed/work-out-tax-on-your-yearly-income>. The precise amount of income tax will depend on the distribution of TCM workers' salaries around the average used here, and hence which tax brackets they fall into, but this is a reasonable ballpark estimate.





45. But this is intentionally a straw man argument to illustrate the relativities between the gains from additional mining activity and potential loss of tourism revenue. No one is suggesting a 95% drop in tourism should or could happen. Tourism and mining can – and already do – co-exist on the West Coast.<sup>20</sup> There is no empirical evidence I can find to suggest tourists have been deterred from visiting the West Coast due to previous mining operations being consented and operating.

### **Concerns over rising rents or house prices**

46. As new economic opportunities are generated by BMP, this could lead to an increase in the local population. Some local residents may find this challenging, although others (e.g. local businesses) are more likely to enjoy having a larger customer base.

47. A potential concern for some as populations expand is that house prices and rents could increase as a result. I accept this is a possibility, although its impacts are likely to be largely distributional – for every home buyer there is a home seller, and for every renter there is a rental home owner.

48. I also note that the latest available housing affordability data<sup>21</sup> (to September 2025) from the Ministry of Housing and Urban Development finds:

- a. Rent affordability in the Grey District has not changed in the last year.
- b. It is 3% easier to afford a house deposit in the Grey District than a year ago.
- c. It is 30% more affordable to service a mortgage in the Grey District than a year ago.

49. This does not indicate a housing market that is currently under severe pressure. I would also expect that if prices and rents start to rise, this will be a signal for developers to accelerate the building of new dwellings to expand the housing supply. As such, any price rises that might be solely attributable to more workers entering the locality should be temporary and moderate.

### **Conclusion**

50. Based on the evidence available to me, my opinion is that BMP will support the development of strategically important natural resources and deliver a significant economic benefit to the Grey District and West Coast region.

51. It will:

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<sup>20</sup> See Development West Coast's [submission](#) on TiGa's 2023 resource consent application, which notes "As the Regional Tourism Organisation (RTO), DWC has carefully considered the potential impact of the TiGa mine on the visitor experience for the region. We see no negative impact to the experience or reputation of the region" (para 32).

<sup>21</sup> See <https://www.hud.govt.nz/stats-and-insights/local-housing-statistics/about-the-local-housing-statistics-dashboard#tabset> for more details on these measures, which take into account incomes, prices/rents and interest rates.



- a. Directly create 135 full time equivalent jobs (a 1.8% increase in jobs in Grey District).
  - b. Pay these direct workers around \$13.0 million per year, much of which will be spent in the local economy.
  - c. Support a further 189 jobs in the local economy through its \$76.7 million of non-wage operating expenditure and spending by its workers.
  - d. Generate average annual export revenue of \$230 million, or \$5.05 billion over the full lifetime of the mine. This will more than double the Grey District's current exports and boost the West Coast region's total exports by 19.1%.
  - e. Directly produce \$122.7 million of additional GDP per year on average over the life of the mine, or \$2.7 billion in total. This will lift District GDP by around 10.8% per year, and West Coast regional GDP by 4.4%.
  - f. Pay \$1.0 billion in royalties, company tax and income tax of its workers over its lifetime, or an average of \$45.6 million per year into the government's coffers.
52. I do not consider any economic costs to be material, relative to the economic benefits listed above.