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**Correnso Underground Mine**  
**Social Impact Assessment**  
Final Report

**Newmont Waihi Gold**



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## **Acknowledgements**

We would like to thank all individuals and organisations who provided their time, expertise and insights for this project.

## **Assumptions and Limitations**

The research relies in part on the accuracy of the data provided by participants and published sources. No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made, and the information and documentation provided by third parties. See Appendix C for full details of the methodology applied, including research limitations.

## **Third Party Reliance**

This report is provided to Newmont Waihi Gold to meet some of the requirements of the consent conditions in relation to Social Impact Assessment set out in the Environment Court of New Zealand's Correnso Underground Mine Conditions of Consent (2013). The report and original research informing it was prepared and undertaken for NWG. Banarra's engagement was neither planned nor conducted in contemplation of any third party using or relying on this report.

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## List of abbreviations and terms

Term	Description
AEP	Amenity Effect Programme. The AEP distributes payments from NWG for any reduction in amenity due to vibration generated by mining activities. NWG undertook this as a voluntary initiative in relation to its other mines, Martha, Trio and Favona, and it has become part of the consent conditions for Correnso.
CEPA	Correnso Extended Project Area
Differential Settlement	Differential or uneven settlement occurs when the soil beneath a structure cannot bear the weights imposed. The settlement of a structure is the amount that the structure will "sink" during and after construction.
HDC	Hauraki District Council
IRP	Independent Review Panel
NWG	Newmont Waihi Gold
POWER	Protection of Waihi Environment and Ratepayers Incorporated
SIA	Social Impact Assessment
SIMP	Social Impact Management Plan
Stope	An underground excavation made by removing ore from surrounding rock.
VWT	Vision Waihi Trust
WRC	Waikato Regional Council
WCF	Waihi Community Forum
WCV	Waihi Community Vision
WERGI	Waihi East Ratepayers Group Incorporated

## Executive Summary

Newmont Waihi Gold (NWG) commissioned Banarra to undertake a Social Impact Assessment (SIA) for the Correnso development, an underground mine being developed by NWG in the town of Waihi, New Zealand. The SIA was commissioned, in conjunction with a Social Impact Management Plan (SIMP), to meet a subset of the Correnso consent conditions issued by the New Zealand Environment Court on 18 October 2013.

The Correnso development is the latest in a series of mining operations developed and/or operated by NWG in Waihi. NWG has operated in Waihi since 2002 when it acquired the Martha pit site. Its other operations in the area consist of the Martha open cut mine, and the Trio and Favona underground mines. Martha is currently projected to continue until early 2016. Favona has recently finished production and Trio is to end in October 2014. Therefore Correnso signals the continuation of mining for Waihi, which would otherwise be preparing for closure and an end of the current era of mining in Waihi. In August 2014, final confirmation that the Correnso development was to proceed was provided by NWG's owner, Newmont Mining Corporation, during the final reporting stage of this SIA and after the consultation was complete. The uncertainty over funding arrangements influenced participants' responses during consultation, however, the findings within remain relevant.

A broad cross section of the community has an interest in, or may be affected by the Correnso development. To establish the potential impacts upon these stakeholders Banarra conducted the SIA using a multi-staged process including desktop analysis of media reports, previous SIAs, and documents relating to the consent process and regional social context, and consultation in May, June and July 2014. Engagement was carried out with local and regional stakeholders including affected and non-affected residents, businesses, schools and education groups, local Iwi representatives, local government and regulators, NWG staff and contractors, service providers, interest and advocacy groups. In total 124 people were engaged in the SIA process through interviews or focus groups, and 110 employee surveys were analysed. The SIA found that the Correnso development has the potential for both positive and negative social impacts. These were assessed and reported across six themes: economy; employment; property; community; health and wellbeing; and the future of Waihi and NWG legacy (Table 1).

*Table 1. Potential social impacts arising from the Correnso development*

Economy	Continued contribution to the economy by NWG.
	Continued financial reliance on NWG.
Employment	Continued provision of employment.
	Continued contribution to the economy by NWG's employees and contractors.
	Continued provision of training programmes.
Property	Structural property damage and reduced amenity.
	Changes in property values and market activity.
	Distribution of financial compensation.
Community	Continued investment in the community.
	Increased community division and dissention.
	Continued participation of NWG's employees and contractors in community life.
Health and	Uncertainty over future mining plans and financial stress relating to property.

Wellbeing	Anxiety regarding mining noise and vibration.
Future of Waihi and NWG Legacy	Continued environmental impacts including delay of the Martha pit rehabilitation.
	Delayed realisation of future economic opportunities as a result of reliance on mining.

The potential for positive social impact is largely associated with a continuation of the significant contributions that NWG makes to the economy and the community through employment, purchasing, social investment, payment of rates, taxes and royalties, and indirectly through the participation of employees and contractors in the community. Stakeholders largely viewed NWG's continued presence positively, particularly with regard to direct and indirect employment provision and continued contribution to the economy. Stakeholders identified multiple avenues through which to enhance the positive opportunities associated with NWG's presence, including improvements to training and education programmes, legacy and rehabilitation planning, and communications.

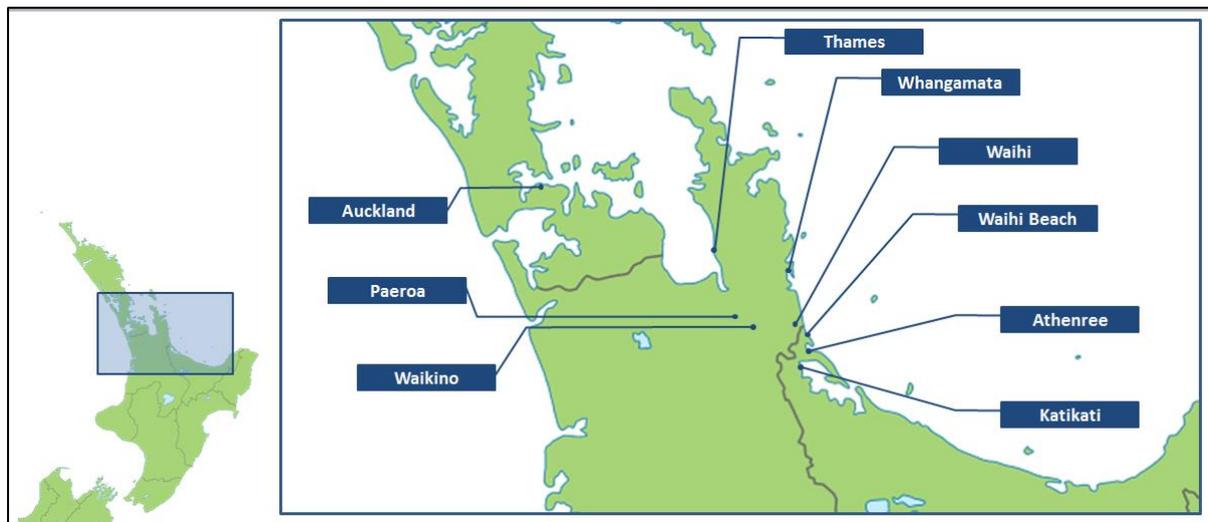
The potential negative impacts relate primarily to Waihi East, the largely residential area under which the mine is being developed. Residents held concerns about structural damage to their properties, reduced amenity, and an associated localised reduction in property prices and market activity. The preparation for the Correnso development has been a period of unsettlement for Waihi, and most particularly for residents of Waihi East. For instance, property prices have fluctuated, confidence in the ability to sell has waned, and divisions have been felt between those perceived to benefit from the development financially and those who may be negatively impacted. A subset of community members have experienced significant stress and anxiety related to the perceived physical impacts on property including blasting vibration. Whilst the Correnso consent conditions include significant requirements for avoiding, remediating and mitigating potential negative impacts, many community members were uncertain as to the effectiveness and fairness of the conditions. They were also uncertain as to the ability of the local regulator to hold NWG to account. Others felt that concerns were unwarranted and that they would attenuate as the Correnso development proceeds. Additionally, stakeholders noted that the approval of the Correnso development contributes to the continued reliance of the Waihi economy on mining and to a delay in rehabilitation of the Martha pit.

Overall, the potential benefits from the Correnso development, particularly to the local economy, are considerable and welcomed by the local and regional communities. However, the potential for negative impacts for Waihi East residents are notable and warrant careful monitoring and collaborative mitigation actions from NWG alongside the Hauraki District Council (the local regulator) and relevant stakeholder organisations. Mitigation actions developed in response to the SIA results are detailed in NWG's Social Impact Management Plan (SIMP), which is available separately.

## 1. Introduction

In April 2014, Banarra was commissioned by Newmont Waihi Gold (NWG) as independent specialists to undertake a Social Impact Assessment (SIA) for the Correnso development, an underground mine being developed by NWG in the town of Waihi, located on the east coast of the North Island of New Zealand (Figure 1).<sup>1</sup>

Figure 1. Map of Waihi and surrounding towns



The SIA was commissioned by NWG to meet aspects of the Correnso consent conditions issued by the New Zealand Environment Court on 18 October 2013 (Environment Court of New Zealand 2013).<sup>2</sup> The conditions required an SIA to be submitted to the Hauraki District Council (HDC), nine months after NWG gave notice that mining would commence.

This SIA Report (the Report) details the outcomes of the SIA, providing an analysis of the potential social impacts caused by the Correnso development. The Report also provides initial baseline information which will be used to develop a Social Impact Management Plan (SIMP) to be released after the completion of this SIA. The SIMP is also a requirement of the consent conditions.<sup>3</sup>

### 1.1 Waihi and the Correnso development

The Correnso development is the latest in a series of mining operations developed and/or operated by NWG in Waihi. NWG has operated in Waihi since 2002 when it acquired the Martha pit site; with its current operations in the area consisting of the Martha open cut mine, and the Trio and Favona underground mines. While the Report focuses on the Correnso development, the impacts and issues described below are experienced and reported within a broader historical context of mining occurring at the Martha pit site since the late 1800s.

<sup>1</sup> See Appendix A for details of Banarra's capabilities.

<sup>2</sup> For further detail, see the Consent Order, including Schedule A, Correnso Underground Mine Conditions of Consent (Environment Court of New Zealand 2013) available at: <ftp://www.waihigold.co.nz/httpdocs/pdf/Correnso%20Consent%20Conditions%20FINAL.pdf>. The Consent Order was given in accordance with the decision by the Independent Commissioners Hearing Panel.

<sup>3</sup> See Section 1.3 for further information on the SIA and SIMP process.

Production from the Correnso development is expected to begin in mid-2015, however, a significant amount of exploration and construction of underground infrastructure has already been undertaken, with the Exploration Development Drive completed in April 2014 (NWG 2014b).

NWG's operations are unique given their close proximity to the community of Waihi (see Appendix B). The Martha pit is located in the middle of town and the Correnso development will tunnel 220–300m under houses in Waihi East (NWG 2014e). Subsequently, NWG's mining and processing operations are highly visible, with areas of the community experiencing noise and vibration from mining activities. NWG has therefore been subject to a comprehensive set of consent conditions to limit and manage its impacts, including from noise, blasting and vibration, and potential changes in surface stability.

The conditions placed on Correnso were set out by the New Zealand Environment Court when it gave its consent in October 2013 (Environment Court of New Zealand 2013). NWG lodged its resource consent application with HDC in June 2012 and HDC appointed an Independent Commissioners Hearing Panel to hear the application and make a decision. The Commissioners granted consent in May 2013 for the Correnso development only (not the wider area that was originally applied for). The commissioners cited the following key factors in granting consent:

- 'the positive effects of the proposal are significant;
- The most significant adverse effect on amenity is vibration;
- The adverse effects of the proposal will be minor, other than in respect of the amenity effects caused by vibration, and the associated indirect effects of vibration, such as those on property values and social wellbeing;
- ....the adverse effects of the proposal will be avoided, remedied or mitigated, subject to the imposition of appropriate conditions' (Independent Commissioner's Hearing Panel 2013, p. 1).

The granting of consent by the commissioners followed a consultation process (further discussed in Chapter 5) in which 500 submissions were received (regarding consent for the whole Golden Link Project Area). Of these, 274 asserted support, 10 asserted support with modifications and 115 opposed NWG's plans (Independent Commissioner's Hearing Panel 2013, p. 500).<sup>4</sup>

According to the commissioners:

'the general tenor of the submissions in opposition is predominantly based on residential amenity effects (from blasting, noise and dust) and the associated effects on their health and wellbeing and property values with the submitters generally requesting the application be declined. A number of the submissions in opposition sought stringent conditions particularly on blasting should consent be granted and/or a reduced scale of the application based on the Correnso ore body' (Independent Commissioners' Hearing Panel 2013, p. 9).

Following consent by HDC five appeals to the decision (including one by NWG) were lodged with the Environment Court (Environment Court of New Zealand 2013, 2). These appeals were resolved through agreement between the parties, enabling the Court to grant consent in October 2013, subject to the conditions of consent.<sup>5</sup>

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<sup>4</sup> The Commissioners' complete findings can be viewed at <http://www.waihigold.co.nz/assets/media-releases/NWG-Commissioners-Decision-full-version.pdf>.

<sup>5</sup> The Environment Court's Conditions of Consent can be viewed at <http://www.waihigold.co.nz/pdf/Correnso%20Consent%20Conditions%20FINAL.pdf>.

## 1.2 Project objectives and scope

To meet the relevant aspects the Correnso consent conditions, this SIA sought to:<sup>6</sup>

- Identify the potential social impacts of the Correnso development (in combination with the other NWG mining projects operating in the area);
- Identify baseline information for the indicators in the Correnso Draft Social Impact Management Plan (Draft SIMP);<sup>7</sup> and
- Test and improve the indicators themselves.

The SIA has been drafted to be read in conjunction with the SIMP, which provides an updateable framework for managing the social impacts identified in this Report. The Report does not include baseline data for all indicators of the Draft SIMP as these have not yet been finalised. Together, the SIMP and SIA will meet section 41b of the conditions.

The SIMP will be used by NWG to manage key social impacts of the development. It will be updated annually for the life of Correnso and will be made publically available. The Draft SIMP, submitted to HDC in February 2014, has enabled NWG to begin establishing its management practices for the social impacts of Correnso. This SIA has allowed for testing of the Draft SIMP content through the collection of stakeholder views on the Correnso development, as well as some specific feedback sessions. This will inform the upcoming review and finalisation of the SIMP prior to its public release.

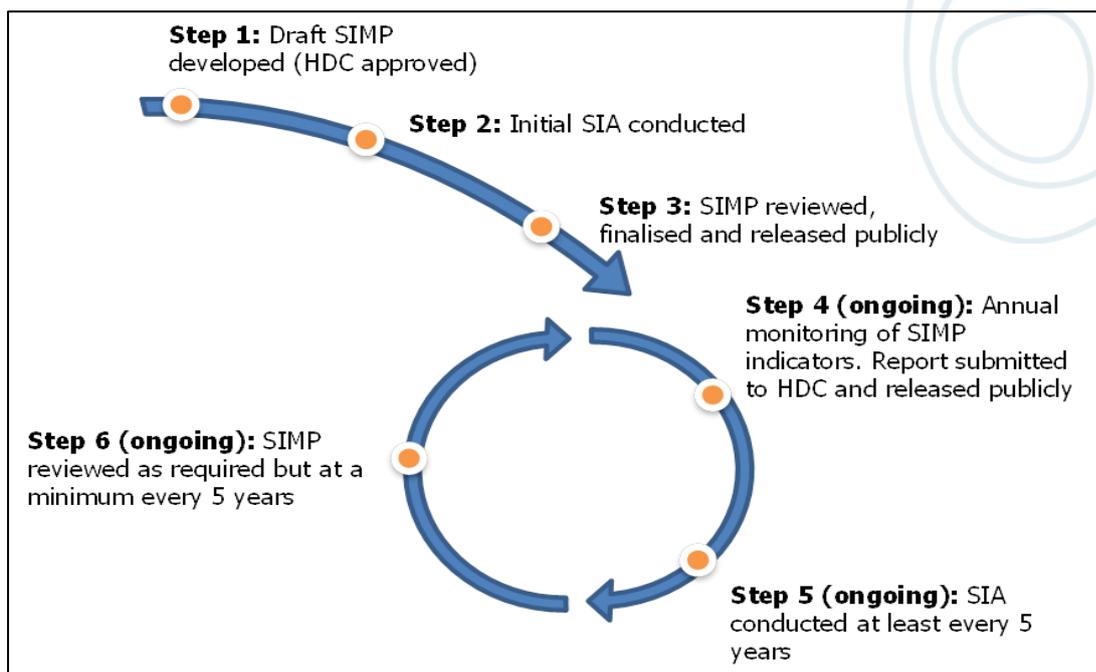
The iterative nature of the SIMP and SIA's development is outlined in Figure 2 below.

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<sup>6</sup> Section 41b of the consent conditions specifies that: 'An initial SIA is to be undertaken by the independent SIA specialist once the SIMP is approved by the Council, to provide baseline figures for the agreed indicators' (Environment Court of New Zealand 2013).

<sup>7</sup> Section 39 of the consent conditions requires the preparation of a SIMP 'to provide an updateable framework to identify, assess, monitor, manage and re-assess the social effects (positive and negative) of the Correnso Underground Mine in combination with the other Newmont Waihi Gold (NWG) mining projects operating in the area, on the community, and also an annual report on the outcomes of this work' (Environment Court of New Zealand 2013).

Figure 2. The SIMP/SIA process



In preparation for the first round of SIMP reporting, this SIA has undertaken a review of available information from NWG on the proposed performance indicators. Where NWG held data of relevance to this SIA, it has been integrated and referenced throughout the Report.

## Scope

The scope of the SIA was agreed between NWG and Banarra to ensure it delivered NWG's primary objective of meeting the consent conditions, within a limited timeframe.

The scope of the SIA was limited to an assessment of the potential impacts of the Correnso development, but took into account NWG's other operations. Participants' views were informed by experiences relating to other aspects of NWG's existing operations such as the Martha, Trio or Favona mines (see Appendix B). The SIA therefore considered these operations to the extent that they related to participants' experiences or concerns about the Correnso development.<sup>8</sup> In conducting the SIA, Banarra considered NWG actions, management activities, indicators and baseline information related to Correnso, which includes its development and operation, but not closure.

## 1.3 Overview of SIA methodology

Banarra conducted the SIA using a four-stage process:

- Project start up and scoping: Review of background documents, preparation of stakeholder lists, templates and project plan;
- Consultation: Baseline data collection and consultation through interviews, focus groups and surveys;
- Analysis: Analysis of qualitative and quantitative data collected to establish baseline figures for SIMP indicators and establish the most significant potential social impacts of the Correnso development; and

<sup>8</sup> A separate SIA was released in 2013 and covered all NWG operations (see JKTech 2013).

- Reporting: Designing and writing the Report.

Throughout the SIA, Banarra undertook a thematic analysis drawing on the consultation results and desktop research of available documentation relating to the social impacts of the Correnso development. Sources included the consent conditions, consent hearing submissions and appeals, media reports and economic and social reports commissioned by NWG and HDC including previous SIAs. The initial scope of the identified impacts was also largely informed by the Draft SIMP upon which this SIA methodology was developed and refined throughout the project. The output of the analysis was the identification of the most significant potential social impacts of the Correnso development.<sup>9</sup> The findings of this Report provide detail of those impacts. The project was not scoped, nor did it seek to deliver a risk analysis of the consequence or likelihood of potential impacts nor extensive comparative analysis.

## **SIA consultation**

Banarra worked with NWG to identify relevant stakeholder groups to participate in the SIA. Individual participants were identified through consultation with NWG, with Waihi residents identified via a random selection of addresses. Additional participants were engaged during the consultation process as gaps were identified or where interview participants recommended others in the community to be consulted.

Consultation was conducted in May, June and July 2014 to seek participants' views on the potential impacts associated with the Correnso development. Banarra used a combination of face-to-face interviews, telephone interviews and targeted focus groups to help ensure that a wide cross section of people were consulted from all stakeholder groups. A one-page survey (referred to in the Report as the Stakeholder Survey) was answered by a subset of those who participated in an interview or focus group.<sup>10</sup> An additional survey for NWG employees and contractors<sup>11</sup> (referred to in the Report as the Employee Survey) was distributed for voluntary participation in June 2014. Overall, 124 people were engaged in the SIA process through an interview or focus group, and 110 Employee Surveys were analysed.<sup>12</sup> Those who participated in the SIA were assigned to one of 11 stakeholder groups: advocacy groups; affected residents (in Waihi East), businesses, schools and education groups, general Waihi East residents, interest groups, local Iwi representatives,<sup>13</sup> local government and regulators, other Waihi residents, NWG staff and contractors, and service providers. Broader stakeholder groups have been used when attributing quotations from interviews in order to retain stakeholder anonymity.

## **Key limitations**

At the time of Banarra's consultation, the Correnso development had received approval from the District and Regional Councils but had not yet received final funding approval from Newmont Mining

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<sup>9</sup> For further information on Banarra's significance criteria, see Appendix B.

<sup>10</sup> 66 surveys were received and analysed from the 124 people engaged. Some participants chose not to complete the survey. The results of this survey are provided for additional context against the SIA findings, but it should be noted that due to the smaller sample size and quantitative nature of responses analysis is limited.

<sup>11</sup> In the Report the term 'contractors' refers to personnel employed by contracting businesses to work at NWG operations.

<sup>12</sup> Some survey participants did not answer all the survey questions. The number of respondents is detailed alongside all figures in the Report.

<sup>13</sup> Local Iwi representatives were engaged to seek views pertinent to the potential social impacts identified in initial scoping, see Chapter 7 for a discussion of Iwi views. Further engagement with a broader range of Iwi stakeholders was not conducted as part of this SIA.

Corporation, the owner of NWG. The uncertainty over the Correnso development's funding arrangements influenced participants' responses during consultation and this was expressed during the SIA interviews. Newmont Mining Corporation provided funding approval for the Correnso development on 1 August 2014, during the reporting stage of this SIA. In order to meet the SIA timelines, stipulated in the consent conditions, there was insufficient time to review participants' views regarding the impacts of Correnso and the future of mining in Waihi in light of Newmont Mining Corporation's funding approval. However, in Banarra's view, the SIA findings largely remain relevant and where funding approval by Newmont Mining Corporation may have altered conclusions this is noted throughout the Report.

Further detail on the methodology is provided in Appendix C.

## **1.4 Structure of the Report**

The Report includes seven chapters which analyse stakeholder feedback and the most significant potential social impacts of the Correnso development:

- Chapter 2: Economy
- Chapter 3: Employment
- Chapter 4: Property
- Chapter 5: Community
- Chapter 6: Health and wellbeing
- Chapter 7: Future of Waihi and NWG legacy
- Chapter 8: Other recurring themes, focusing on communication and governance

Each chapter includes contextual details including baseline data and a discussion of the issues associated with the impact area; drawing on interview, focus group and survey data.

The Report is also supported by the following appendices:

- Appendix A: About Banarra – an overview of the SIA team and capabilities
- Appendix B: Map of NWG operations in Waihi
- Appendix C: Methodology and consultation summary – further explanation of the methodology used to conduct the SIA including the engagement process
- Appendix D: Impacts register – an overview of all social impacts identified through consultation
- Appendix E: SIA alignment with consent conditions – an explanation of how the SIA meets the Correnso consent conditions

## 2. Economy

This chapter reviews NWG's current position in the economy, and considers the potential social impacts from the Correnso development, including discussion of participants' views of the impact that NWG's operations have on the local, district and national economy.

### 2.1 Context and background

Waihi developed as a prosperous mining town after the discovery of gold in 1878 and the subsequent development of the underground Martha mine. When Martha mine closed in 1952, fears that Waihi would become a 'ghost town' did not eventuate as a number of industries gained prominence including dairy farming, sawmilling, and manufacturing. Further change occurred in 1986 with the closure of an electronics manufacturing factory, shortly after which the Martha mine reopened in 1988 as an open cut mine, heralding a new era of mining for Waihi. In 2002, when Newmont Mining Corporation took over Normandy Mining it acquired the Martha pit site and in 2004 renamed the company 'Newmont Waihi Gold'. In addition to mining, other primary industries in the district currently include agriculture and horticulture, and Waihi is one of several key service centres in the area due to its central location, closeness to the beach and variety of businesses and services.

NWG has a policy of supporting local businesses, which means it 'will procure from local vendors where goods, services, [and] costs are available and acceptable' (Data provided by NWG 2014). The extent to which NWG can support local businesses is limited by the availability of the products it needs, for example, some materials must be sourced from New Zealand's larger centres or internationally. Other considerations include the price of the material from alternate suppliers and the associated price of transportation.

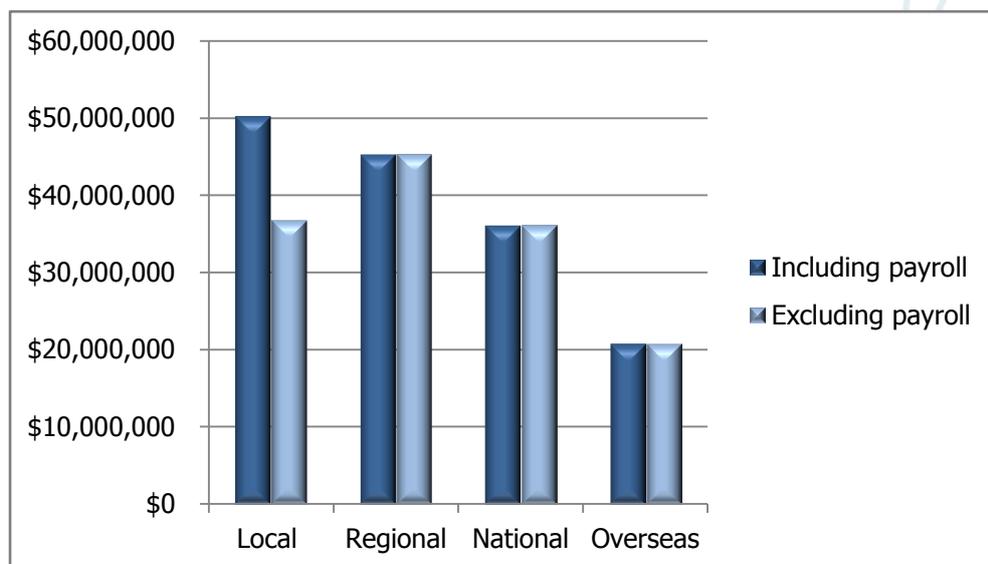
In 2013, NWG's total expenditure,<sup>14</sup> including payroll was NZ\$152,272,239 of which: 33% occurred locally, defined as including Waihi, Waihi Beach, Paeroa, Katikati and Whangamata; 30% occurred regionally, defined as the remainder of the Waikato and Bay of Plenty; 24% occurred in the remainder of New Zealand; and 14% occurred overseas (Data provided by NWG 2014) (see Figure 3).

Larger business expenses involve a tendering process, generally involving national or international vendors, however, a local vendor, Safe n Sound Security, recently participated successfully in an open tender for security services (Data provided by NWG 2014) and NWG has local contracting arrangements with local businesses including those who carry out engineering services and vehicle maintenance.

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<sup>14</sup> The figure includes all expenditures including procurement, payroll, tax and royalties at applicable scales.

Figure 3. NWG Expenditure (\$NZ) (Data provided by NWG 2014)



Of the total expenditure in 2013 detailed above, NWG paid NZ\$2.094 million in royalties to the New Zealand Government (Data provided by NWG 2014), and NWG forecasts that total royalty payments for production from the Correnso development to the New Zealand Government, over its life, will be in the vicinity of NZ\$8.5 million (Data provided by NWG 2014).<sup>15</sup> Expenditure to local and regional government in 2013/14 included NZ\$575,700 in local authority rates and NZ\$41,600 in regional rates. Wheeler noted that 'it is expected that similar orders of magnitude payments will be made over the life of Correnso' (2012, p. 14).<sup>16</sup>

## 2.2 SIA findings

The SIA of the Correnso development has found that, in the area of the economy, the potential social impacts are:

- Continued contribution to the economy by NWG; and
- Continued financial reliance on NWG.

While these issues are both historical and general to all of NWG's operations, participants associated them with the Correnso development, considering it as being crucial to the continued presence of NWG.

### Continued contribution to the economy by NWG

NWG contributes significantly to the Waihi and Hauraki District economies through the use of local suppliers and contractors, payment of rates, the expenditure of wages by NWG's employees and contractors (discussed in Chapter 3: Employment), the support the company provides to schools, sporting groups and other community organisations (discussed in Chapter 5: Community), and the contribution that mining-based tourism has on the economy.

The majority of those consulted felt that NWG has a positive impact on the Waihi economy. This perspective was common to almost all participants, including those who voiced concerns about the

<sup>15</sup> Forecast to the end of quarter 2, 2017.

<sup>16</sup> Wheeler's review considered payments in 2011 which are comparable to 2013/14 figures.

negative impacts of the Correnso development on their property or health and wellbeing. Participants drew on common positive examples including the large number of services available in the town, the lack of empty shops and the attractive streetscapes. Waihi was often compared to the nearby town of Paeroa, which was perceived as having more empty shops and a less attractive streetscape. Participants also consistently commented positively on the support that NWG gives to local businesses. In particular, members of the local workforce and business owners noted that the company promotes the importance of prioritising local suppliers where possible, while noting that NWG also needs to consider the availability, quality and cost of products and services when selecting suppliers.

Participants across all stakeholder groups, however, qualified positive comments on NWG's overall economic benefits to Waihi by discussing factors limiting these benefits. This was more common amongst residents who had been negatively affected by NWG's operations, particularly those living in Waihi East. A property owner living in Waihi East, for example, explained that while the town as a whole benefitted from NWG's operations, he believed that the value of his house had been reduced as a result of the Correnso development, leading him to wonder "*why should I pay for everyone else's gain?*" (SIA interviewee, Waihi East resident).

Some participants commented on Waihi's high deprivation index (as discussed in Chapter 5: Community) suggesting it indicates that NWG is not benefitting the town as a whole. Others, however, felt that this instead related to the position of the boundaries used in the deprivation analysis, which are not consistent with the area of NWG's economic impact. In particular, participants cited that Waihi Beach, associated with a higher socio economic status, is not included within the area.

A number of residents of Waihi town itself were keen for Waihi to receive a greater proportion of economic benefits from NWG, as opposed to the wider district, region and nation. This was discussed with reference to employment, procurement of goods and services, and the use of taxes and royalties paid by NWG, although distribution of the latter is not controlled by NWG. For those participants, the term 'local' meant Waihi town itself.<sup>17</sup> NWG uses a broader definition and refers to 'local' in this context as Waihi and surrounding towns such as Waihi Beach, Paeroa, Katikati and Whangamata; all within a half hour drive of Waihi. A factor associated with NWG's operations is the contribution that mining-based-tourism makes to Waihi, particularly in relation to Martha pit. The importance of gold mining to the town is clearly evident to visitors, with the use of old mining materials and equipment in the streetscape, statues of gold miners outside the Memorial Hall and flags along the main street that say 'Waihi New Zealand's Heart of Gold'. Participants were mostly very positive about NWG's contribution in this regard, citing examples such as the construction of the pit rim walkway and a replica of Poppet Head tower, and the relocation of the Cornish Pumphouse.

### **Continued financial reliance on NWG**

NWG's long association with Waihi was viewed by some as having led to a reliance on the company by local businesses, service providers and community groups. Some participants raised concerns about their resilience and opportunities for future success when mining operations cease. Participants

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<sup>17</sup> Participants' use of the word 'local' with reference to economic benefits varied in its scope, sometimes referring specifically to Waihi and other times including surrounding towns such as Waihi Beach, Paeroa, and Athenree, with several participants extending their definition of 'local' to include the Coromandel, and New Zealand as a whole. In general, residents of Waihi who did not work for or with NWG were more likely to refer to the local economy as being specific to Waihi, while those working for or with NWG were more likely to view the local economy as including nearby towns.

noted that while Waihi currently has a greater range of services than similar size towns, this was largely due to the presence of NWG and these service providers may find it difficult to survive post-mining. Views, however, were mixed. Those who expressed concerns that Waihi would become a 'ghost town' without mining included employees and some residents. Others believed that the community would adjust to the change after some decline in the economy and employment. The latter views were held predominantly by business owners, those involved in the HDC, Waihi Community Forum (WCF), and/or Waihi Community Vision (WCV), and residents who were keen for mining to cease.

Many participants felt certain that mining would continue for the foreseeable future and were therefore unconcerned by any perceived dependence of Waihi on the mining industry. Potential social impacts associated with the future closure of mining in Waihi are considered further in Chapter 7: Future of Waihi and NWG Legacy.

### **Summary of findings**

In summary, NWG significantly contributes to the economy of Waihi and the district due to its support of local suppliers and contractors, and payment of rates. While a subset of participants felt confident that the economy will adjust when mining ceases, the analysis found a strong perception of reliance. In addition to the continued reliance, the SIA found that Correnso has the potential for positive social impact by allowing for the continuation of current economic benefits from mining.

### 3. Employment

This chapter considers the role of NWG in providing direct and indirect employment in Waihi and the district, the subsequent expenditure of employees' wages, and the extent to which NWG facilitates training and employment opportunities. It also presents the potential impacts of the Correnso development on employment and flow-on benefits. There is a close connection between NWG's influence on employment and the economy, as detailed in the previous chapter.

#### 3.1 Context and background

Key employment, income and qualification indicators demonstrate that the Waihi population is disadvantaged when compared to the broader Hauraki and New Zealand populations. The 2013 census demonstrates, for instance, that the unemployment rate in Waihi was almost twice the national average (Table 2); the median wage was almost one third lower than the national average (Table 3); and the proportion of the population with a bachelor's degree or higher was less than half the national rate, but similar to Hauraki<sup>18</sup> (Table 4).

*Table 2. Select employment statistics for persons aged 15 years and over in Waihi, Hauraki District and New Zealand (Statistics New Zealand 2013 a,b,c)*

Employment metric	Waihi	Hauraki	New Zealand <sup>19</sup>
Paid employees (year ended February 2013)	1,640	5,600	-
Unemployment rate	13%	9%	7%
Most common occupational group	Labourers	Managers	Professionals

*Table 3. Select income statistics for persons aged 15 years and over in Waihi, Hauraki District and New Zealand (Statistics New Zealand 2013 a,b,c)*

Income metric	Waihi	Hauraki	New Zealand
Median income	NZ\$19,600	NZ\$23,100	NZ\$28,500
Population with annual income of NZ\$20,000 or less	52%	44%	38%
Population with annual income greater than NZ\$50,000	12%	18%	27%

*Table 4. Select qualification statistics for persons aged 15 years and over in Waihi, Hauraki District and New Zealand (Statistics New Zealand 2013 a,b,c)*

Qualifications metric	Waihi	Hauraki	New Zealand
Population with a formal qualification	63%	65%	79%
Population with a bachelor's degree or higher as their highest qualification	6.7%	7.4%	20%

NWG currently employs 112 people directly, while also working with a range of contractors who employ 263 additional personnel (Data provided by NWG 2014). See Table 5 below.

<sup>18</sup> This figure may, in part, reflect the age demographics of Waihi, as discussed in Section 5.1 of the Report.

<sup>19</sup> Employment figures for New Zealand are excluded due to lack of relevance to the Report.

Table 5. Number of employees by company (Data provided by NWG 2014)

Company	Number of employees
NWG	112
Macmahon	78
Leighton	96
Boart Longyear	40
Other	49
Total	375

NWG has a policy of employing locals, where more than one suitable applicant is identified for a position (NWG 2014c). NWG's 'Recruitment and Selection Standard Operating Procedure' (February 2014, p. 1) states that:

'All reasonable steps will be made to ensure that suitable local resources are considered equally against other applicants. Should, after full consideration of applications / resources, more than one suitable source is identified, preference shall be given to local applications/resources'.

As mentioned in the previous chapter, NWG defines local employees as those living in Waihi, Waihi Beach, Paeroa, Katikati and Whangamata. Some Waihi residents, however, disagree with this definition, viewing the term 'local' as only referring to those who live in Waihi.

Of the 112 people employed directly by NWG, 99 (88.4%)<sup>20</sup> live locally (Data provide by NWG 2014). This figure exceeds NWG's target of 70% local direct employment (NWG 2014c). A further breakdown of employees' location of residence is provided in Table 6.

Table 6. Employees' location of residence (Data provided by NWG 2014)

NWG employees' location of residence		Percentage of employees <sup>21</sup>
Local	Waihi, including Waikino	37.5%
	Waihi Beach, including Athenree	36.6%
	Katikati, Paeroa and Whangamata	14.3%
	Total	88.4%
Non-local	New Zealand	9.8%
	Australia	0.9%
	Total	10.7%

<sup>20</sup> According to NWG's definition of 'local'.

<sup>21</sup> The figures in Table 6 do not add to 100% as only 111 employees' locations of residents were provided, with additional influence due to the effect of rounding the percentage figures.

The Employee Survey asked participants to indicate where they live, and was answered by 96 contractors, the majority of whom live within the local area including 42 (44%) who live in Waihi. A further breakdown of contractors' location of residence is provided in Table 7.<sup>22</sup>

*Table 7. Contractors' location of residence (n=96) (Employee Survey)*

Contractors' location of residence	Percentage of contractors
Waihi, including Waikino	50%
Waihi Beach, including Athenree	19.8%
Katikati, Paeroa and Whangamata	10.4%
Other <sup>23</sup>	19.8%
Total	100%

NWG records indicators of employee diversity, including employment by gender and whether employees identify as being of Māori decent. These figures are presented in Table 8 for NWG and two of NWG's contractors, Macmahon and Leighton, who employ the highest number of indirect employees.

*Table 8. Diversity of NWG, Macmahon and Leighton staff (Data provided by NWG 2014)*

Company	Male	Female	Māori Decent
NWG <sup>24</sup>	78%	22%	14%
Macmahon	96%	4%	45%
Leighton	96%	4%	27%
Total	89%	11%	27%

Census statistics do not list mining as one of the five major industries by employee count in Waihi, however, the employment figures provided by NWG (2014) and indicated in the Employee Survey suggest it is a major employer in the town and district. A proportion of mining jobs may therefore be classified into other types of employment areas, such as construction and science, a suggestion also made in previous SIAs (CSRM 2009; JKTech 2013).

### 3.2 SIA findings

The SIA of the Correnso development has found that, in the area of employment, the potential social impacts are:

<sup>22</sup> Survey responses indicated that at least 69% of the contractors live in the local area, as defined by NWG. The survey, however, only asked whether participants lived in Waihi East, Waihi West, Waihi Beach, or 'other' places, and some participants who indicated they lived in the 'other' category did not name the town in which they live.

<sup>23</sup> Note that 'Other' may include contractors who live in Waikino, Athenree, Katikati, Paeroa or Whangamata, as some contractors who ticked 'other' (i.e. not living in Waihi or Waihi Beach) did not provide further detail as to which town they live in/near.

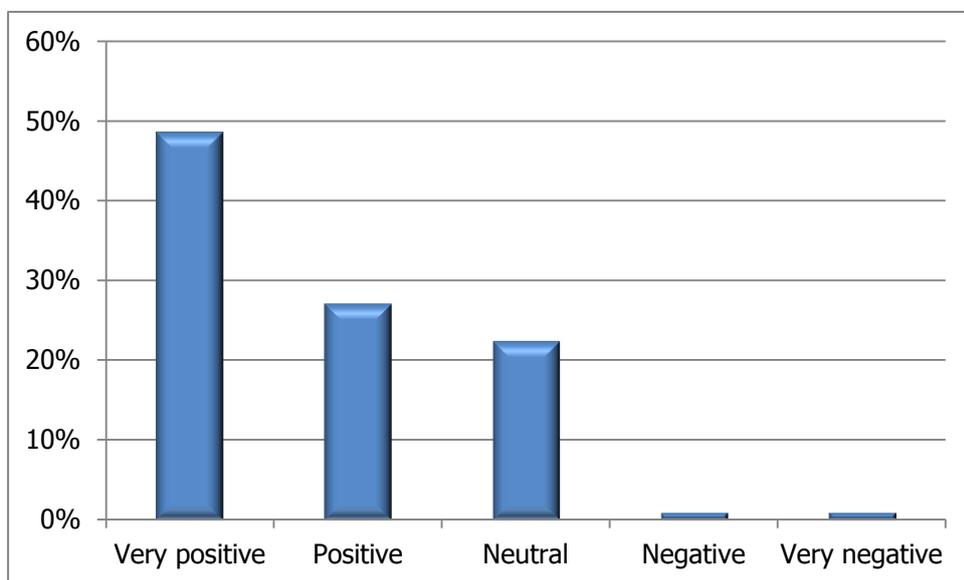
<sup>24</sup> Based on a total of 114 employees at the time of data provision.

- Continued provision of employment;
- Continued contribution to the economy by NWG's employees and contractors; and
- Continued provision of training programmes.

## Continued provision of employment

There is a strong link perceived by residents between the approval and development of Correnso, and continued employment. The Employee Survey indicated that 75% of employees and contractors feel that the Correnso development will have a 'very positive' or 'positive' effect on direct and indirect employment at NWG (Figure 4). As noted earlier, NWG is considered to be a significant employer in Waihi, and therefore continued employment was frequently discussed throughout consultation as a positive outcome from the Correnso development, as was the associated avoidance of potential loss of Waihi residents associated with job losses if mining was to cease in Waihi. This is further explored in Chapter 7.

Figure 4. Employee Survey responses: To what extent do you think the Correnso development will affect employment, both direct and indirect, at NWG? (n=107)



Participants held mixed views with regard to whether the Correnso development would provide additional jobs or simply maintain the current level of employment. Information provided by NWG indicates that the development will maintain current employment levels rather than increasing them (Data provided by NWG 2014).

Regardless of participants' views as to the impact that the Correnso development would have on employment if approved, there was a consistent perception that if Correnso did not go ahead there would be job losses (although it was recognised that some jobs such as those involved in rehabilitation would continue for a longer time).

## Continued contribution to the economy by NWG's employees and contractors

In addition to the value of employment to individuals and their families, stakeholders raised the positive economic impacts of this employment on the local and district economy. A proportion of wages paid to NWG's employees and contractors is spent in Waihi, thus contributing to its economy, regardless of whether the employee or contractor lives in Waihi. This was primarily articulated as a benefit of continued operations, with participants anticipating closure if Correnso was not approved. An employee who lived in Waihi Beach, for example, explained that, "half the people I work with go

*and get lunch in town, you've got 300 people here who grab a coffee in the morning too – I can't imagine what would happen if it shut down"* (SIA interviewee, Local workforce and business owners).

Notably, those who worried about the future of their job also reflected on how this may affect the community. One stakeholder commented that, *"there are a lot of other businesses that feed off the mine and feed off the workers. [If Correnso does not go ahead] all the miners and their families will leave and it'll just be one of those little towns that you drive through to get to somewhere else"* (SIA interviewee, Local workforce and business owners).

While NWG's role as an employer was viewed by most participants as being significant for Waihi, some participants, particularly those living in Waihi who felt they were negatively affected by the operations (e.g., by stress related to property values), expressed concern that the majority of NWG employees did not live in Waihi, thus reducing the extent to which their wages supported the Waihi economy. The figures provided by NWG (2014) and via the Employee Survey suggest, however, that there are a significant number of direct and indirect employees who live locally and could be assumed to contribute regularly to the Waihi economy.

### **Continued provision of training programmes**

NWG provides training to its employees as necessary and also supports graduates through its graduate programme. These two measures provide opportunities for both skilled and unskilled workers to progress their employment and training prospects, although NWG employees suggested that the low turnover rate limits the speed at which employees can advance their career through the company.

During consultation, some SIA participants commented that they would like to see NWG focus future training opportunities on students, graduates and unskilled residents from the local area, with a view to providing full-time employment at NWG, or to more broadly contribute to improving local skills as a community development initiative. These differing views suggest that, while there is scope for further opportunities, the extent of current training opportunities provided by NWG may not be well known by community members.

### **Summary of findings**

In summary, NWG is an important employer at both the Waihi and district level, and the Correnso development's key potential benefit is therefore the continued employment opportunities it brings, the associated continued contribution of employees to the Waihi economy and the potential for additional or improved training opportunities.

## 4. Property

This chapter provides an overview of the residential property market and recent trends in Waihi alongside the potential social impacts of Correnso that relate to property.

### 4.1 Context and background

The 2013 New Zealand Census<sup>25</sup> found 2,268 private residential dwellings in Waihi, which is about one quarter of those in the Hauraki District as a whole as shown in Table 9. There was a slightly higher rate of occupation in Waihi than in Hauraki.

*Table 9. Dwelling statistics for Waihi and Hauraki District (Statistics New Zealand 2013 a,c)*

	Waihi		Hauraki	
Occupied private dwellings	2,019	89%	7,443	85%
Unoccupied private dwellings	249	11%	1,308	15%
Total dwellings	2,268	100%	8,751	100%

Rates of home ownership in Waihi (64%) and Hauraki District (65%) are the same or very close to New Zealand as a whole (65%) (Statistics New Zealand 2013 a,b,c). The Employee Survey undertaken in June 2014 suggests that rates of home ownership are similar amongst NWG employees. 58% of respondents said they are owner-occupiers, with 42% renting (n=107).

Renting a home is marginally more expensive in Waihi than Hauraki District, but lower than the national median, as shown in Table 10.

*Table 10. Median weekly rents for Waihi, Hauraki District and New Zealand (Statistics New Zealand 2013 a,b,c)*

	Waihi	Hauraki	New Zealand
Median weekly rent	NZ\$230	NZ\$210	NZ\$280

In New Zealand as a whole, average property values increased by 20% over the 3 years from June 2011 (shortly before the August 2011 Correnso announcement) to June 2014 (QV.co.nz 2014b). Across the country there was a great range of movement in the three years, from an increase of 45% in South Auckland to a decrease of 15% in Waitomo. In the Hauraki District as a whole, prices stayed still across the period (QV.co.nz 2014b).

Within the Hauraki District, current median prices and market activity vary significantly. During March to May 2014, the median sale price for Waihi is at the lower end of the range within the Hauraki District at NZ\$185,000, whilst the number of sales, 17, is at the higher end (QV.co.nz 2014a).

As a significant business, employer and property owner in Waihi, NWG's overall activities undoubtedly have an influence on the Waihi property market generally. Directly, NWG owns, buys and sells property, and indirectly NWG influences the market through employment and purchasing.

<sup>25</sup> Conducted on 5 March 2013.

## Owning, buying and selling property

NWG's portfolio consists of 216 assets in and around Waihi including 78 residential properties, 59 sections of land, 5 commercial properties and 66 unusable properties in the subsidence zone (Data provided by NWG 2014). The remaining comprise of the mill, tailings storage facilities, underground portal and a proportion of the open pit.<sup>26</sup> NWG owns 3% of Waihi's total residential properties (private dwellings), 22 of which are in the CEPA.

Some participants felt that NWG has a moral responsibility to pay above market value for property, and to sell below market value, due to its privileged position. Others take the opposing view that such behaviour is undesirable and artificially inflates or deflates the market at the micro-level.

Some participants pointed out that NWG needs to take care in the management of its housing stock and particularly the impacts of selling to avoid flooding the market and creating a strong downward pressure on prices. NWG has committed to begin developing a Property Divestment Strategy in August 2014 including an objective to pre-empt and mitigate any such effects.

## Indirect market influences

NWG, together with its major contractors, employs 375 people who own and rent homes for themselves and their families within commuting distance of the mine. These homes will be paid for largely or entirely with salaries and wages that ultimately come from NWG. Likewise NWG's suppliers provide significant local employment and those employees will be renting and buying homes too. Participants generally acknowledged that in this way NWG influences the buoyancy of the residential property market. As noted in the employment chapter, of NWG's direct employees, more than one third live in Waihi and Waikino, and again more than a third in Waihi Beach and Athenree.<sup>27</sup>

## Waihi East

The Correnso development will be tunnelling directly underneath Waihi East residences and in close proximity to the Waihi East Primary School and adjacent to a kindergarten and nearby day care centres. NWG first announced it would seek consent to mine under Waihi East in August 2011 and the final approval from the mine's owners was confirmed in August 2014, three years later.

Since the announcement of the Correnso development, there has been intense scrutiny on the impacts on property values in Waihi East. The Commissioners, appointed by the District Council, who heard the necessary land use application acknowledged that a 'short to medium devaluation' in house prices would have a significant negative impact on some residents who wish to move on in the immediate term. However the Commissioners also accepted evidence from experts who predicted that 'downward movement in pricing in Waihi East will correct itself once Correnso is established and the period of uncertainty has ended' and that 'the economic impact of mining ceasing at Waihi would have an even more marked effect on the value of houses' (Independent Commissioner's Hearing Panel 2013, pp. 37-38). Some affected residents are happy to wait and see, whilst other residents remain doubtful.

Property valuation specialists TelferYoung provide summaries and commentary on market activity to NWG. They do point out that care should be taken in interpretation as the volume of sales activity means that single sales could unduly influence averages.<sup>28</sup> The latest report shows that prices and

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<sup>26</sup> Much of the pit is owned by Land Information New Zealand (LINZ), with NWG owning a smaller proportion.

<sup>27</sup> Data for contractors is currently unavailable; however NWG is seeking to obtain this in the future.

<sup>28</sup> Letter to Newmont Waihi Gold, 8 November 2013 from TelferYoung, provided by NWG 2014.

market activity in Waihi West and Waihi East have fluctuated significantly between 2008 and 2013. Data for the past three years is shown in Table 11.<sup>29</sup>

*Table 11. Waihi market activity January 2011 to December 2013<sup>30</sup> (Data provided by NWG 2014 and TelferYoung 2013)*

Sale Period	Total No. Sales	Waihi East Sales	Waihi East as % of total	Waihi Overall Average Sale Price	Waihi West Average Sale Price	Waihi East Average Sale Price
Jan – Jun 2011	19	8	42.1%	\$225,237	\$252,438	\$224,875
Jul – Dec 2011	29	4	13.8%	\$197,900	\$222,000	\$230,625
Jan – Jun 2012	27	4	14.8%	\$200,759	\$184,192	\$221,625
Jul – Dec 2012	41	14	34.1%	\$216,195	\$228,667	\$219,143
Jan – Jun 2013	57	15	26.3%	\$210,386	\$220,132	\$247,367
Jul – Dec 2013	41	9	21.9%	\$211,805	\$231,409	\$173,444

NWG has committed to continually track and reassess this issue, and it has a number of property support programmes designed to mitigate specific impacts on affected residents.

Top Up is a programme whereby NWG can add to a property purchase price in order to secure a sale and ensure the value of properties located in the Martha top-up area and the Golden Link Project Area (Waihi East) (NWG 2014d). From its inception in 2012 until the end of June 2014, 72 applications were received, 61 approved and 46 properties settled (Data provided by NWG 2014).<sup>31</sup> Top Up is not part of the consent conditions however NWG has indicated intent to continue the programme until April 2016 (Data provided by NWG 2014).

Conditions 46 and 47 of the consent conditions delineate a detailed Property Programme that allows for ex-gratia payments at 5% of the property's value for residential properties that lie directly over mine development. Where a property lies above a planned stope, NWG will offer to purchase the property outright. However if the property owners prefer to stay they will be offered an ex gratia payment with the option of NWG purchasing the home at any time during the life of the mine. Should owners choose to sell their property to NWG they also have the option to rent the property back.

Condition 61 of the consent conditions describes a NZ\$4,000,000 fund for the purchase of residential properties that are not positioned directly over planned stopes but are in proximity to mining operations. This fund is administered through the WCF which is also responsible for appointing and managing an Independent Review Panel (IRP) (see Chapter 5 for more information on the WCF).

The Amenity Effect Programme (AEP) (Condition 15) is different in that it distributes payments for any reduction in amenity due to vibration and occasionally dust generated by mining activities.

<sup>29</sup> Data from 2008 to 2010 will be published in the SIMP.

<sup>30</sup> Residential sales data records sales of property with a land area of less than 1,600m<sup>2</sup> and includes properties that have sold with a top-up.

<sup>31</sup> In 13 cases top-ups failed to progress due to issues with finance or builder's reports and in 11 cases negotiations came to an end before an agreed top-up amount could be reached.

Payments are generally of several hundred New Zealand dollars and go out to several hundred households in a year. NWG undertook this as a voluntary initiative in relation to its other mines, Martha, Trio and Favona, and has paid out NZ\$1,840,000 over the period 2007 to 2013. The AEP has become part of the consent conditions for Correnso.

The Property Damage programme (Condition 21) is also known as 'we break, we pay', and details a formal process for receipt and assessment of complaints relating to property damage and an arbitration process through the IRP.

## 4.2 SIA findings

The SIA of the Correnso development has found that, in the area of property, the potential social impacts are:

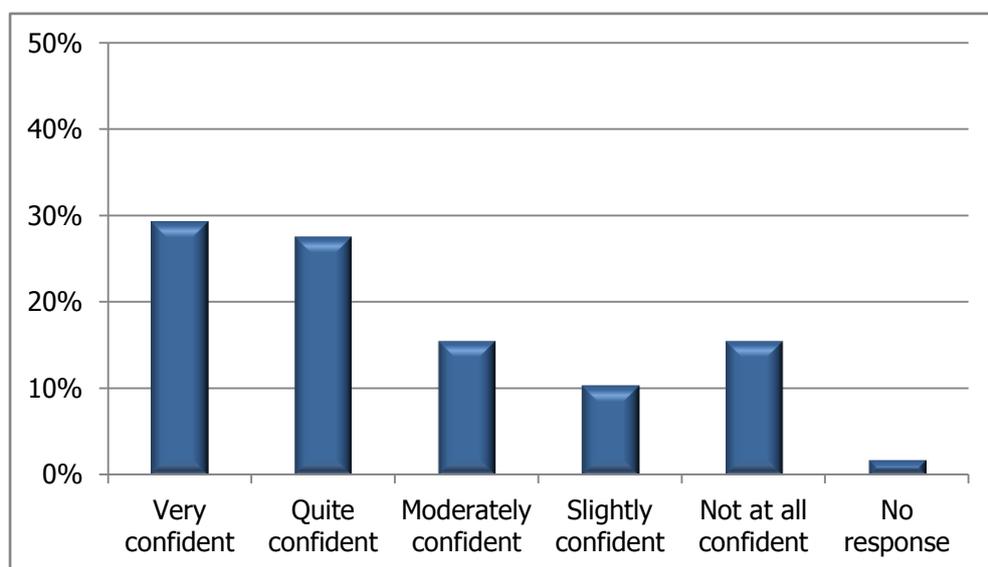
- Structural property damage and reduced amenity;
- Changes in property values and market activity; and
- Distribution of financial compensation.

For residents of Waihi East, there are a range of attitudes and views ranging from excitement through indifference to fears for an unknown future exacerbated by three years of uncertainty.

NWG's objective relating to property, as outlined in the Draft SIMP, is to build community confidence and minimise community concerns, stress and anxiety in relation to property values, compensation and associated lifestyle and economic choices.

SIA participants were asked to rate their level of confidence that NWG is managing any impacts of Correnso on local property (Figure 5). Responses were mixed, but mostly positive. 57% responded 'quite confident' or 'very confident' while 26% responded 'slightly confident' or 'not at all confident'.

*Figure 5. Stakeholder Survey responses: How confident are you that Newmont (NWG) is managing any impacts of Correnso on local property? (n=58)*



Whilst there are significant positive responses, there is also significant room for improvement, notwithstanding the fact that the survey took place at a time of great uncertainty.

### Structural property damage and reduced amenity

The potential for structural damage to property relates to the effects of vibration from underground blasting, tunnelling, dewatering and associated subsidence and land settlement. NWG's own

standards, New Zealand law and conditions specific to the Correnso consent conditions are designed to manage and minimise the effects of the underground operation.

Historically, Waihi has experienced a number of subsidence events including the 'house in the hole' resulting from pre-1952 unfilled historical mining works in 2001. In 2012, an area of differential settlement affected five properties in Waihi East as a direct result of NWG dewatering activity. Whilst these did not appear to be associated with negative feelings about NWG, they remain in the collective memory and influence views.

The participants residing in Waihi East were very conscious of the potential for structural damage and reduced amenity. They expressed a broad range of experiences of blasting in their homes from other NWG mining activity. Many people feel nothing or minor shaking, whilst others noted stronger shakes regularly.

Those who had experienced vibration in their homes talked about mildly shaking houses, rattling glass cabinets, broken china ornaments, and cracks in ceilings and driveways. The attitudes of Waihi East residents in relation to structural damage and reduced amenity fell broadly into the following groups discussed below.

The majority were unconcerned and described it as a possible but unlikely occurrence and not causing them any undue concern. They expressed confidence that should it occur, NWG would honour its 'we break we pay' policy with speed and minimal fuss. These participants included both those who had experienced vibration in their homes relating to NWG's other mines and those who had not experienced vibration in their homes to date.

A small number expressed mild to moderate concern. They worried that should problems arise, NWG might ignore their concerns, or might be unable to mitigate them.

A small number expressed strong concerns. These people had no confidence that NWG would deal with concerns in good faith, and did not trust NWG's abilities to make an accurate assessment of the damage. Their concerns related primarily to two aspects, cracks in structures and vibration monitoring.

- Cracks in structures and concrete driveways were identified by participants as issues which may potentially be exacerbated by Correnso activities, although not always entirely attributable to it. People felt that NWG should assist with fixing effects such as these and were not confident that NWG would do so. *"They break they pay – the engineers will say that vibration didn't cause that damage – it must help the damage along. And they don't take that into account."* (SIA interviewee, Waihi East resident).
- Some participants believe that NWG's monitors of vibration levels are inadequate as the data provided is not indicative of effects inside people's homes. These people felt strongly they may be capturing lower levels of vibration than is actually experienced by residents, because monitors are located externally and may be mounted with different materials and on different geology. It was not possible to ascertain as to whether this issue should be attributed to the quality of the vibration monitoring itself or the quality of NWG's communications with individual residents in relation to the monitoring results, or a mixture of the two. For example, one participant said, *"they say we shouldn't feel anything here... we can still feel the ground rocking. But the guy is there with his equipment saying it can't be true"* (SIA interviewee, Waihi East resident).

### **Changes in property values and market activity**

Overall the focus of attention in relation to Waihi East was on property values rather than reduced amenity and potential damage. For instance, one interviewee said *"I'm not worried about Correnso. I*

*think there might be a loss of house value here but it will be from people's perceptions, it won't be because the actual value of the house is less due to damage" (SIA interviewee, Waihi East resident).*

However, the attitudes and experiences of Waihi East residents was diverse with some unworried and others expressing considerable stress. Likewise, views varied greatly in the sources reviewed as to what NWG's influences on the property market are, and how they advantage and disadvantage different sections of the community.

In addition, whilst the majority of participants felt that Correnso would not significantly impact the character of Waihi East, a small number of participants believe that Correnso will result in a decrease in owner-occupied properties as people sell up and leave due to Correnso, anticipating an increase in renting rates. They voiced concerns that an increase in locally tenanted properties will have a negative impact as tenants tend to have a short-term perspective on their home, caring less for their properties, the character of the neighbourhood and be less involved in their communities. Some feel that this will impact community stability in Waihi East (See Chapter 5 for more information on community division).

Residents who were not worried about impacts on property values discussed the following themes:

- They were committed to the area with no plans to sell;
- They either did not anticipate property damage or were not concerned that it would be unmanageable; and/or
- They were confident that NWG would promptly and efficiently address any actual damage.

Conversely the most aggrieved of participants were Waihi East residents who had recently bought properties in a high market, had concerns about their levels of equity, or had plans to renovate, subdivide or sell properties. They had put plans on hold or had to change them and in some cases this had significant impacts on their finances, lifestyles and emotionally.

Some participants felt strongly enough to erect signs on their properties saying 'no mining under my house' and similar sentiments. Others commented that the signage rather than the mining might be influencing any local property slump.

Some participants raised concerns regarding home insurance premiums, attributing recent increases to Correnso whilst others linked insurance hikes to the New Zealand-wide industry response to the Christchurch earthquakes in 2010 and 2011.

### **Distribution of financial compensation**

This section relates to participant feedback on the various property compensation options available for residents experiencing adverse effects and the potential for existing impacts to continue with Correnso.

The Top Up Programme has been generally well received and is believed to be fulfilling the objective of maintaining prices and market activity. Notwithstanding this, there were some concerns raised during consultation that the implementation has been inconsistent, inequitable and lacking in transparency. Media reports<sup>32</sup> have noted concerns raised by external interested parties that Top Up can artificially manipulate the market. These reports nevertheless acknowledge the genuine intent of aiding affected parties and countering negative effects of mining on property values.

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<sup>32</sup> "Accusations of property price manipulation in Waihi" Bay of Plenty Times March 14 2014 [http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=10871264](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10871264).

The property support programmes raised a range of strongly held feelings that vary considerably depending on personal circumstances. Some participants were very keen for their properties to be bought by NWG whilst others said they would not sell even if NWG wanted to buy. Overall, the intent of the property support programmes were considered to be positive as they offer affected residents a range of options. However a number of affected residents were concerned that their particular options were not commensurate with their situation.

A common theme arising was the belief that compensation may not go to the right people or to enough people. Participants believed that effects of mining activity depend on at least three factors: distance from the mining activity; geology between the person and the activity; and the building's construction materials, and believed that compensation payments are not taking all three into account. Participants felt that those experiencing the most adverse effects from Correnso are not restricted to the people living directly above mining, and were not satisfied with either the consent conditions or NWG's assessment of its effects in this regard. Condition 46 provides for properties directly above development or a stope, and Condition 61 provides a NZ\$4 million for properties in proximity to mining through the IRP Property Purchase Programme. The consent conditions do require specific consultation with homeowners in Waihi East on the IRP Property Purchase Guidelines (relating to Condition 61) and this should provide an opportunity for these beliefs and concerns to be addressed.

Concern was also expressed during consultation that the number of applications fulfilling the criteria for compensation through the IRP Property Purchase Guidelines may exceed the capacity of the fund to pay, however this is not known as yet. Some participants recalled a previous round of IRP payments saying that the prioritisation process at that time was unsatisfactory in their opinion, and they were concerned that this may happen again.

This SIA identified a number of opportunities for clarification from NWG about the terms and conditions of the property support programmes. Some participants believed that the process for compensation under the 'we break we pay' policy is too difficult, and this prevented stakeholders pursuing it.

Whilst some property owners felt that independence of third party professionals would be compromised as NWG is required to meet costs associated with the programmes, this arrangement was generally considered preferable to a scenario where property owners meet their own costs. There were some concerns amongst affected residents that accepting compensation payments may be perceived as taking "*hush money*" (SIA interviewee, Community representative). However evidence was not found to support these concerns. Conversely some Waihi East residents were quite clear that their key objective in vocally contesting Correnso was to persuade NWG to buy their property.

## **Summary of findings**

Potential structural damage to property from vibration and subsidence, and effects on property values has the potential to have significant adverse impact on Correnso residents. Most Waihi East residents are very conscious of the changes and reasonably confident that they will be protected from or compensated for adverse effects. However, a small number of Waihi East residents have specific serious concerns that they believe are not addressed by NWG's current responses and the consent conditions.

## 5. Community

This chapter discusses NWG's relationship with the Waihi community and considers the potential impacts from the Correnso development, including the benefits and challenges of NWG's ongoing presence.<sup>33</sup> There are a number of other potential positive impacts of the Correnso development on the community, such as continued employment and the contribution of NWG and its employees to the economy. These are addressed in other relevant chapters of the Report.

### 5.1 Context and background

Waihi is a small yet vibrant community, with an active cohort of community members. Waihi's central location means it attracts visitors and commuters on their way to Waihi Beach, nearby forests such as the Coramandel Peninsula, and other towns such as Katikati, Whangamata and Thames. Its mining history also attracts tourists to the town.

Waihi's 'usually resident population' of 4,527 has remained largely stable since 2001, gaining fewer than 10 residents between 2001 and 2013 while the broader Hauraki District has experienced 6% growth (HDC 2013a, p 2). Across the Hauraki district 21% of residents identify as of Māori ethnicity, considerably above the New Zealand-wide response of 14.9% (HDC 2013a, p. 3). In addition, a population analysis conducted by HDC in 2010 indicated '...an increasing trend toward an ageing population across the Council area within an anticipated substantial increase in the proportion of the population aged 65 years and over' (JKTech 2013). The 2013 census data indicates that, in 2013, 26.5% of the Waihi population was aged over 65 (median age 47.4), while only 14.3% of the population of New Zealand as a whole was aged over 65 (median age 38) (Statistics New Zealand 2013b, c). According to a report published in 2013 by the University of Otago's New Zealand Deprivation research programme, Waihi is one of the most deprived areas in the country, falling in the lowest 10%, and its level of deprivation has increased since 2001 (HDC 2014). Within HDC's assessment, the variables included access to communications (including internet), income, employment, qualifications, home ownership and support, access to adequate living space and access to a car (HDC 2014).

Both the Waihi area and the Hauraki District score more poorly than the national average in a number of key indicators such as: communication; qualifications; employment; and income. Notably Waihi's unemployment rate is almost twice that of the national average and median income almost one third lower. The state of employment, income and qualification levels in Waihi are further discussed in Chapter 3: Employment.

#### NWG's relationship with the Waihi community

NWG has maintained an active role and presence in the community, and has a number of community projects which have provided community members with an opportunity to engage with the company and learn more about mining. For instance, NWG has held mine open days, developed the pit rim walkway, Union Hill and the Black Hill walkway as well as undertaking a number of biodiversity projects and creating Gilmour Reserve (NWG 2014a). Many stakeholders mentioned the pit rim walkway and Gilmour Reserve as the most popular recent projects undertaken by NWG.

NWG's expenditure on community investment activities is contained in NWG's local community investment records and will be provided annually in SIMP reporting. Local community investment

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<sup>33</sup> The scope of this chapter is limited to themes identified as significant for Waihi through the SIA process. Therefore, issues such as crime have been excluded from the SIA.

expenditure in 2013, including in-kind assistance, was NZ\$344,185, distributed to 54 recipients (Data provided by NWG 2014).

There have been a small number of community groups that have formed in opposition to the Correnso development and Golden Link Project, such as the Protection of Waihi Environment and Ratepayers Incorporated (POWER) and the Waihi East Ratepayers Group Incorporated (WERGI). According to WERGI's submission for the Independent Commissioners' Hearings Panel in 2013, the group were concerned with the location of the Correnso project and mining under properties, the consequences of vibration and blasting, the quality of NWG's self-monitoring, and NWG's processes for compensation and property purchases (WERGI 2013). This group are still largely concerned with these issues today, with the number of property purchases, processes for compensation and consequences for properties and community on the impacts of vibration and blasting being their main concerns.

NWG has had a formal and informal involvement in many community groups and community-led initiatives in the past, such as the Vision Waihi Trust (VWT) and Waihi Community Vision (WCV) (see Section 7.1 for further background on these groups). In more recent times, the Correnso development and consent conditions has meant the Waihi Community Forum (WCF) has taken an active role liaising between residents and NWG on mining issues as well as assisting residents (particularly those in Waihi East) to understand NWG's operations and how it may involve or affect them. NWG is currently a participant in the WCF, with two company representatives actively involved in the committee. The WCF also has two HDC representatives and five elected community representatives from Waihi East and wider Waihi.<sup>34</sup>

## 5.2 SIA findings

The SIA of the Correnso development has found that, in the area of community, the potential social impacts are:

- Continued investment in the community;
- Increased community division and dissention; and
- Continued participation of NWG's employees and contractors in community life.

### **Continued investment in the community**

As previously noted, NWG provides ongoing investment in the community which is broadly welcomed by the Waihi community. Continued investment enabled by Correnso is anticipated to have a positive outcome for the Waihi community, so long as the investment is maintained. Local primary schools and Waihi College are key recipients of funding; receiving funding on an annual basis. Additionally, NWG provides NZ\$150,000 each year that is divided between Waihi East School, two Waihi East day-care facilities and Waihi East Kindergarten. NWG states that this financial support will continue for the life of the Correnso development with the amount reviewed annually and potentially adjusted if there are significant changes in schools enrolment numbers (Data provided by NWG 2014).

These schools use the funding in a variety of ways such as providing extra teaching positions, and purchasing goods and equipment to benefit the students and quality of teaching provided. While stakeholders consulted during the SIA were positive about NWG's contributions, the consultation process found that education groups are in a potentially difficult position in receiving funding from NWG because the funding amounts are not equal across the institutions, and those involved

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<sup>34</sup> The WCF's website outlines its specific remit and focus as well as the terms of reference for the IRP. For more information refer to [www.waihicommunityforum.co.nz](http://www.waihicommunityforum.co.nz).

expressed uncertainty as to whether the donated amounts will continue each year for the life of the Correnso development.

The greater proportion of funding donated to Waihi East School to compensate for any adverse impacts was noted by stakeholders to be *"upsetting the educational landscape of the town"* (SIA interviewee, Waihi community member), and causing some unintended negative consequences in that the funding arrangements are influencing school enrolments. The opinions on the precise effect on school enrolments varied within the stakeholder group. One stakeholder said that they believe their enrolments will decrease because the Correnso development is in such close proximity to the east school that parents may be concerned about their child's welfare and may choose to enrol them elsewhere. Therefore, they maintain that the funding they receive is commensurate with the impacts, both direct and indirect, they are anticipating. However, other stakeholders said that Waihi East School's enrolments are increasing because *"parents will be taking their kids out of our school and sending them to East because parents see that East has all the extra resources"* (SIA interviewee, Waihi community member).

### **Increased community division and dissent**

SIA consultation found that while a portion of the Waihi community is not directly engaged or concerned with NWG's operations or the development of Correnso, significant divisions have emerged between some groups who have been involved with the consent process. Those stakeholders reported concerns that the divisions caused by the consent process were irreparable and in some cases had the potential to increase as Correnso is developed. In particular, during the Independent Commissioners' Hearings Panel, stakeholders reported that Waihi became a less cohesive and unified community that was divided between perceived beneficiaries and opponents of the development. In speaking to this point, one stakeholder commented, *"the town is divided – you're either for or against, there's no middle ground"* (SIA interviewee, Waihi community member).

These divisions were attributed by stakeholders almost exclusively to the Correnso consent process (and therefore NWG), however, interviews also acknowledged the role of particular individuals or events that also contributed to the sense of division. Disagreements and divisions appear to have arisen across a broad spectrum of stakeholder groups including residents, business owners, education groups, recreation and interest groups, and advocacy groups. Divisions are apparent between those who support Correnso and those who do not, those who are seen to benefit and those who will not, and those who live in the affected area and those who do not.

Further divisions were reported in SIA consultation between stakeholders who are trying to sell their properties and believe that the Correnso development has put them at an unfair disadvantage compared to a property owner whose house is located away from the development. This may occur through any forthcoming compensation payments to affected residents in Waihi East, contributing to the division between those receiving compensation payments and those who are not. However NWG believe that the intention of the property programmes such as the Top-up scheme and the AEP is to address the unfair disadvantage some Waihi East residents' were experiencing.

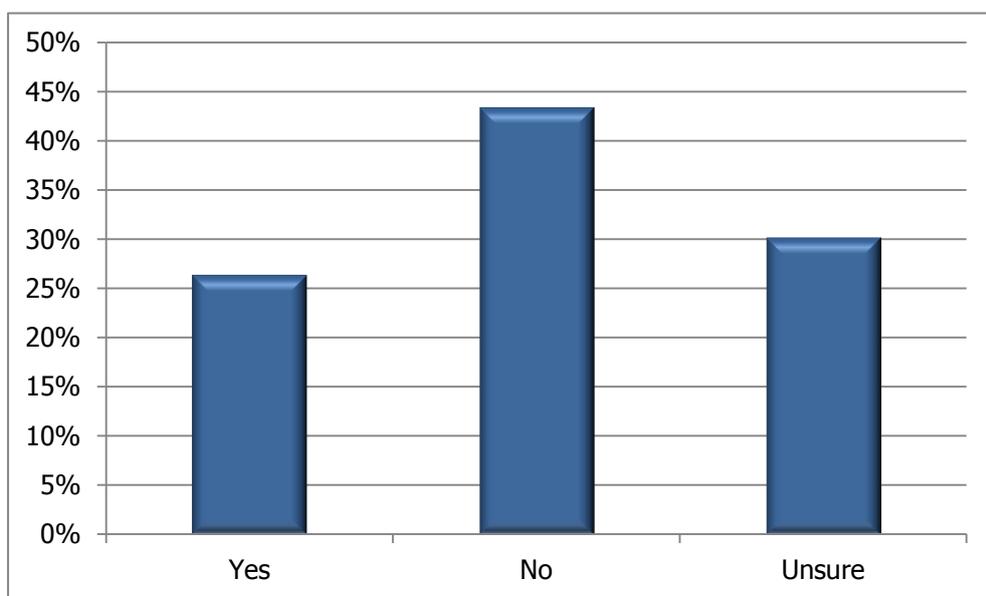
As noted in the section above, Correnso could lead to a continuation of community investment funding, however this could further highlight a division between those groups who receive funding and those that do not, as well as the respective amounts they receive and if that changes from NWG year to year.

Therefore, the SIA has found that the approval of the Correnso development has the potential to continue to embed feelings of division and dissent throughout the community. Amongst some of those interviewed, the Correnso development has had real and tangible impacts to date on day-to-day relationships. Associated wellbeing implications such as stress and uncertainty are discussed in Chapter 6: Health and Wellbeing.

## Continued participation of NWG's employees and contractors in community life

As outlined in Chapter 3, NWG is considered a significant employer at both the Waihi and district level, and the Correnso development provides an opportunity for ongoing employment in the area. In addition to maintaining an existing workforce, NWG employees who are currently involved in community life through sporting clubs, religious groups, emergency volunteer groups or other community activities have the ability to maintain their involvement, which is considered an important part of a positive work/life balance and an overall benefit to building a strong local community. When NWG's employees and contractors were asked in the Employee Survey whether they were involved in a sports and recreation club, 43.6% answered yes; 17.3% said they were involved in a school group, 11.8% said they were involved in a community group and 10.9% said they were involved in an emergency volunteer group. However, when asked more broadly whether they would like to be more involved in the Waihi community, 26.4% indicated they would like to be more involved in community life, and 30.2% responded as unsure (Figure 6). Of those who responded as unsure, reasons provided included 12 hour shift work precluding people from participating more, and because people feel their contribution and participation in community life is currently adequate and they don't feel they need to participate further.

Figure 6. Employee Survey responses: Would you like to be more involved in the Waihi community? (n=106)



### Summary of findings

NWG's relationship with the Waihi community and the opportunity for continued community investment is a potential benefit from the Correnso development. Nonetheless, NWG's funding arrangement with local schools has raised concerns around fairness and continued investment may continue to have indirect consequences on community cohesion. The Correnso development approvals process has also contributed to feelings of a less cohesive and unified community. Stakeholders felt that the community has been divided between perceived beneficiaries and opponents of the development, and the development may lead to further division, or a continuation of dissention throughout the community.

## 6. Health and Wellbeing

This chapter outlines the potential social impacts of the Correnso development relating to the health and wellbeing of community members.

### 6.1 Context and background

Understanding the effects of mining on community health and wellbeing is an area of practice that is still being developed and researched internationally. As such, baseline data on the emotional and psychological impacts of mining, particularly in communities where mining operations and residents are in close proximity, is limited with the exception of a psychosocial impact assessment being undertaken in 2012 by a registered clinical psychologist. The psychosocial impact assessment of the proposed Golden Link Project was extensive, and found numerous aspects of community members' health and wellbeing that align with the findings of this SIA, particularly considering the timing of the consultation during a period of uncertainty. For instance, many of the 'concerns and projected future impacts appear to be rooted in fear as opposed to the technical/engineering aspects of the proposed project' (Dunne 2012, p. 1), which is consistent with the SIA findings below. The study also reported that '... a project can become politicized and complicated, leading to or exacerbating underlying community tensions. Adverse health outcomes, particularly psychosocial effects can obviously follow from this situation (particularly until the community adjusts to the proposed situation)' (Dunne 2012, p. 1).

NWG employees mental health and wellbeing in relation to NWG was also briefly mentioned in the 2009 SIA, which stated that stress '...has the potential to affect the health of both individuals and their families ... on completion of employment at NWG [and if] people who (sic) are unable to find alternative employment' (CSR 2009, p. 35). At the same time, the Report acknowledged that potential benefits to health and wellbeing may occur if stress due to 'ongoing amenity issues or culture concerns' is removed (CSR 2009, p. 35).

Whilst there is limited publically available data on mental health and wellbeing, data exists on the physical health attributes of the Hauraki district including rates of diseases such as lung and heart disease, birth and mortality rates and substance use such as alcohol (HDC 2013c). However, these physical health symptoms were not deemed as related to NWG's operations, and have therefore been excluded from the SIA findings. Instead, this SIA has focussed on the health and wellbeing effects experienced by various community members, mostly residents in Waihi East. The feelings of stress and anxiety (described above) are related to NWG's management of areas such as property values and communications, subjects which are discussed separately in the Report. See Chapter 4 for information on property impacts, Chapter 5 on broader community impacts, and Chapter 8 for a discussion of NWG's communications.

### 6.2 SIA findings

The SIA of the Correnso development has found that, in the area of health and wellbeing, the potential social impacts are:

- Uncertainty over future mining plans and financial stress relating to property; and
- Anxiety regarding mining noise and vibration.

A number of stakeholders who participated in the SIA, primarily residents in Waihi East, have experienced or are currently experiencing stress or anxiety relating to anticipated or actual activities of NWG's operations including the Correnso mine and Trio activities on their day-to-day lives. The impact of stress and uncertainty is difficult to attribute to a single cause, but the SIA has found that

the majority of reasons stated by stakeholders are adequately captured by the impacts identified in this chapter.<sup>35</sup>

It is important to note negative health and wellbeing impacts were not consistently shared across all stakeholder groups, and there was even a difference within residents in the General Project Area and Waihi East more broadly. For instance, many residents in Waihi (including within Waihi East) did not discuss these issues as personal experiences but acknowledged that they had friends, acquaintances or knew of people who had been adversely affected by the Correnso development. This was particularly prevalent when stakeholders recalled the Independent Commissioners' Hearings Panel, re-telling accounts of open emotion and distress being displayed by participants. One stakeholder recalled, *"I've never seen so many grown people cry as I have in that hall in that couple of weeks – it doesn't need to come to that"* (SIA interviewee, Waihi resident).

When discussing the impacts on health and wellbeing, some stakeholders sympathised with the experiences of Waihi East residents, particularly those directly in the development area, saying *"if people are living in a house where there is blast and the kids are scared, I can understand the anxiety there, I'm glad it doesn't happen to me"* (SIA interviewee, Community representative). However, other stakeholders did not understand or sympathise with those residents affected by the Correnso mine, instead believing that *"people have worked themselves up about the mine – I think the health and wellbeing impacts may be slightly over stated"* (SIA interviewee, Local workforce and business owners).

Despite the limited breadth of this impact across stakeholder groups, the level of personal impact and the depth of the negative effects felt by a particular number of residents' and expressed during interviews warrants their concerns as being important for this SIA.

### **Uncertainty over future mining plans and financial stress relating to property**

This impact results from stakeholders concerns regarding the operational mining plans for Correnso, such as when and if mining (as opposed to exploration development) will start, the project design and the timeframes including the overall life of the development. In discussing these issues, community members expressed their unhappiness with changing design maps of the mining area which has left them feeling unclear and uncertain of the projects footprint underneath homes which includes the location of development drives and mining stopes. For instance, one stakeholder said *"there are plans in place but there are also contingency plans and some things we won't know about until Correnso actually starts"* (SIA interviewee, Local workforce and business owners), and *"no one has come to me and said, 'hey, here's the plan' - why can't they show me...what is going to happen?"* (SIA interviewee, Waihi East resident).

Stakeholders have also expressed feelings of stress and uncertainty attributed to financial decisions regarding properties. Many residents expressed their uncertainty in deciding whether to invest capital in renovating or put their property up for sale because they would like to move out of Waihi East or the Correnso development area specifically. For example, one stakeholder commented that, *"I had an idea of what I thought I'd do but it's changed now, it makes you angry and stressed"* (SIA interviewee, Waihi East resident). For further analysis on property impacts, see Chapter 4.

Other stakeholders, specifically in the affected area, expressed regret, self-blame and frustration over the timing in their decision to purchase a home in the area just before the Correnso development was announced in 2011. These stakeholders said that this impact has had residual effects in that they

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<sup>35</sup> Please note that Banarra's judgement regarding experiences of stress by SIA participants is that of a layperson.

continue to question other decisions pertaining to their property, and issues of self-doubt are contributing to their existing feelings of stress and uncertainty. For example, one stakeholder commented that *"it makes me feel sad that I've done something stupid and I'm angry with myself for buying this house ... this place wasn't meant to be a gamble"* (SIA interviewee, Waihi East resident), and another stakeholder said *"if you're worrying about the money you've lost, it will make you sick"* (SIA interviewee, Waihi East resident).

A final aspect in which uncertainty was raised was with regard to continued employment. As the Correnso development had not received final approval at the time of consultation, there was some uncertainty among employees and contractors with regard to their future with NWG. This uncertainty and desire for more information about the progress of the development was seen both in the Employee Survey and through interviews.

It was acknowledged that other regional planning processes and factors (such as broader employment conditions) may also affect stakeholders' wellbeing, however within the SIA consultation participants largely referred to decisions by NWG as their primary concern.

### **Anxiety regarding mining noise and vibration**

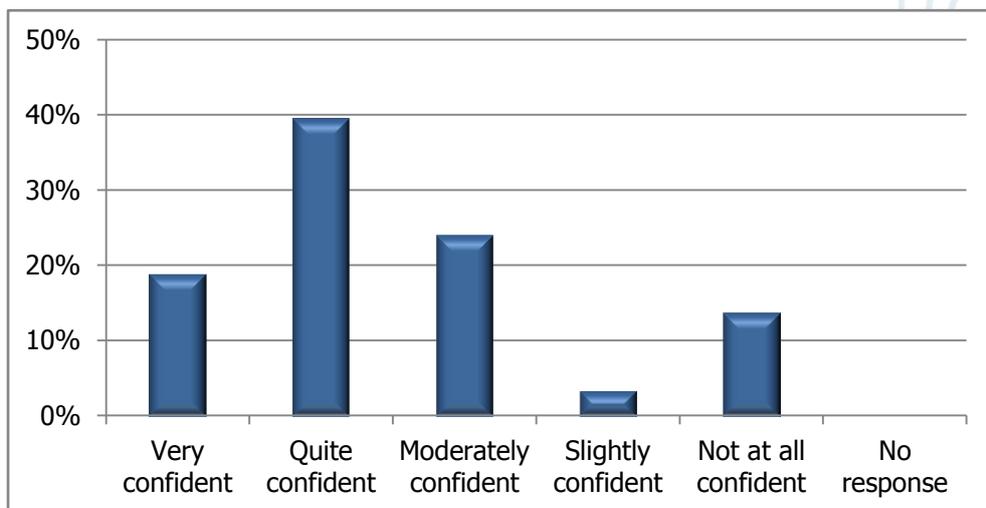
A number of Waihi residents stated during consultation that they have experienced stress and lifestyle impacts from NWG's operations. Such impacts were often in relation to personal health and property damage from the vibration that has come from the Trio mine and residents are therefore anxious about future blasting and vibration effects with Correnso. Of this group, those who are older or unwell, and those who stay home during the day (including shift workers) reported feeling greater personal impact from blasting, and therefore are potentially more susceptible to impacts from Correnso.

Stakeholders have also indicated that concern around blasting and vibration effects may increase for some residents once Correnso begins. Research suggests an initial increase in stress may reduce over time as the effect is predictable and normalised (Dunne 2012) but this remains to be seen with Correnso as mining had not yet commenced at the time of the SIA. Impacted community members have expressed a desire for NWG to continue listening to and working with affected residents to understand their experiences and take a proactive approach to addressing their concerns regarding blasting and vibration effects. Stakeholders indicated that face-to-face visits during blast times may help non-technical NWG staff to experience the effects residents feel themselves, and to work together to mitigate any further negative effects as much as is practicable.

Research conducted in 2012 identified a number of strategies to proactively mitigate adverse health and wellbeing outcomes associated with blasting and vibration impacts. In response to this, NWG has set an objective, outlined in the Draft SIMP, to respond to concerns relating to noise and vibration and build community confidence in NWG's approach to this issue. The Draft SIMP also includes an action for NWG to report complaints data annually and submit six-monthly data to Waikato Regional Council (WRC) and HDC (Data provided by NWG 2014).

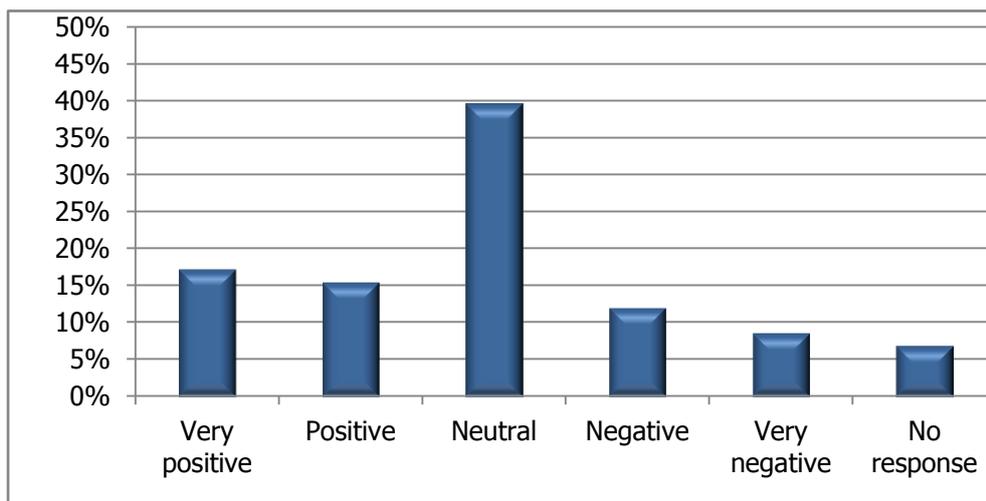
During consultation, Banarra asked SIA participants how confident they were in NWG's management of blasting noise and vibration. Figure 7 shows that the majority of participants (40%) felt quite confident in NWG's management of blasting and vibration effects and 24% felt moderately confident. Interestingly, the most common responses from residents in Waihi East were quite confident and moderately confident.

Figure 7. Stakeholder Survey responses: How confident are you in Newmont's (NWG) management of blasting noise and vibration? (n=58)



Banarra also asked SIA participants to rate what they thought the impact of Correnso was on their health and wellbeing to date. Figure 8 shows that the majority of participants (40%) felt there was a neutral impact on health and wellbeing in their individual circumstances. Whilst it is difficult to know the rationale behind stakeholders ratings, some mentioned at the time of considering the question that they felt a neutral response was the most appropriate answer because they had not yet experienced frequent or intensive blasting and vibration specific to Correnso to know whether it was having a positive or negative affect on their health and wellbeing. Interestingly, there were more participants that rated a very positive (17%) or positive (16%) impact compared to those who felt there had been a negative (12%) or very negative (9%) impact, which is in contrast to the sentiments shared during interviews.

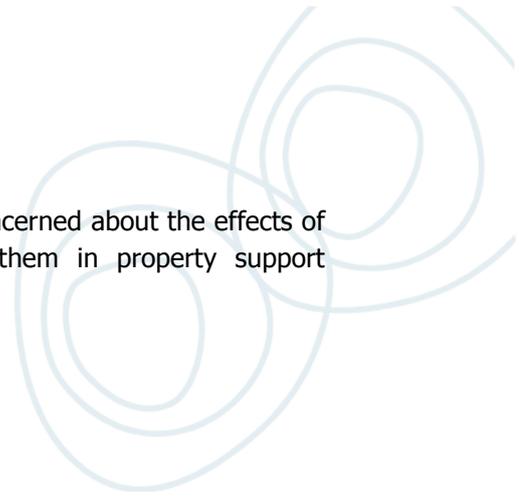
Figure 8. Stakeholder Survey responses: How do you rate the impact of Correnso on your health and wellbeing? (n=58)



## Summary of findings

The SIA has found that adverse effects on health and wellbeing mostly occur to those with a direct relationship to the mine, predominantly (but not exclusively) residents in the affected area. These stakeholders have expressed negative levels of stress and anxiety relating to uncertainty of future

mining plans associated with the Correnso development, that they are concerned about the effects of blasting and vibration, and that the particular options available to them in property support programmes were not commensurate with their situation.



## 7. Future of Waihi and NWG Legacy

This chapter explores impacts related to Waihi's future beyond mining, including the potential for new and existing industries to develop in the Waihi area. This chapter also discusses NWG's legacy for the town and the mine's role in supporting and facilitating community-led discussions focussed on a post-mining economy. Ongoing mine closure planning including land rehabilitation and environmental management also features as an important component to NWG's legacy.

### 7.1 Context and background

Waihi is widely described as a town with a strong industrial history, with mining being the longest-standing industrial presence as gold was discovered in the area of the current Martha pit in the late 1800s (Go Waihi 2011; JKTech 2013 p. 20). Whilst mining has undoubtedly been a large part of the town's early beginnings, Waihi also had a strong electronics manufacturing industry, namely in the Pye factory, which was established in the early 1950s and closed in the mid-1980s (CSRM 2009; JKTech 2013).

Approximately 10 years ago, a number of formal and informal community and business groups were established to consider options for Waihi's future beyond mining because, at the time, closure was understood to be more imminent according to NWG's mine planning and forecasting. These groups have included the WCV and VWT. Established in 2002-2003, the WCV<sup>36</sup> was established with a mixture of community members and representatives whose task was to create a vision for Waihi into the future, by generating ideas and projects to be implemented over time. NWG made financial contributions, as well as participated in WCV meetings whilst the group was active. WCV's work culminated in the 'Waihi 2020 vision' which was a series of project proposals for infrastructure and community development projects that would add social and economic benefit to the town in areas such as education, environment, tourism, heritage and cultural values (Waihi Community Consultation Committee 2004).

The Gold Discovery Centre is the flagship project that has resulted from the WCV and VWT process. It is currently being built opposite the Cornish Pumphouse on Seddon Street, and is expected to open to the public in September 2014. The Gold Discovery Centre will provide tourists and school groups with an exploratory and detailed history of mining at Waihi, as well as interactive and educational displays on current mining practices. It is hoped that the Gold Discovery Centre will boost tourism and generate interest and positive economic benefits for Waihi. However, the extent to which tourism is the industry of the future for Waihi has been debated in previous studies and is still questioned by many community members

Previous SIAs have included narrative on participants' experiences within, and opinions of, the performance of the WCV and VWT, and further commentary appears below in the SIA findings. Often, such groups struggle to maintain momentum and relevance over a prolonged period of time, and whilst the WCV was a successful and unique group, in July 2014 the group voted to disband.

In order to assess and implement the most viable options from the 2020 vision, a separate entity known as the VWT was formed in 2005. The VWT was based on a trust deed developed by WCV, and focussed on '... bringing proposed projects and ideas that arise from the WCV process into reality' (Gold FM 2011).

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<sup>36</sup> The WCV was formerly called the Waihi Community Consultative Committee.

Perceptions and impacts of NWG's closure have featured heavily in previous SIAs; however the context for closure has been slightly different at the time of each study. For instance in 2009, the context was that Martha and Favona mines were both operating but expected to close in 2010 and 2011 respectively (with potential extension of the open pit to 2013) (CSRM, 2009). The most recent SIA, completed in 2013, noted that closure discussions were occurring in a context of the announcement of both the Correnso and Golden Link projects which 'signalled a significant change in operating conditions at NWG from closure planning to potential expansion and continuation of mining activity' (JKTech 2013, p. 9).

Closure documents continue to be revised by NWG as part of their operational planning. In working towards this, NWG has two closure plans. The 'Rehabilitation and Closure Plan' is a public document that has been prepared to meet the conditions of consent. NWG has also prepared a 'Waihi Closure and Reclamation Plan' to meet corporate standards (Data provided by NWG 2014). In a separate planning project, HDC have developed its own long term plan the 'Hauraki Long Term Plan' which sets priorities and a work programme to 2022 (HDC 2012).

## 7.2 SIA findings

The SIA of the Correnso development has found that, in the area of the future of Waihi and NWG legacy, the potential social impacts are:

- Continued environmental impacts including delay of the Martha pit rehabilitation; and
- Delayed realisation of future economic opportunities as a result of reliance on mining.

### **Continued environmental impacts including delay of the Martha pit rehabilitation**

The first potential impact relates to a continuation of NWG's operational impacts upon the environment in and around Waihi, which includes a delay in rehabilitating the Martha pit due to de-watering activities associated with Correnso.

SIA participants were asked what they thought about NWG's approach to environmental management, and overall, stakeholders' broad views were primarily positive. These interviewees often spoke of NWG's native planting around the site, the upkeep of the pit rim walkway, maintaining a clean and tidy site, and other efforts to maintain aesthetically pleasing public areas such as the Gilmore Street Park. For instance, one interviewee said "*the walks around here are really good – I think they've done a good job of that. They are very good environmentally*" (SIA interviewee, Community representative).

Despite NWG's planning for the management of current and future environmental impacts, other SIA participants continue to hold concerns regarding environmental impacts, namely the delay in rehabilitating the Martha pit, groundwater management and tailings management and impacts on cultural environmental values. These stakeholders include: Waihi residents (across all locations); groups with interests in environment and associated tourism; and Iwi groups. Stakeholder submissions to the Independent Commissioners' Hearings Panel requested improved quarterly reporting and real time web access to environment information such as water levels.

The Correnso development has resulted in a delay in rehabilitating the Martha pit which has resulted in frustration and disappointment from these stakeholders. The frustration and concern is different among these groups, with some stakeholders saying it is frustrating because the recreational lake will now not go ahead, or will be delayed for some time. Whereas others expressed disappointment because they believed that the proposed lake would attract visitors, friends and family, or potentially increase property values for those living near the Martha pit site.

Groundwater management (the impacts of de-watering and poor water quality) was raised by a very small proportion of SIA participants, amongst whom there appeared to be an even split between those who attributed groundwater management issues to NWG's operations and those who attributed it to farming and forestry. For others, their frustration about Correnso and its environmental impacts was due to the continuation and growth of the tailings storage facilities. The Correnso development utilises existing mine infrastructure, notably the processing plant, tailings storage facilities and water treatment plant, for its mining processing. As Correnso is mined, the tailings storage facilities will continue to operate and grow, which, to some, is an unwelcome environmental impact that is attributed to Correnso. Stakeholders who share this view felt that these man-made structures were going to become large, unmanageable, and a long-term environmental risk. For instance, one stakeholder said *"what is innately troubling is the tailings dam [tailings storage facility] - it's huge and with what is in there, how long it has to sit there for? It would be impossible to fix"* (SIA interview, Waihi community member).

Historically, Iwi groups have expressed distress at effects on the mauri (lifeforce) of the water and land, and well-established trees; general disappointment at changes in topography and visual impacts; particular concerns about dewatering and the regional groundwater system (volume, quality, availability, contamination) including during mining and after closure and the filling of the Martha pit (CSRM 2009, JKTech 2013). This SIA did not find a comparable level of distrust or concern with regard to these environmental impacts compared to their previous views. However, Iwi groups still maintain a position on the historical environmental and cultural impacts of the Martha pit site, but felt that Correnso specifically did not raise any new or considerable environmental concerns that they had not already expressed about NWG's operations more broadly. One interviewee expressed this view in saying *"drilling in that body or digging inside the body – it's the same it's just using a different method ... from our perspective, what type of mining they do doesn't matter to us because the balance still isn't there"* (SIA interviewee, Community representative).

Iwi groups state that they are willing to reignite a dialogue amongst themselves and with NWG through the Iwi Advisory Group that was prescribed through the Correnso consent conditions. Some Iwi groups expressed that the advisory group will be a fresh start saying that *"fundamental points of difference will be put aside to start a new page"* (SIA interviewee, Community representative) and that there is an expectation that Iwi groups will see an improvement in relationships with NWG and that their interests will be listened and responded to.<sup>37</sup>

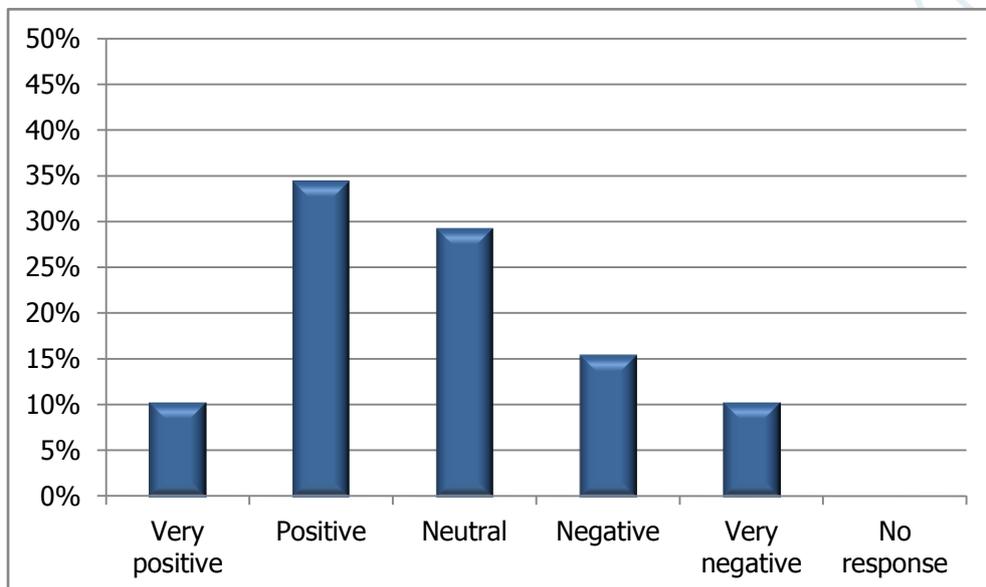
NWG's objective, as outlined in the Draft SIMP, is to take steps to promote community confidence and respond to concerns in relation to environmental impacts and rehabilitation, in the short and long-term, during mining and in relation to closure. In gathering initial baseline data, Banarra asked SIA participants what they thought the impact of Correnso on the environment would be.

Figure 9 shows that there were equal proportions of stakeholders who expressed a very positive or very negative view. More people (34%) felt that the Correnso development would have a positive impact on the environment, against those who felt the impact would be neutral (29%) and those who felt it would be negative (16%).

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<sup>37</sup> Note that Sections 63-65 of the consent conditions contain a number of conditions specific to the recognition of tangata whenua values, including requirements for a Cultural Awareness Programme, Cultural Balance Monitoring Plan and creation of an Iwi Advisory Group. These conditions were added in response to issues raised by te Kupenga O Ngati Hako Inc. in the appeals process (Environment Court of New Zealand 2013, p 18).

Figure 9. Stakeholder Survey responses: How do you rate the impact of Correnso on the environment? (n=58)



### Delayed realisation of future economic opportunities as a result of reliance on mining

The second potential impact in this chapter is a recurring impact that has been raised in various forms in previous studies and SIAs (CSRM 2009, JKTech 2013). It relates to the Correnso development's influence over Waihi's future direction and potential transition to a community with a reduced NWG mining operation, or without mining altogether.

Transitioning to a post-mining economy was a popular subject of discussion prior to the Correnso development, when the general communication from NWG was that closure was possible, and perhaps even imminent. However even in the 2009 SIA, stakeholders expressed doubt over closure timelines. The 2009 SIA reported that '... there remains scepticism amongst many in the community that the mine will close in the near future, both on the part of those who oppose the presence of the mine and also those who would like to see mining continue' (CSRM 2009, p. 20). This view was also expressed by stakeholders during this SIA, but the conversation has also progressed to uncertainty over which industries could develop in Waihi and whether there are any community champions willing to take a leadership role in Waihi's future beyond mining. It would seem that one of the cumulative impacts of the Correnso development's approval, is that it potentially prolongs the cessation of mining in Waihi, but also builds upon previous scepticism of NWG's life of mine timelines and therefore makes it harder for the community to find the energy and commitment to meaningfully plan for future industrial and social development and employment while the safety of mining still exists.

When asked about NWG's role in preparing Waihi for a post-mining future, there were mixed responses as to whether NWG should take an active role in providing leadership, financial investment and capacity building for a non-mining economy, or whether it is the role of business, individuals and/or HDC. The majority of stakeholders across the interview groups felt it was both NWG and HDC's responsibility to jointly plan for and introduce new industries and employment opportunities into town. On the other hand, some community stakeholders do not believe HDC has the capacity to take sole responsibility for the future planning of Waihi, and there are some stakeholders who

strongly believe that responsibility lies with the community and existing businesses to take ownership of their own economic future.

Mining of Correnso may result in a reduction in the frequency or sense of immediacy in conversations and activities pertaining to preparing for Waihi's future because closure will not be considered a priority when a new development is starting. In addition, scepticism or complacency in the timings of closure is also a factor in stakeholders' opinions. For example, one interviewee commented that:

*"the difficulty is people will need to believe that closure is going to happen – as they thought the mine was going to close down before, but it didn't, so now they are cynical", and, "an effective transition [to a post-mining economy] would have to have a clear idea that the mine is stopping and I don't know there could be"* (SIA interviewee, Waihi community member).

Nonetheless, it is likely that a small number individuals and interested business groups will continue to take the initiative in planning for the future and looking after the business interests of Waihi, which should be supported and encouraged by NWG.

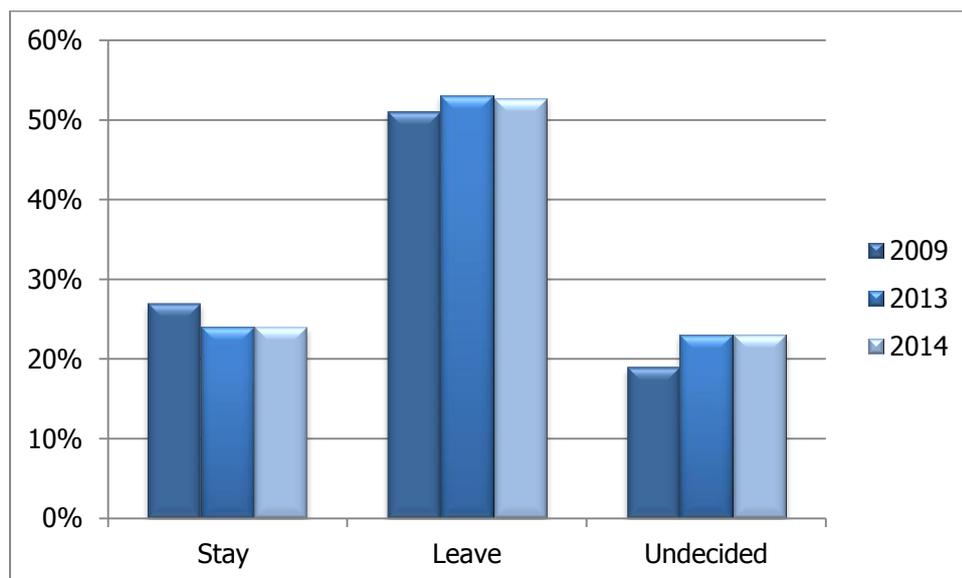
There has also been ongoing debate over the years as to what NWG's legacy will be to the township of Waihi when closure eventuates. To date, NWG has taken steps to support community visioning projects through WCV and VWT, and the gold discovery centre is the newest project to be implemented from that consultative process, aimed at Waihi's tourism market. Going forward, NWG will consider local business sustainability in a post-mine economy by having a standing agenda item on all six-monthly contractor meetings, the first of which is scheduled for the second half of 2014 (Data provided NWG 2014). The SIA found that stakeholders have mixed responses with regard to tourism being the focus for Waihi's future. A vast majority of stakeholders agree that Waihi will change when NWG ceases its operation, but there is not a strong consensus as to whether it is feasible for tourism to be established as the main industry. Some believe that *"tourism brings money into this town"* (SIA interviewee, Local workforce and business owners) and that *"tourism is the future for Waihi"* (SIA interviewee, Local workforce and business owners), and these stakeholders frequently cited the popular bicycle route that has been developed around Waihi, known as the Hauraki Rail Trail. Whereas others commented that the township would likely suffer post-mining, and that *"the other industries like farming and tourism are limited"* (SIA interviewee, Local workforce and business owners). Some stakeholders were unable to think of another industry that could be established in Waihi, whilst others expressed an interest in seeing a skills training centre being developed, or a creative arts and jewellery school establishing itself in Waihi, using local gold and silver.

A few stakeholders also pointed out that ensuring the future of the town is not just about generating tourism, but sustaining employment for local people and ex-mining workers to ensure Waihi's future success. For instance, one stakeholder commented that *"it's about thinking about it differently, what is the goal – is it money or jobs for people in the town – these are not the same thing. The wellbeing for the town is more about jobs"* (SIA interviewee, Waihi community member).

The final challenge the SIA has identified with regard to NWG's legacy is the potential for a large section of the population, namely NWG's employees and contractors, to leave Waihi and surrounds if the operation were to move into closure. The 2009 SIA found that a key issue for closure was employee movement and staff exiting Waihi should NWG's operation close. According to employee responses at that time, 53% indicated they would leave Waihi once operations ceased, compared to 24% who indicated they would stay and 23% who were undecided (CSRSM 2009). For further information on employment, see Chapter 3.

In the 2013 SIA, employees were asked whether they would leave Waihi once their involvement with the company ended. 51% of employees surveyed indicated that they would be likely to leave Waihi, 27% would stay and 19% were undecided (JKTech 2013).<sup>38</sup> Banarra's Employee Survey asked a similar question of employees to assess whether they would stay in Waihi if they did not work for NWG (see Figure 10). Of the 108 responses analysed, 52.8% indicated that they would leave Waihi, 24.1% indicated they would stay and 23.1% were unsure. The ratios have remained reasonably consistent over the whole period.<sup>39</sup>

Figure 10. Employee Survey responses: Would you stay in Waihi if you didn't work for NWG? 2009-2014 (2014 survey; n=108)



## Summary of findings

Closure and a post-mining Waihi has been a well-covered subject area in previous SIAs, and featured as a strong topic of interest for stakeholders in this SIA. Approval of the Correnso development has meant that closure timing and Waihi's future is still a prevalent theme for community stakeholders. However, closure is arguably becoming more difficult to visualise and practically plan for as parts of NWG's operations continue to expand through the Correnso development, and with the possibility of further mining in the area an ever-present reality in the minds of many community members. Additionally, Correnso may contribute to continued environmental impacts, however at this point most SIA participants asserted that they believed environmental impacts of Correnso would not be significant and could be managed by NWG.

<sup>38</sup> 2% did not respond. Total sample size: 208. The 2009 and 2013 data was not collected by Banarra.

<sup>39</sup> Note that the studies had different sample sizes and questions, however the trend remains consistent.

## 8. Other Recurring Themes

Two common themes arose throughout the SIA consultation process: communication and governance. These issues are not social impacts in themselves; however, they influenced stakeholder's experiences of the impacts discussed in previous chapters, and warrant discussion as they were consistent points of interest for stakeholders.

Therefore, this chapter reflects on the issues and perspectives associated with communication and governance, and the influence they have on views of NWG's involvement in the community, and the negative and positive influence they have on impacts and the management of impacts.

### 8.1 Communication: quality and trust

#### Continuation of NWG's presence and influence in community groups

NWG communicates with the community through a fortnightly article in the local Waihi newspaper, 'The Waihi Leader'; a weekly radio programme on Waihi's local radio station, 'Gold FM'; community meetings held four times per year; a 24 hour 0800 number that residents can call; and individual communication with residents, services providers and business owners via letter, phone or face-to-face. This communication is managed by NWG's External Affairs Department. Informal communication also occurs on a daily basis as NWG staff members are also members of the Waihi and/or district community. Some members of the community also have direct access to communication with NWG, including some HDC members, and members of the VWT and WCF.

SIA consultation raised three significant issues associated with NWG's communication:

- The quality of communications regarding Correnso and NWG's operations more generally;
- Trust in communication by NWG; and
- NWG's management of the complaints process.

Most participants spoke favourably of the quality of the communication they received from NWG. The multiple forms of communication, the presence of the NWG office in town, and the relationships that many participants had with NWG staff, meant that most participants felt they could acquire the information they wanted.

However, the issue of trust in NWG's communication was more complex. While a selection of stakeholders highlighted NWG's transparency, another subset felt that NWG's communication was a form of public relations or that NWG did not provide enough details about its plans for the future. In addition, some stakeholders expressed feeling powerless, trapped and/or ignored when raising concerns, communicating with NWG, and receiving information about the Correnso development including in the form of legal documentation and maps of the mining area. Negative perceptions of quality and trust in communication are significant because they underpin issues of uncertainty which was a prevalent theme throughout the consultation. Analysis suggests that perceptions of the quality and trustworthiness of information held by stakeholders was also influenced by the relationship they had with NWG employees.

The complaints process was one area where there were consistent concerns. A number of participants who had experienced negative health and wellbeing or property impacts that they attributed to NWG's activities felt that their complaints had not been adequately addressed, as detailed in Chapter 4. Some residents reported for instance that they felt that complainants from those who live outside the official 'affected resident' boundary were not taken seriously, while others believed NWG did not respond adequately to damage the residents attributed to mine-related vibration.

Acknowledging that NWG operates with strict conditions, these experiences contributed to complainants feeling ignored or their perceptions disregarded.

During SIA consultations, NWG's influence in the community was also frequently raised in the context of its role with the WCF. Stakeholders generally understood that the role of the forum is to be a conduit between NWG and Waihi East residents concerned by NWG's operations. Of those stakeholders who discussed the WCF in some detail, many mentioned the forum's remit to help facilitate and assist the IRP with the property purchases for eligible residents.<sup>40</sup> Stakeholders' overall sentiment towards the WCF is that it is *"a really tuned-in group"* (SIA interviewee, Waihi East resident) and *"...being able to approach someone that isn't Newmont is a really good thing. It's made it better – it was a really good idea"* (SIA interviewee, Waihi East resident).

In addition, a small number of stakeholders raised concerns about NWG's presence on the WCF and their participation at meetings. These stakeholders felt NWG had heavily influenced other community groups in the past, and that their involvement meant the group *"lost its integrity"* (SIA interviewee, Waihi East resident) and *"achieved very little"* (SIA interviewee, Local workforce and business owners). The WCF also verified that community members had previously raised their opposition to NWG and HDC being involved in the forum but maintained that their presence wasn't a barrier to the forum's work but rather *"it speeds up the process and makes the information a bit clearer"* (SIA interviewee, Community representative) adding that if the NWG representatives aren't aware of the data or information needed to answer a question raised through the forum, they will source the correct information and feed it back to the WCF. Forum members also expressed their ability to escalate any issues to NWG personnel beyond those who represent the company on the forum, saying that their ability to *"pursue issues at a higher level"* (SIA interviewee, Community representative) has been utilised in the past and would continue to be used on an as-needed basis.

However, the forum acknowledged that its limitations weren't due to NWG's presence on the committee, but rather the prescriptive Correnso consent conditions which has meant that anything NWG commits to beyond the Correnso consent conditions is entirely voluntary on NWG's behalf, regardless of how much the WCF and Waihi East residents feel it is necessary. This has limited the forum's ability to leverage NWG to go beyond compliance and has left the WCF in *"a weak negotiating position"* (SIA interviewee, Community representative). Members of the forum feel that NWG will not go beyond what is stipulated in the Correnso consent conditions, which could potentially limit the effectiveness of the forum or result in missed opportunities.

## 8.2 Governance, monitoring and accountability

A number of parties have governance roles in Waihi, with varying responsibilities and influence over monitoring the activities of NWG's operation and the Correnso development. These include:

- NWG as the mine operator;
- HDC and Waikato Regional Council are the regulatory bodies responsible for monitoring consents, taking enforcement actions if conditions are not complied with and pursuing any community complaints that stakeholders have raised directly with Council; and

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<sup>40</sup> As part of the Correnso consent conditions, NWG will provide NZ\$4 million for the purchase of properties not positioned over the stopes. These purchases are separate to those NWG will be offering directly to owners of properties positioned over the stopes. The Correnso consent conditions require that the IRP gives priority to those living in close proximity to mining operations, and that the WCF receives feedback from the community on the criteria the IRP could consider when recommending house purchases to NWG (WCF 2014b).

- Central government as the receiver of royalties, and responsible for implementing the relevant legislation and overall mining consent, and any breaches in safety legislation.

Participants with interests in the governance of Waihi through involvement with government or participation in the Independent Commissioners' Hearing Panel generally expressed support for the consent conditions, stating that the Commissioners had done a respectable job. They noted that whilst some affected residents still had considerable concerns and grievances, progress had been made and this should be acknowledged. There was, however, much discussion about the role and capacity of various organisations, HDC in particular. Two themes were of note:

- HDC's impartiality in its relationship with NWG; and
- Distribution of royalties.

### **HDC's impartiality in its relationship with NWG**

During the SIA interviews, the subject of NWG and HDC's interactions and relationship was frequently raised. Some interviewees, mainly general Waihi residents, businesses, and those in advocacy groups, stated that they felt NWG and HDC have a good working relationship, and were aware of HDC's role in monitoring NWG according to the Correnso consent conditions. However while some acknowledged the benefits of cooperation and communication between the two parties, others felt that HDC has a conflict of interest and is powerless to hold NWG to account now that the Correnso consent conditions have been issued. Some affected residents also felt that general complaints and concerns taken directly to HDC about NWG's operations are not taken seriously or followed up with any affirmative action by HDC, further adding to stakeholders' perception of HDC's limited role in holding NWG to account. One participant described the situation as difficult for HDC to be an objective regulator because *"the Council can't do without Newmont, they don't want Newmont to leave"* (SIA participant, Waihi East resident).

In addition, particular concerns relating to monitoring of blasting noise and vibrations were raised primarily by Waihi East residents, and residents who had experienced the effects of the Trio mine. These interviewees felt that HDC is relying on NWG to self-monitor and HDC should take a more active role in commissioning independent monitoring studies to improve the accountability and transparency of NWG's monitoring data. In addition, stakeholders also felt that HDC could conduct more roving monitoring, that is setting up blasting and vibration equipment in places other than where NWG has its equipment, and could communicate its findings more frequently and openly in order to demonstrate either consistencies or differences between both parties data. A small number of participants who discussed experiences with HDC's independent monitoring believed that it had identified vibration levels that exceeded those identified by NWG's own fixed blast monitors, however data was not provided to support this perception.

### **Distribution of royalties**

Mining royalties are paid directly to Central government, rather than the district. This distribution was viewed by a subset of participants as reducing the economic benefits to the community and thus being unfair; a view exacerbated because NWG is not a New Zealand owned company, and thus *"the money came from here and gets sent overseas"* (SIA participant, Local workforce and business owners), thus limiting the benefit that the mine has to either the district or country. Despite these limitations, NWG contributes to the district via rates paid to HDC, although this was perceived by some as a conflict of interest for HDC, who is also the regulator of the mine.

## 9. Summary and Concluding Remarks

Waihi has been predominantly a mining town since the 1880s, and both this heritage and the current NWG mine exert a strong presence in town. The confirmation on August 1<sup>st</sup> 2014 that Correnso is to proceed came at a time when NWG's other underground mine in Waihi was near closure, therefore Correnso represents the continuation of mining in Waihi. For the majority of stakeholders, Correnso allows for business as usual, however some Waihi East residents will experience a more significant transition process as they adjust to the effects of the development. The impacts that people experience will be, in part, influenced by the social impact management processes undertaken by NWG.

The significant positive contributions that NWG makes to the economy and the community through taxes and royalties, employment, purchasing and social investment as well as the participation of employees and contractors in the community, are expected to largely remain unchanged. Opportunities to enhance the positive social impacts identified by stakeholders were in relation to training and education programmes, legacy and rehabilitation planning and streamlining communications.

For NWG's stakeholders, and most particularly for residents of Waihi East, the last three years (2011-2014) have been unsettling. Property prices have fluctuated and confidence in the ability to sell has waned. Those planning to buy, sell, renovate or subdivide property have felt under pressure with decisions delayed or foregone due to uncertainty regarding Waihi's future. For some Waihi East residents their individual circumstances have enabled them to manage this period of uncertainty relatively unaffected. However others have been more exposed financially or personally, and some believe their properties are at higher risk of damage from Correnso than NWG is willing to acknowledge. This has led to experiences of significant stress and anxiety experienced amongst some residents, which is anticipated to continue for those for whom this stress or anxiety is related to perceived or actual physical impacts of the Correnso development.

While in many areas stakeholders were positive about the potential impacts of the Correnso development, negative responses indicate that NWG has some work to do in building confidence amongst some sections of the community, particularly those affected by operational activities in Waihi East. The recent certainty that has come with the announcement that Correnso will go ahead will assist with that process.

The mitigation programmes set out in the Correnso consent conditions and NWG's processes to keep people informed, appear likely to reasonably mitigate and manage a number of the negative impacts of Correnso. However stakeholders remain concerned about the management of vibration monitoring, the reach and effectiveness of property compensation programmes, and general health and wellbeing. It is noted that NWG's performance in relation to all identified impacts in the Report will be tracked and continually assessed through the various monitoring and management processes required by the Correnso consent conditions, including the SIMP.

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## Appendix A: About Banarra

Banarra is a specialist sustainability consultancy providing a diverse range of services to clients in the corporate, government and not-for-profit sectors. Established in Sydney, Australia in 2006, Banarra is internationally recognised for its work supporting business to better understand and manage the social impacts of developments. Core to Banarra's purpose is to catalyse positive change in the relationships between companies and their host communities to achieve more equitable outcomes for all stakeholders.

Banarra's work covers many aspects of sustainability, including social and human rights, community investment, land access and cultural heritage, and supply chain and labour practices. Disciplinary capabilities include impact and risk assessments, social research, land management, stakeholder engagement, training and capacity building, strategy development and audit and assurance. In particular, the business has extensive experience working with the mining industry at a corporate and site level in a range of complex environments, including those with challenging cross-cultural and indigenous dynamics.

### 1. Relevant capabilities and experience

Banarra's recent experience in SIA includes conducting assessments in both regulatory and voluntary contexts, and advising other providers for capacity building. Banarra has conducted voluntary SIAs for existing mining operations to inform operational and closure planning across Australia, with recent assessments conducted for operations in Western Australia and Tasmania. In the regulatory context Banarra completed the SIA for the proposed Ranger 3 Deeps underground mine in the Northern Territory in early 2014. Banarra has also conducted reviews of the quality and effectiveness of SIA work undertaken by other providers to support capacity building of emerging impact assessors in Indonesia.

Broader expertise in managing the social impacts of resource development extends to designing and supporting the implementation of social and community relations management systems (including standards and guidelines), delivering social baseline studies and community perception surveys, and conducting community relations audits to assess mine site adherence to company standards, including social impact management requirements.

Banarra also has considerable experience in human rights, particularly in the resources industry where the team has conducted human rights risk and impact assessments for operations in Australia, Laos, South America, and Central and West Africa.

### 2. Contributions to international knowledge sharing

Banarra actively participates in interdisciplinary knowledge sharing to contribute thinking and practice to SIA and other relevant disciplines. In the last three years, Banarra's contributions have included presentations at:

- The Minerals Council of Australia Sustainable Development Conference in Thailand (2012);
- The 1<sup>st</sup> and 2<sup>nd</sup> International Seminars on Social Responsibility in Mining, Chile (2012-2013);
- The International Association of Impact Assessment's (IAIA) annual conferences in Portugal, Canada and Chile (2012-2014);
- The Australian National University's Centre for Native Title Anthropology Heritage Symposium (2012); and
- The Environment Institute of Australia and New Zealand annual conference (2013).

Banarra has presented papers on subjects including approaches to delivering SIAs and baseline studies within Indonesia, voluntary SIA, performance outcomes from community relations audits, incorporating human rights into SIA practice, the role of the SIA practitioner in building social licence to operate within SIAs, and cumulative impacts in SIA.

### 3. Correnso SIA project team

The project team was comprised of the following Banarra team members, supported in quality assurance by the broader team.

<p>Catriona Peterson</p>	<p>Role: Senior Consultant and Project Director; joined Banarra in 2011.</p> <p>Specialist areas: Human rights and social impact assessment, stakeholder engagement, and community relations management.</p> <p>Education: Master of Human Rights Law and Policy, University of New South Wales; Bachelor of Environmental Management, Macquarie University.</p>
<p>Claire Tucker</p>	<p>Role: Consultant and Project Manager; joined Banarra in 2011.</p> <p>Specialist areas: Social impact assessment, programme evaluation and stakeholder engagement.</p> <p>Education: Post Graduate Certificate in Program Evaluation, University of Melbourne; Bachelor of Liberal Studies (1st Class Honours), University of Sydney; and Centre for Sustainability Leadership Fellowship Program.</p> <p>Memberships: Environment Institute of Australia and New Zealand, International Association of Impact Assessment</p>
<p>Siobhan MacCarthy</p>	<p>Role: Associate and team member; joined Banarra in 2007.</p> <p>Specialist areas: Social impact and community relations, supply chain, and labour practices.</p> <p>Education: Bachelor of Social Science (Honours), Social Anthropology, University of Manchester; Trained in the AA1000 Assurance Standard and in Environmental Management Systems as an ISO14001 Lead Auditor.</p> <p>Memberships: International Association of Impact Assessment.</p>
<p>Edwina Loxton</p>	<p>Role: Consultant and team member; joined Banarra in 2014.</p> <p>Specialist areas: Social impact assessment, stakeholder engagement and sustainability management.</p> <p>Education: PhD in social impact assessment and environmental policy change, Australian National University; Bachelor of Science (Resource and Environmental Management) (Honours), Australian National University.</p> <p>Memberships: International Association of Impact Assessment.</p>

## Appendix B: Map of NWG Operations in Waihi



Source: NWG

## Appendix C: Methodology and Consultation Summary

This Appendix outlines Banarra’s approach to identifying, assessing and analysing the relevant and significant potential social impacts of the Correnso development. Banarra conducted the SIA using a multi-staged process to collect and analyse both qualitative and quantitative data, and involve the stakeholder groups potentially impacted by the development.

The SIA built on the work conducted by Banarra during the development of the draft SIMP in 2013. Together, the SIMP and SIA will meet section 41b of the Correnso consent conditions.

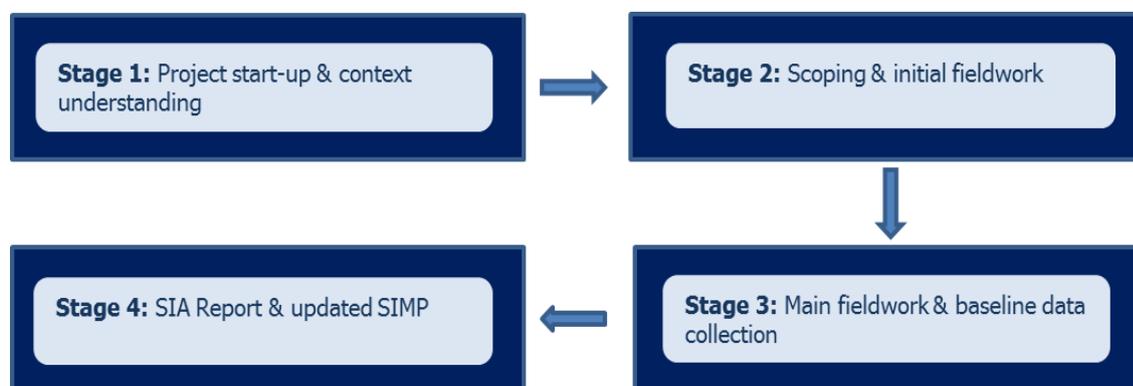
### 1. SIA Overview

The SIA process was conducted by Banarra over a four month period commencing in April 2014. It was specifically designed to respond to NWG’s required scope of services, taking into account the requirements of the Correnso consent conditions. It was also informed by Banarra’s knowledge and experience of SIA in the resources sector. Banarra’s methodology was revised over the course of the project and the details outlined in this Appendix reflect the final approach. The project was not scoped to deliver a risk analysis of the consequences or likelihood of potential impacts or extensive comparative analysis.

Social impacts are defined as the consequences that people experience, either physically or perceptually, as a result of changes that affect the way they ‘live, work, play, relate to one another, organize to meet their needs and generally cope as members of society’ (ICPGSIA 2003, p. 231). The potential impacts identified in the SIA were generally influenced by multiple issues, including those related to other operations of NWG and external factors such as economic fluctuation.

The key stages of the SIA process are outlined in Figure 1 and are briefly discussed below.

*Figure 1: Four-staged NWG SIA process*



Stages 1 and 2, the project start-up and scoping stages, included initial desktop research to build an understanding of the local context, discuss and agree on the SIA scope, identify additional stakeholders and plan the consultation. The project scoping trip, undertaken in May 2014, involved preliminary engagement with stakeholders.

Stage 3, the main fieldwork and data collection stage, involved an iterative process of consultation, desktop research and analysis. Approximately two weeks of fieldwork was undertaken in June and July 2014 to collect the primary body of data, complementing initial engagement undertaken during the scoping stage.

Stage 4, the SIA reporting and SIMP updating stage, included analysis, reporting and updating of the SIMP. After the fieldwork, the team conducted a significance assessment process which rated the

issues that emerged through consultation. Results were tested with NWG and feedback on the SIA report was obtained from NWG and HDC.

## 2. Identifying stakeholder groups

Banarra worked with NWG to identify the range of stakeholder groups who could potentially be impacted by the Correnso development and NWG's operations more broadly. The overall intent was to invite a representative range of stakeholder groups to participate in consultation. Those who participated in the SIA were assigned to one of 11 stakeholder groups: advocacy groups, affected residents (in Waihi East), businesses, schools and education groups, general Waihi East residents, interest groups, local Iwi representatives, local government and regulators, other Waihi residents, NWG staff and contractors, and service providers.

As the research progressed, Banarra identified a small number of additional participants, based on those recommended by initial participants, or to address gaps in the research data or early findings.

## 3. Data collection

### Interviews and focus groups

Banarra primarily consulted with members of stakeholder groups through interviews and focus groups. Overall, Banarra engaged 124 people through these methods to help ensure that a wide cross section of people was interviewed from all stakeholder groups. Face-to-face interviews took place at participants' houses, or other preferred locations. In general, the interviews were held for 30 minutes to one and a half hours, and the focus groups for one to two hours. Participation in the consultation process was voluntary, and all contributors were provided details of the SIA process and objectives prior to beginning the interview or focus group. Table 1 shows a summary of stakeholders consulted. The initial 11 stakeholder groups were re-categorised into five groups, as referred to in Table 1, for reporting purposes to protect the anonymity of interviewees quoted throughout the Report.

*Table 1. Summary stakeholder groups consulted through the SIA*

Stakeholder group	Face to face interview	Phone interview	Focus group	Total participants
Community representatives	24	1	0	25
Local business and workforce	26	1	0	27
Waihi community members	7	11	6	24
Waihi East residents	37	0	0	37
Waihi residents	0	0	11	11
<b>Total participants</b>	94	13	17	<b>124</b>

Interviewees were asked a series of questions to explore their perceptions of issues associated with a number of themes including social fabric and community cohesion, property, the economy, employment, health and wellbeing, and the future of Waihi and the legacy of NWG. These broad themes were selected based on the development of the draft SIMP. They were also selected by Banarra, building on previous research findings while allowing for the identification of additional issues and impacts.

Members of other stakeholder groups were asked additional questions on other themes based on their stakeholder groups' key interests, for example:

- Interviews with Iwi representatives focused on the relationship between NWG and the Iwi community, cultural issues associated with Correnso and NWG's operations more generally, and the rehabilitation process; and
- Interviews with community service providers focused on their observations regarding the impacts felt by community members due to NWG's operations, whether positive or negative, their role in helping affected-residents respond to issues, and their views on the extent to which NWG has provided support to these services.

Within interviews Banarra also sought responses to a number of scale-based questions to measure stakeholder perception of NWG's management of a number of key issues.

## **Surveys**

Banarra also prepared a comprehensive Employee Survey which was distributed in hard copy to NWG employees and contractors. The survey covered a number of issues, including those related to their employment and how it may change with the Correnso development, their views on NWG's operations and involvement in the community and their individual involvement in the community. The survey questions were developed based on the draft SIMP, as well as the expertise of the Banarra team, based on previous SIA projects. Banarra analysed the responses to 110 Employee Surveys.

## **Baseline Data**

This SIA sought to identify baseline information for the indicators in the Draft SIMP. This data was sourced from a wide variety of sources including NWG, local service providers, and Statistics NZ.

## **4. Analysis and reporting**

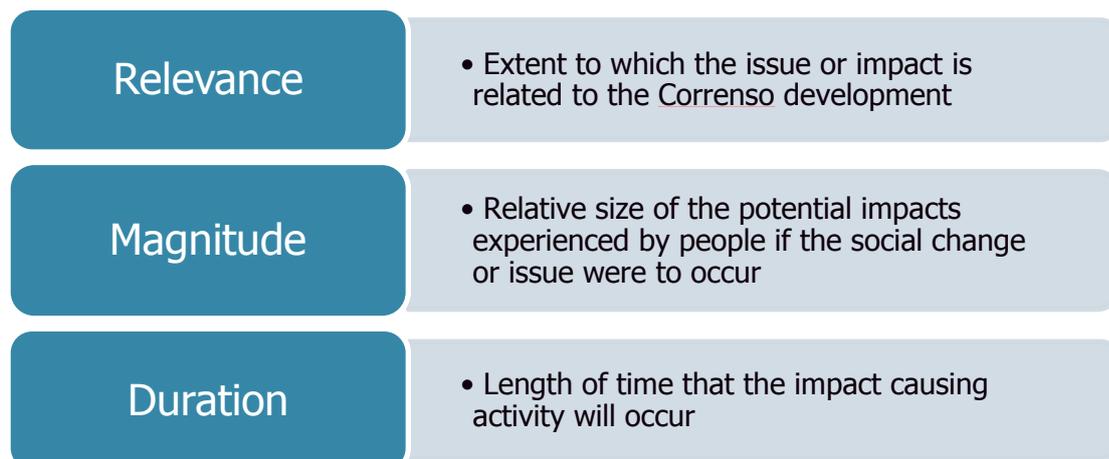
### **Interviews and focus groups**

Analysis of the qualitative data collected during interviews and focus groups involved three interacting methods. Initial analysis of the data took place during the data collection/field work process. As findings emerged during data collection, further questions were developed and asked of subsequent participants.

The second analysis method involved the use of NVivo™, a software programme which facilitates the organisation and comparison of individual sections of text (in this case, data from interviews and focus groups) by common themes. This thematic analysis allowed for a number of potential impacts to be identified and grouped. To establish the importance of potential impacts to stakeholders, Banarra initially assessed the number of participants who raised each potential impact, and the total number of times participants discussed each potential impact to determine frequency. The analysis also helped to capture participants' reflections on how these potential impacts were being, or could be managed.

While NVivo™ provides an indication of the importance of relative potential impacts, the significance and its associated impact, was further discussed by Banarra through a Significance Assessment workshop. The assessment, which followed the matrix in Figure 2, considered three criteria: the *relevance*, *magnitude*, and *duration* of the issue.

Figure 2. Significance assessment criteria



Each issue was scored out of three for each of the criteria, to give a total score of nine. The higher the score, the more significant the potential impact was deemed to be, specific to the Correnso development.

Together the NVivo™ and Significance Assessment processes formed a basis for selecting the most significant potential impacts discussed in the findings section of this SIA report. Those with an overall rating of high or very high significance are detailed in the Report.

Table 2. Significance ratings

Score	Rating
3	Low significance
4 or 5	Medium significance
6 or 7	High significance
8 or 9	Very high significance

The Impacts Register (Appendix D) provides a summary of the Significance Assessment results, including stakeholder perception for each potential impact.

## Surveys

Data collected via the Stakeholder Survey and Employee Survey were entered into separate Microsoft Excel spreadsheets. The data was analysed to establish trends within the data and allow comparison of the survey and interview/focus group data. Findings have been used throughout the Report to illustrate participant perceptions of issues.

Additional baseline data gathered from relevant NWG departments, the 2013 New Zealand census and other sources was also analysed to provide context to the findings.

## Appendix D: Impacts Register

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
<b>Economy:</b> Relates to the positive and negative impacts the Correnso development has on the local, regional and national economies.							
Continued contribution to the economy by NWG	<p>NWG contributes to the economy through the use of local suppliers and contractors, payment of rates, the expenditure of wages by NWG's employees and contractors, the support the company provides to schools and community organisations, and through the contribution mining-based tourism has on the economy.</p> <p>The majority of those consulted felt NWG has a positive impact on the Waihi economy. This perspective was common to almost all participants, including those who voiced concerns about the negative impacts of the Correnso development on their property, or health and wellbeing.</p> <p>Participants, however, qualified positive comments on NWG's overall economic benefits to Waihi by discussing factors limiting these benefits. This was more common amongst residents who had been negatively affected by NWG's operations, particularly those living in Waihi East.</p> <p>A number of residents of Waihi town itself were keen for Waihi to receive a greater proportion of economic benefits from NWG, as opposed to the wider district, region and nation. This was discussed with reference to employment, procurement of goods and services, and rates paid by NWG.</p>	<p>"There's a spin off for businesses in town. Other companies have come here because of the mine."</p> <p>"There are a lot of other businesses that feed off the mine and feed off the workers. [If Correnso does not go ahead] all the miners and their families will leave and it'll just be one of those little towns that you drive through to get to somewhere else."</p> <p>"I think there is a myth that mining is providing major wealth here and that they provide significant money but they don't."</p> <p>"I hear talk about the economic benefits for the town but I don't see any evidence for it. Many of the employees live out of town."</p>	All stakeholder groups	High	High	Medium	Very high

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Continued financial reliance on NWG	<p>NWG's long association with Waihi was viewed by some as having led to a reliance on the company by local businesses, service providers and community groups.</p> <p>Some participants raised concerns about Waihi's resilience and opportunities for future success when mining operations cease (predominantly NWG employees and some residents). Others believed that the community would adjust to the change after some decline in the economy and employment (predominantly business owners, community representatives, and some residents). However, many participants felt certain that mining would continue for the foreseeable future and were therefore unconcerned by any perceived dependence of Waihi on the mining industry.</p>	<p>"Without the mine it'll be a just a small town, with no jobs and no spin off effects."</p> <p>"[If NWG ceased operations] some people say it would be a ghost town but I don't think it would be that bad ... The flash shops would probably close. But for the most part it will carry on."</p>	All stakeholder groups	Medium	High	High	Very high
<p><b>Employment:</b> Relates to NWG's provision of direct and indirect employment in Waihi and the district, the subsequent expenditure of employees' wages, and the extent to which NWG facilitates training and employment opportunities.</p>							
Continued provision of employment	<p>NWG is considered to be a significant employer in Waihi, and therefore continued employment was frequently discussed throughout consultation as a positive outcome from the Correnso development, as was the associated avoidance of potential loss of Waihi residents associated with job losses if mining was to cease in Waihi.</p> <p>Information provided by NWG indicates that the Correnso development will maintain current employment levels rather than increasing them.</p>	<p>"There is no doubt that the company has helped; no doubt as all. If the mine hadn't been here we'd be as bad as other places ... the mine employs people."</p>	Businesses; NWG staff and contractors; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	High	Medium	High

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Continued contribution to the economy by NWG's employees and contractors	Stakeholders raised the positive economic impacts of this employment on the local and district economy. A proportion of wages paid to NWG's employees and contractors is spent in Waihi, thus contributing to its economy, regardless of whether the employee or contractor lives in Waihi.	"Half the people I work with go and get lunch in town, you've got 300 people here who grab a coffee in the morning too – I can't imagine what would happen if it shut down."  "If the mine wasn't here you wouldn't have the miners spending money in town."	Businesses; NWG staff and contractors; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	High	Medium	High
Continued provision of training programmes	NWG provides training to its employees and also supports graduates through its graduate programme.  While there is scope for further training opportunities, the extent of current training opportunities provided by NWG appear not to be well known by community members.	"They have a graduate programme ... If they have the ability to do it, then go for it but it's not necessarily their responsibility."	Businesses; NWG staff and contractors; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	Medium	Medium	High
<b>Property:</b> Relates to NWG's management of its property, and the impacts that NWG's operations have on the physical sustainability and financial value of property in Waihi including provision of compensation.							

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Structural property damage and reduced amenity	<p>The potential for structural damage to property relates to the effects of vibration from underground blasting, tunnelling, dewatering and associated subsidence and land settlement. NWG has a Property Damage programme to respond to property damage that occurs due to its operations.</p> <p>Historically, Waihi has experienced a number of subsidence events that remain in the communities' collective memory and influence views.</p> <p>Participants residing in Waihi East were very conscious of the potential for structural damage and reduced amenity. They expressed a broad range of experiences of blasting in their homes from other NWG mining activity. Many people feel no or minor shaking, while others regularly feel stronger shaking.</p>	<p>"They break they pay – the engineers will say that vibration didn't cause that damage – it must help the damage along. And they don't take that into account."</p> <p>"They say we shouldn't feel anything here ... we can still feel the ground rocking. But the guy is there with his equipment saying it can't be true."</p> <p>"If it's major effects to your property and your ability to live in the property then they'll sort it. They bought the ones up the road that had subsidence ... Little ones are hard to prove. Large structural ones will be easier to prove."</p>	Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	High	High	Medium	Very high
Changes in property values and market activity	<p>Prices and market activity in Waihi East and Waihi West have fluctuated significantly between 2008 and 2013. Concern was expressed by a selection of participants about the negative impact that the Correnso development has had, and will continue to have, on property values in Waihi. The most aggrieved of participants were Waihi East residents who had recently bought properties in a high market, had concerns about their levels of equity or had plans to renovate, subdivide or sell properties. However, other residents expressed little concern, particularly if they did not plan to move, did not anticipate unmanageable property damage or were confident that NWG would address any damage.</p>	<p>"I'm not worried about Correnso. I think there might be a loss of house value here but it will be from people's perceptions, it won't be because the actual value of the house is less due to damage."</p> <p>"Our house is the biggest thing we own and the biggest thing we've done in our life – it's our 10 to 15 year plan and it's been ripped out from under us."</p>	Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	Medium	High	High

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Distribution of financial compensation	<p>NWG has a variety of programmes to respond to impacts its operations have on property. These include the Top Up, Amenity Affect Programme, and ex-gratia payment programme. Participants expressed a range of views with regards to the various property compensation options available for residents.</p> <p>Overall, the programmes were considered to be positive, however a number of affected residents felt the options available were not commensurate with their situation.</p> <p>The Top Up Programme has been generally well received, although there were some concerns raised during consultation that the implementation has been inconsistent, inequitable and lacking in transparency.</p> <p>A common theme arising was the belief that compensation may not go to the right people or enough people. Participants felt that those experiencing the most adverse effects from the Correnso development are not restricted to the people living directly above the mine, and were not satisfied with either the consent conditions or NWG's assessment of its effects.</p>	<p>"The buying and compensation is restricted to so few people."</p> <p>"They were starting to pay us for a while – we used to get a shake every now and again but the payments stopped and I don't know why."</p>	Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	High	High	High	Very high
<p><b>Community:</b> Relates to NWG's relationship with and effects on the communities in which it operates.</p>							

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Continued investment in the community	<p>NWG provides ongoing investment in the community which is broadly welcomed by the Waihi community. Local primary schools and Waihi College, and community groups are key recipients of funding. NWG has also funded community assets.</p> <p>One issue that has emerged is that schools receive different amounts of funding which is believed to be causing some unintended negative consequences whereby funding arrangements are influencing school enrolments at the Waihi East School.</p>	<p>“They have put in services and the community walk. When they do that, they are working with the community. They have been good neighbours in that regard, and that would be missed if they went.”</p> <p>“Parents will be taking their kids out of our school and sending them to East because parents see that East has all the extra resources.”</p>	Interest groups; Service providers; Advocacy groups; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	High	Medium	High
Increased community division and dissention	<p>While a portion of the Waihi community is not directly engaged or concerned with NWG’s operations or the development of the Correnso development, significant divisions have emerged between some groups who have been involved with the consent process.</p> <p>Divisions are apparent between those who support the Correnso development and those who do not, those who are seen to benefit and those who will not, and those who live in the affected area and those who do not.</p> <p>Further divisions occur between stakeholders who are trying to sell their properties and believe that the Correnso development has put them at an unfair disadvantage compared to property owners whose houses are located away from the development.</p>	<p>“The town is divided – you’re either for or against it, there’s no middle ground.”</p> <p>“Once the hearing process was over, things were fine. But at the time, it definitely divided the community.”</p>	Interest groups; Service providers; Advocacy groups; Businesses; NWG staff and contractors; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents.	High	High	High	Very high

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Continued participation of NWG's employees and contractors in community life	In addition to maintaining an existing workforce, NWG employees are expected to remain involved in community life, such as through sports and clubs, which will contribute to the maintenance of the vibrant Waihi community.	"There have been a lot of new people come into town over the years ... I know from netball they have built up the club numbers, children's dads work for the gold company."	Businesses; NWG staff and contractors; Service providers; Interest groups; and Advocacy groups	High	High	Medium	Very high
<b>Health and Wellbeing:</b> Relates to the health and wellbeing of NWG employees and the communities in which NWG operates.							
Uncertainty over future mining plans and financial stress relating to property	<p>Participants raised concerns due to the uncertainty they feel regarding the Correnso development, particularly: when and if mining (as opposed to exploration development) will start; the project design; and the timeframes including the overall life of the development.</p> <p>Participants also expressed feelings of stress from, and uncertainty in making financial decisions regarding, their properties, particularly: uncertainty in deciding whether to invest capital in renovating or to put their property up for sale. Other stakeholders, specifically in the affected area, expressed regret, self-blame and frustration over the timing in their decision to purchase a home in the area just before the Correnso development was announced in 2011.</p> <p>At the time of consultation there was also some uncertainty among employees and contractors with regard to their future with NWG.</p>	<p>"There are plans in place but there are also contingency plans and some things we won't know about until Correnso actually starts."</p> <p>"No one has come to me and said, 'hey, here's the plan' - why can't they show me ... what is going to happen?"</p> <p>"I had an idea of what I thought I'd do but it's changed now, it makes you angry and stressed."</p> <p>"It makes me feel sad that I've done something stupid and I'm angry with myself for buying this house...this place wasn't meant to be a gamble."</p> <p>"If you're worrying about the money you've lost, it will make you sick."</p>	Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	High	High	Medium	Very high

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Anxiety regarding anticipated mining noise and vibration	<p>A number of Waihi residents stated during consultation that they have experienced stress and lifestyle impacts from NWG's operations. Such impacts were often in relation to personal health and property damage from the vibration that has come from the Trio mine and residents are therefore anxious about future blasting and vibration effects with Correnso. Of this group, those who are older or unwell, and those who stay home during the day (including shift workers) reported feeling greater personal impact from blasting, and therefore are potentially more susceptible to impacts from Correnso.</p> <p>These impacts may worsen once Correnso begins, or may lessen as the effect becomes predictable and normalised.</p>	<p>"If you're not in the exact zone they don't want to know about it – they draw their boundaries street by street."</p> <p>"You won't know we're here we'll be quiet' they assured us. They said the mining wouldn't affect us – but we shake every day."</p> <p>"I hear explosions going off but that doesn't worry me. It's just a mild shake. I haven't heard it for a while. I just adjust to it. ... I don't know what it will be like when they're under my house."</p>	Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	High	High	Medium	Very high
<p><b>Future of Waihi and NWG Legacy:</b> Relates to the future of Waihi beyond mining including NWG's legacy and closure planning.</p>							

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Continued environmental impacts including delay of the Martha pit rehabilitation	<p>In general, stakeholders were happy with NWG’s approach to environmental management, although several concerns were raised.</p> <p>Some stakeholders expressed frustration and disappointment at the delay in rehabilitating the Martha pit due to the continued need to de-water the pit for the length of the Correnso development’s operation.</p> <p>As the Correnso development is mined, the tailings storage facilities will continue to operate and grow, which some participants feel is an unwelcome environmental impact.</p> <p>In the past, Iwi groups have expressed concerns regarding: effects on the mauri (life force) of the water, land, and well-established trees; changes in topography and visual impacts; effects of dewatering and the quality of the regional groundwater system and; the filling of the Martha pit. Iwi groups consulted still held concerns, but felt that Correnso did not raise any new or considerable environmental concerns not already expressed about NWG’s existing operations.</p>	<p>“The walks around here are really good – I think they’ve done a good job of that. They are very good environmentally.”</p> <p>“What is innately troubling is the tailings dam [tailings storage facility] - it’s huge and with what is in there, how long does it have to sit there for? It would be impossible to fix.”</p> <p>“Drilling in that body or digging inside the body – it’s the same it’s just using a different method ... from our perspective, what type of mining they do doesn’t matter to us because the balance still isn’t there.”</p> <p>“Fundamental points of difference will be put aside to start a new page.”</p>	Interest groups; Service providers; Advocacy groups; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents	Medium	Medium	High	High

Potential social impact	Overview of impact and stakeholder responses	Quotations	Relevant stakeholder groups	Rating			
				Relevance	Magnitude	Duration	Overall significance
Delayed realisation of future economic opportunities as a result of reliance on mining	<p>There has been prolonged uncertainty in Waihi regarding the future of mining and Waihi's future. In particular, consultation identified uncertainty over which industries could develop in Waihi and whether there are any community champions willing to take a leadership role in Waihi's future beyond mining.</p> <p>The Correnso development's approval potentially prolongs the cessation of mining in Waihi, but also builds upon previous scepticism of NWG's life of mine timelines. In turn, this makes it harder for the community to find the energy and commitment to meaningfully plan for future industrial and social development and employment while the safety of mining still exists.</p>	<p>"The difficulty is people will need to believe that closure is going to happen – as they thought the mine was going to close down before, but it didn't, so now they are cynical."</p> <p>"An effective transition [to a post-mining economy] would have to have a clear idea that the mine is stopping and I don't know there could be."</p> <p>"Tourism is the future for Waihi."</p> <p>"The other industries like farming and tourism are limited."</p>	<p>Interest groups; Service providers; Advocacy groups; Affected residents (in Waihi East); General Waihi East residents; and Other Waihi residents</p>	Medium	High	High	Very high

## Appendix E: SIA Alignment with Correnso Consent Conditions

This Appendix details how the relevant Correnso consent conditions have been addressed through the SIA and the SIMP. Where necessary, the alignment with the Correnso consent conditions delineates the responsibility between NWG and Banarra, however it does not provide any detail on NWG's intention to meet the Correnso consent conditions, actions or timeframes.

The table below includes some direct extracts and summaries of requirements contained within the Correnso consent conditions which are relevant to the scope and methodology of the SIA to provide further context.<sup>41</sup>

*Table 1. SIA alignment with consent conditions*

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
General	Conditions 1-4.	Requirements listed in this section have not been considered as relevant for the SIA.
Annual Work Programme	Conditions 5 and 6.	Requirements listed in this section have not been considered as relevant for the SIA.
Noise	Conditions 7-12.	Requirements listed in these conditions have not been considered as specifically relevant to the SIA. However, in cases where stakeholder concerns about noise arose during the consultation process, the SIA methodology considered relevant potential social impacts. Significant social impacts regarding noise were not identified but could be considered in conjunction with impacts regarding blasting and vibration, which are discussed in in Section 6.2 (Health and Wellbeing) of the Report.
Blasting and Vibration	Conditions 13-22.	Requirements listed in these conditions have not been considered as specifically relevant to the SIA. However, in cases where stakeholder concerns about blasting and vibrations arose during the consultation process, the SIA methodology

<sup>41</sup> A full version of the Correnso consent conditions can be accessed at: <http://www.waihi gold.co.nz/pdf/Correnso%20Consent%20Conditions%20FINAL.pdf>

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
		considered relevant potential impacts. These impacts are discussed in Sections 4.2 (Property) and 6.2 (Health and Wellbeing) of the Report.
Surface Stability	Conditions 23-26.	Requirements listed in these conditions have not been considered as specifically relevant to the SIA. However, in cases where stakeholder concerns about surface stability arose during the consultation process, the SIA methodology considered relevant potential social impacts. Significant social impacts regarding surface stability were not identified, however broader impacts on property and blasting and vibration in relation to health and wellbeing were identified. These impacts are discussed in Sections 4.2 (Property) and (Health and Wellbeing) 6.2 of the Report.
Dewatering and Settlement Monitoring Plan and Report	Conditions 27-35.	The WRC and HDC monitor the conditions set up for Correnso development on dewatering and settlement, as outlined in Section 8.3 (Governance, monitoring and accountability), and the Correnso consent conditions. Technical studies and management of dewatering and settlement were outside the scope of the SIA. In cases where stakeholder concerns about dewatering arose during the consultation process, the SIA methodology considered the relevant potential social impacts. Significant social impacts regarding dewatering and settlement were not identified, however broader environmental impacts were considered. These impacts are discussed in Section 7.2 (Future of Waihi and NWG Legacy) of the Report.
Hazardous Substances Underground Depot(s)	Condition 36.	Requirements listed in this condition have not been considered as relevant for the SIA.
Hours of Work	Condition 37.	Requirements listed in this condition have not been considered as specifically relevant for the SIA. In cases where stakeholder concerns regarding hours of work arose during the consultation process, the SIA methodology considered the potential social impacts. Hours of work were not determined to be specific potential social impact of the Correnso development, however, they were raised in relation to employee participation in community life. These impacts are discussed in Section

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
		5.2 (Community) of the Report.
Social Impacts Management Plan	Condition 38: 'Prior to the first exercise of this consent, the consent holder shall engage a suitably qualified and independent social impact assessment (SIA) specialist or specialists, whose brief and appointment shall be approved by the Council, to prepare a Social Impact Management Plan (SIMP), and a Social Impact Assessment (SIA). The SIMP shall be submitted to the Council for approval within 3 months of the notice given under condition 4 or as otherwise approved by the Council in writing.'	<p>A brief overview of Banarra's team, including its SIA experience and capabilities, is included in Appendix A: About Banarra.</p> <p>Note that it is the responsibility of NWG to provide HDC with the SIA Report and SIMP.</p>
Social Impacts Management Plan	Condition 39: 'The purpose of the SIMP shall be to provide an updateable framework to identify, assess, monitor, manage, and re-assess the social effects (positive and negative) of the Correnso Underground Mine in combination with the other Newmont Waihi Gold (NWG) mining projects operating in the area, on the community, and also provide an annual report on the outcomes of this work.'	<p>Banarra was engaged to develop a Draft SIMP (completed April 2014) and the SIA process was designed to test and validate the content of the Draft SIMP. Banarra re-submitted a Final SIMP to NWG in September 2014 to reflect the new and relevant information that emerged during the SIA process.</p> <p>NWG will be responsible for the ongoing implementation, monitoring and assessment of the SIMP. NWG is also responsible for meeting the annual reporting requirements.</p>

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
Social Impacts Management Plan	Condition 40: 'The responsibilities of the independent SIA specialist(s), engaged under Condition 38, will include: <ul style="list-style-type: none"> <li>a) Recommending indicators and methods of measuring to be used in monitoring</li> </ul>	The SIMP includes key performance indicators and methods of measurement for monitoring. Initial baseline data against the indicators identified in the Draft SIMP is included in the annual reporting template for ongoing monitoring purposes.
	<ul style="list-style-type: none"> <li>b) Advising the Council on trigger points for mitigation actions in terms of other conditions of this consent</li> </ul>	At the time of writing the Council's needs regarding advice on trigger points for mitigation actions in terms of other conditions of consent were not yet clarified.
	<ul style="list-style-type: none"> <li>c) Developing data collection and analysis, methodologies and an annual reporting template</li> </ul>	The SIA process took into account data collection, analysis and reporting of impacts through the Report. The Report includes details of the methodology applied during the project in Section 1.3 (SIA methodology) and Appendix C (Methodology and Consultation Summary). An annual reporting template is included within the Final SIMP.
	<ul style="list-style-type: none"> <li>d) Finalising the initial SIMP for consideration by the Council</li> </ul>	Banarra has submitted a Final SIMP to NWG for submission to HDC.
	<ul style="list-style-type: none"> <li>e) Preparing an initial SIA for submission to the Council as required by Condition 41 b), including consideration of previous SIAs.'</li> </ul>	This Report comprises the initial SIA and includes consideration of previous SIAs. It was delivered in draft form in August 2014 and final form in September 2014.

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
Social Impacts Management Plan	Condition 41: 'The SIMP will be based on best practice guidelines and procedures for social impact assessment and shall include: <ul style="list-style-type: none"> <li>a) A set of indicators covering the drivers and outcomes of potential social effects attributable to mining within the CEPPA in combination with the other NWG mining projects in Waihi. This may include:</li> </ul>	The initial SIMP was revised to incorporate SIA findings and includes the six themes against which social impacts were identified. Management actions and indicators have been agreed and detailed for each.
	<ul style="list-style-type: none"> <li>i) Numbers employed in the mine operations – NWG and contractors ('workers')</li> </ul>	Indicators and data pertaining to employees are included in Chapter 3 (Employment) of the Report, and in the SIMP.
	<ul style="list-style-type: none"> <li>ii) Location of mine workers i.e. numbers of workers residing locally (Waihi/Waihi Ward/Waihi Beach) regionally and beyond</li> </ul>	Indicators and data pertaining to where employees live are included in Chapter 3 (Employment) of the Report, and in the SIMP.
	<ul style="list-style-type: none"> <li>iii) Workers' housing (rental vs owner occupied, new builds and existing houses)</li> </ul>	Indicators and data pertaining to workers' housing are included in Section 4.2 (Property) of the Report, and in the SIMP.
	<ul style="list-style-type: none"> <li>iv) Location and number of NWG owned houses in Waihi and breakdown between</li> </ul>	Indicators and data pertaining to NWG houses are included in Section 4.2 (Property) of the Report, and in the SIMP.

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
	employee/contractor renters and public renters	
	v) Changes in housing market – house and rent prices and relationship to mine operations, including variations or trends in property sales and enquiries	Indicators and data pertaining to changes in the housing market are included in Section 4.2 (Property) of the Report, and in the SIMP.  Indicators related to trends in enquiries have not been included due to insufficient data.
	vi) Relationship of mine operations to any impacts on local services (education, health, vulnerable members of the community)	The SIA did not determine any specific potential impacts pertaining to local services and NWG’s operations and indicators have therefore not been developed. However, broader commentary is provided in Section 5.2 (Community).
	vii) Relationship of mine operations to any impacts on emergency services (fire, civil defence, ambulance)	The SIA did not determine any specific potential impacts pertaining to emergency services and NWG’s operations and indicators have therefore not been developed. However, broader commentary is provided in Section 5.2 (Community).
	viii) Changes in participation of voluntary and recreational groups	Indicators and data pertaining to stakeholder perception on changes in participation of voluntary and recreational groups from NWG employees and contractors are included in Section 5.2 (Community) of the Report and in the SIMP.
	ix) Changes in local business activity arising from mining activity	Views about changes in local business activity, and potential future changes, are discussed in Sections 2.2 (Economy) and 7.2 (Future of Waihi and NWG Legacy) of the Report. Relevant indicators have not been identified.

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
	x) Take up of the consent holder's property purchases and top up policy	Indicators and data pertaining to NWG's property portfolio and top-up applications are included in Chapter 4 (Property) of the Report and in the SIMP.
	xi) Distribution and use of the AEP	Indicators and data pertaining to the AEP are included in Chapter 4 (Property) of the Report and in the SIMP.
	xii) Complaints and associated information received by the consent holder and the response to those complaints	Indicators and data pertaining to complaints are included in the relevant areas of the SIMP. Additionally, views about complaints are recorded in Sections 4.2 (Property), 6.2 (Health and Wellbeing), 8.1 (Communication: quality and trust) and 8.2 (Governance, monitoring and accountability) of the Report.
	b) An initial SIA is to be undertaken by the independent SIA specialist once the SIMP is approved by the Council, to provide baseline figures for the agreed indicators. The SIA shall be submitted to the Council within nine (9) months of the notice given under Condition 4.'	<p>Banarra was engaged to conduct the SIA, having submitted a Draft SIMP to Council. Banarra's timeframe for submitting the Draft SIA was within HDC's requirements.</p> <p>The SIA (this Report) includes baseline data throughout. This is supplemented with additional data included in the SIMP annual reporting template.</p>
Social Impacts Management Plan	Conditions 42-45.	<p>Requirements listed in these conditions have not been considered as specifically relevant for the SIA.</p> <p>NWG will be responsible for future monitoring, reporting, consultation and management planning.</p>

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
Property Programme	Conditions 46-61.	Stakeholder perceptions of the Property Programme were considered in cases when they arose during the consultation process, and are reported in Section 4.2 (Property) and Section 6.2 (Health and Wellbeing) of the Report.
Community Meeting	Condition 62.	<p>Requirements listed in this condition have not been considered as specifically relevant for the SIA.</p> <p>The SIA did not include any time allowance for dissemination or engagement with community stakeholders following delivery of the Report, including during the public review period, as this will be managed by NWG.</p>
Recognition of Tangata Whenua Values	Conditions 63-65.	The Report includes views related to NWG's relationship with Iwi in Section 7.2 (Future of Waihi and NWG Legacy).
Heritage Protection	Condition 66.	Requirements listed in this condition have not been considered as specifically relevant for the SIA.
Transport	Conditions 67-72.	Requirements listed in these conditions have not been considered as specifically relevant for the SIA.
Rehabilitation	Condition 73.	Views regarding NWG's responsibility with regard to rehabilitation of all areas affected by the Correnso development are discussed in Section 7.2 (Future of Waihi and NWG Legacy) of the Report, while Section 8.2 (Governance, monitoring and accountability) discusses views with regard to HDC's role in monitoring.
Plan Review	Conditions 74-77.	Requirements listed in these conditions have not been considered as specifically relevant for the SIA.
Liaison Officer	Conditions 78-79.	Requirements listed in these conditions have not been considered as specifically relevant for the SIA.

Section of the Correnso consent conditions	Conditions	Relevance to the SIA and how the condition has been addressed
Complaints Procedure	Conditions 80-83.	Views about NWG's complaints procedure are detailed in Sections 4.2 (Property), 6.2 (Health and Wellbeing), 8.1 (Communication: quality and trust) and 8.2 (Governance, monitoring and accountability) of the Report.
Term and Lapse Period	Conditions 84-85.	Requirements listed in these conditions have not been considered as relevant for the SIA.
Bond	Conditions 86-99.	Requirements listed in these conditions have not been considered as relevant for the SIA.
Administrative Charges	Condition 100.	Requirements listed in this condition have not been considered as relevant for the SIA.
Management Plan/Monitoring Reports to be made available to the public	Condition 101.	Requirements listed in this condition have not been considered as relevant for the SIA as they are the responsibility of NWG and HDC.
Review of Conditions	Conditions 102-104.	Requirements listed in these conditions have not been considered as relevant for the SIA.