

Before the Waikato Regional  
and Hauraki District Councils

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Under the Resource Management Act 1991 (**RMA**)

In the matter of An application for resource consents to extend the Waihi Gold Mine via underground and open pit mining methods known as Project Martha

By **Oceana Gold (New Zealand) Limited**  
Applicant

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**Statement of evidence of Kit Wilson for Oceana Gold (New Zealand) Limited**

29 October 2018

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## **Qualifications and experience**

- 1 My name is Kit Wilson.
- 2 I am employed by Oceana Gold (New Zealand) Limited (**OGNZL**) as Senior Community Advisor based in Waihi where I manage the External Affairs Department. I have been in this and other roles at the Waihi Operation since 1995.
- 3 I hold a Master's degree in Education with Honours. My thesis is in the field of sociology. I also hold a Diploma in Teaching.
- 4 In preparing this evidence I have reviewed:
  - (a) The reports and statements of evidence of the other OGNZL employees giving evidence, and the evidence of all the independent experts;
  - (b) The written submissions made on the applications by interested people and groups;
  - (c) The section 42A reports prepared on behalf of the Hauraki District and Waikato Regional Councils.
- 5 I am giving the majority of this evidence as an employee of Oceana Gold (New Zealand) Limited (**OGNZL**) and not as an independent expert. I do express some opinions in my evidence. I believe I am qualified to make these statements based on my professional qualifications, work experience, my many years of involvement with the mine and how it impacts on people, and my involvement in the community. My opinions are my own, and I have not been constrained in any way by OGNZL in the way those opinions are expressed. At the end of my statement of evidence I also include some personal comments which are made in my private capacity and not as an employee of OGNZL. These personal comments are clearly identified.

## **Scope of evidence**

- 6 My evidence concerns the following matters:
  - (a) A description of the nature and content of OGNZL's community engagement and consultation
  - (b) An overview of consultation undertaken for Project Martha
  - (c) The residential locations of Waihi people who have submitted in opposition to Project Martha, or who have expressed concerns
  - (d) A description of OGNZL's property programme and how it will be extended for Project Martha including:

- (i) The property purchase option for dwellings located above the Rex Vein and an area adjacent to the north wall of the Martha pit
  - (ii) The Top-Up Policy
  - (iii) The Amenity Effects Programme
- (e) How OGNZL deals with complaints
- (f) The social impacts of mining on the Waihi community including:
- (i) An overview of the types of effects that have been predicted and observed from earlier phases of mining – both open pit and underground
  - (ii) A description of the existing resource consent obligations that relate to social impacts
  - (iii) Some comments about the involvement of OGNZL staff and permanent contractors in the Waihi community.
- 7 I confirm that my evidence relates to the proposal known as Project Martha as described in Chapter 3 of the Assessment of Environmental Effects dated 25 May 2018.

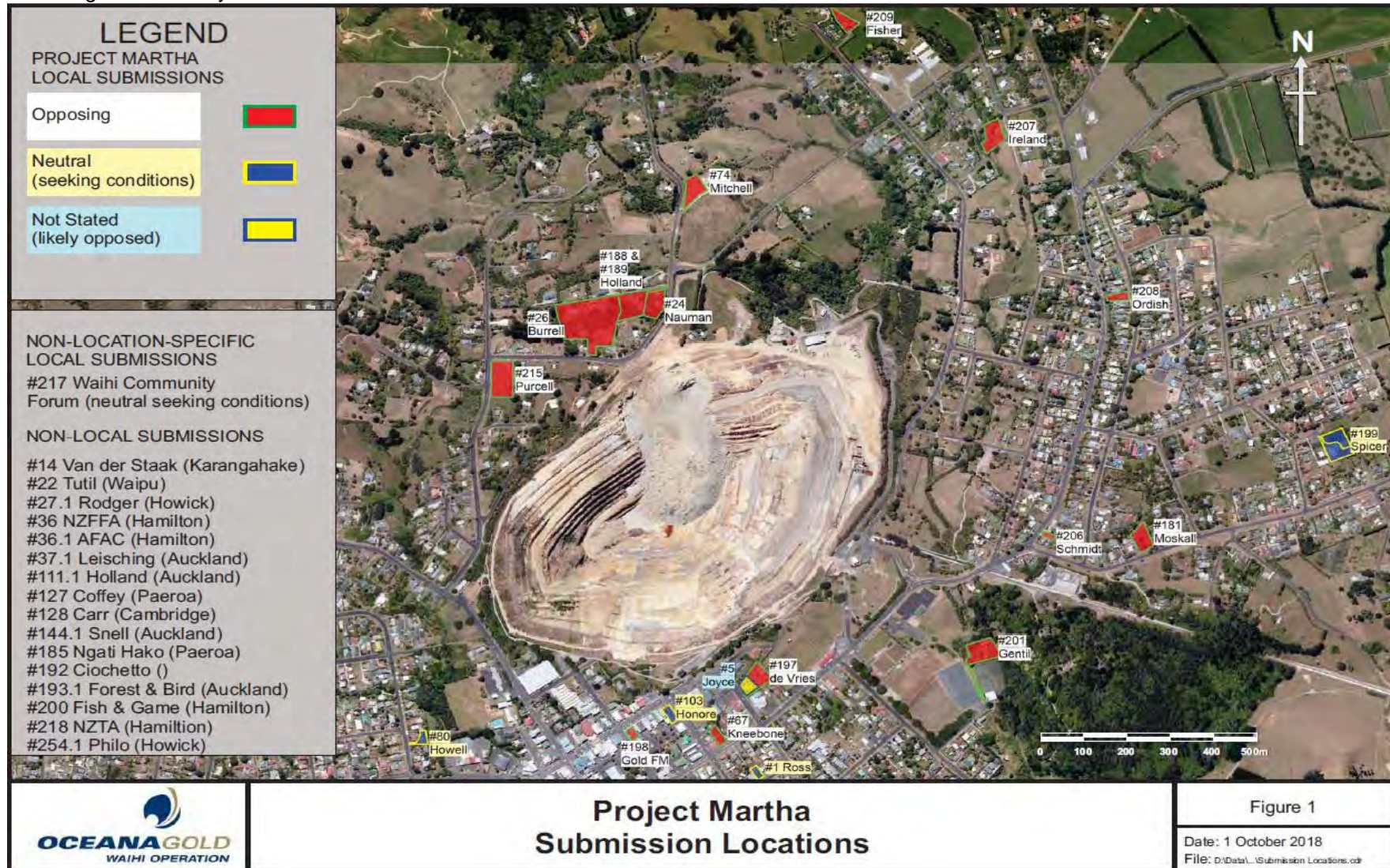
**Executive summary**

- 8 Mining is very much part of the life of Waihi and has been for the last 30 years. While not everyone is in favour of mining in the town the vast majority of people are. They accept the ongoing operation of the mine and realise that the town benefits from the mine's activities.
- 9 The presence of a large mine within an urban environment presents some unique challenges for the mine operator, the local community, and the Hauraki District Council as the regulator of land use effects.
- 10 Managing these challenges in a way that allows the mine to operate efficiently while also respecting the rights and expectations of local people to be able to go about their lives and to enjoy their properties is a key part of OGNZL's business.
- 11 Generally, OGNZL manages these challenges well, and as a result enjoys a very good relationship with the people of Waihi. This relationship is characterised by honest and open communication. We try hard to listen carefully to what people are saying. We try to respond in a prompt and fair way to concerns that are raised. We try to let people know about our plans, both in the short and long term. This communication includes the *Update*, a monthly page in the *Waihi Leader*, the *East*

*Ender*, a monthly publication currently distributed to all residents in Waihi East, a regular radio session on local radio station Gold FM, the *North Wall News*, a broadsheet placed at strategic locations around the Martha Pit Rim Walkway and our website [www.waihigold.co.nz](http://www.waihigold.co.nz) In addition we have an 'open door' policy at our main office at 43 Moresby Avenue. People can – and regularly do – arrive at our reception area without an appointment and ask about a wide range of issues relating to the mine and its operations or future plans. The most regular visitors are those considering purchasing a property somewhere in Waihi who are completing their due diligence. Local real estate agents encourage potential purchasers to do this and we are pleased to be able to provide them with information.

- 12 Kerry Watson discusses OGNZL's relationship with local Iwi, and the various strategies that are in place to address the cultural effects of mining activities. One of those things is Cultural Awareness Training that was developed and agreed for the Correnso Project. To date 422 staff and contractors have participated in the day-long Cultural Awareness Training provided by Iwi. This training is ongoing. There are three Cultural Awareness Training sessions scheduled before the end of this year. In my opinion this training has been, and continues to be, highly successful and valuable in raising awareness of cultural issues; in helping staff and contractors better appreciate a Maori perspective on all manner of issues – not just mining; and in fostering a greater sense of a shared story and journey between Iwi and those working at the mine.
- 13 Project Martha was extensively advertised in and around Waihi. It was reported and discussed in traditional and social media. We placed a two-page full colour advertisement in our local paper, the *Waihi Leader*. The company held information days and public meetings, and External Affairs staff regularly made themselves available to members of the public. This has continued and includes visits to residents' homes. Waihi Community Forum members made themselves available to assist potential submitters. Approximately 1800 individual property owners and occupiers were personally notified of the application and had the opportunity to make a submission.
- 14 Twenty-two submissions from local Waihi people in opposition to, or raising concerns with aspects of, Project Martha were received. Some of these are from people who are likely to directly experience effects from Project Martha. Some are from people who are not likely to experience direct effects from Project Martha, other than perhaps very small vibrations from underground blasting. For the Panel's assistance I include below a plan (refer Figure 1) showing the residential addresses of the local people who have made submissions in opposition to or raising concerns in relation to Project Martha

Figure 1 Project Martha Submission Locations

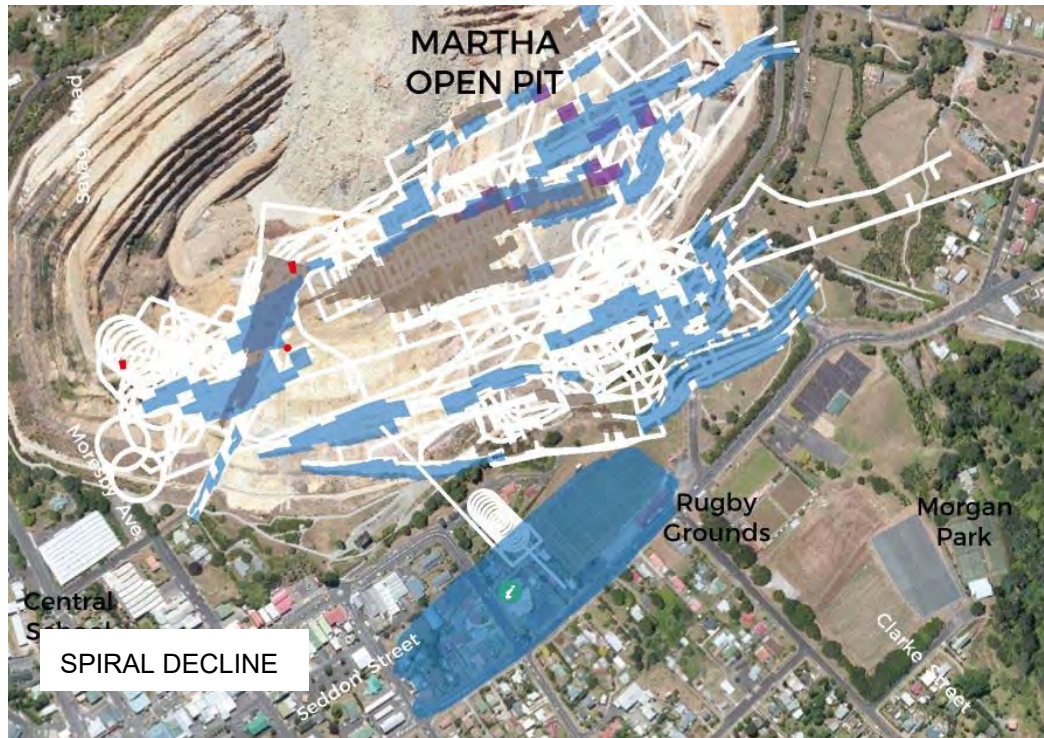


- 15 Project Martha is a 'business as usual' development of the mine, which is perhaps why it has received few submissions in opposition and a much larger number of submissions in support.
- 16 The proposed works on the north wall of Martha Pit are comparatively modest in scale, but they do move mining activities closer to residents who live in that area of town.
- 17 Most of the underground mining with Project Martha is beneath the open pit and will therefore have very limited potential to impact on people. The Rex Vein is however located beneath privately-owned property. It is therefore comparable to the situation that we have been operating with for Correnso since mining commenced beneath residential dwellings in 2014.
- 18 The Correnso approach, which we plan to utilise for Rex has worked well to address people's concerns about the mining activity and its impact on their homes. There are four main components to the property programme. They are: property purchases, the Top-Up policy, the Amenity Effects Programme (**AEP**), and the "we break, we pay policy". A copy of the *Project Martha Property Programme* is attached as Appendix A.

The property purchase option allows people whose homes are directly above areas of production mining (i.e. above stoping) to require OGNZL to purchase their homes at a fair value. This option also includes additional payments towards legal fees, relocation costs and an inconvenience fee. To date 17 properties have been purchased using this approach in the Correnso area. The total number of eligible properties in the Correnso area is 34 (i.e. the total number of residential properties that sit above the Correnso production areas, including the properties that have been purchased). In total there are 227 residential properties in the Correnso Project Area and 13 residential properties in the Slevin Underground Project Area (**SUPA**). The number of residential properties above the proposed Rex workings is estimated at being 19. Final mine plans may alter this number.

- 19 OGNZL proposes to access the Rex area via a new spiral decline as shown on the indicative plan below (refer Figure 2). Properties that sit above the decline will be subject to vibration from repeated development blasts as the decline is constructed. This is a new phenomenon for underground mining at Waihi, as previous development work under residential properties has been more linear, and properties have not been exposed to repeated development blasts beneath them. Because of this OGNZL proposes to extend the property purchase option to residential properties above the Rex decline.

Figure 2 Indicative Plan of Spiral Decline



- 20 There is no proposal to extend the property purchase option to non-residential properties, as the advice OGNZL has received is that mining of Rex will not cause commercial property values to drop, and because these properties are non-residential no potential for a reduction in residential amenity arises, and the properties will still be able to be used for their existing purposes. Residents who lawfully live above commercial properties will receive AEP payments for vibration.
- 21 As is described in Doug Saunders' evidence and the Telfer Young property valuation report attached as Appendix X to the AEE, experience suggests that there may be some temporary reduction in the market value of residential properties directly above or adjacent to new underground workings. This potential was mitigated at Correnso by the implementation of the Top Up programme. OGNZL has planned for the prospect that properties in the Rex area have the potential to be similarly affected.
- 22 The Top Up Policy operates to "top up" a bona fide purchaser's offer to the value it would have been prior to the announcement of Project Martha, but for the market 'penalty' that applies because of the initial perception of purchasers that the amenity of houses above underground mine workings is reduced. This policy recognises and addresses the concern that in the short to medium term devaluation has the potential to affect the plans of home owners who may wish to move but may not be able to sell their current properties in an 'unadjusted' market because of the mine's announcement. OGNZL has considered whether the Top-Up Policy

should be extended to apply to residential properties in the area of the Phase 4 pit works on the north wall. The advice we have received to date is that residential properties close to the pit do not appear to experience the same property value 'dip' as properties immediately above underground stoping, and that therefore no Top-Up is necessary. However, we acknowledge that the possibility of this happening is something that concerns some residents, and the decision OGNZL has made is that the same principled approach should apply equally to property adjacent to the pit as applies to property above underground mining. Therefore, we have decided that the Top-Up policy will be extended to cover residential properties close to the MP4 workings. The area to which the Top-Up will apply is marked in yellow on the plan below (refer Figure 3).

- 23 Top Up is not a consent condition. Having worked with the programme for several years, it is my view that it works well outside the formal consenting framework. OGNZL proposes to continue with this structure, and it is my understanding that this is also the preference of Hauraki District Council.
- 24 Streets Ahead was also a voluntary programme. This initiative was implemented in conjunction with Waihi Community Forum. It does not constitute mitigation for any effect of mining. It is therefore not appropriate for it to be included as a consent condition for Project Martha.
- 25 Anecdotal reports suggest that the reduced residential amenity perception among some residents also extends to the ability of homeowners to secure a mortgage or property insurance. OGNZL has been in contact with managers of local branches of major banks and a representative from the Insurance Council of New Zealand. None of the banks or the Insurance Council expressed concerns about OGNZL's current or planned mining operations. Banks and insurance companies are actively involved in the Waihi market and do not penalise properties because of their location in relation to mining activities.
- 26 The position of OGNZL and its vibration expert Dr Heilig is that the tight consent conditions on the number of events and magnitude of surface vibrations that can be caused by underground blasting will continue to operate to ensure that an appropriate level of residential amenity is maintained. However, as is the case with Correnso, OGNZL proposes to volunteer a programme of financial compensation to residents who experience vibration greater than 1.5mm/s at their property, and this is provided for in the proposed conditions of consent.



Figure 2 Indicative Plan of Spiral Decline



- 27 This programme which has been applied to Correnso, is being proposed for Project Martha without modification (other than to adjust the sums payable to 2018 dollars).
- 28 The existing consents for the mine contain conditions requiring the company to appoint a Community Liaison Officer (**CLO**) with authority to investigate and deal with any complaints received about the mine. This position has operated successfully over many years. The CLO or designate is available 24 hours a day and can be contacted at any time by freephone on 0800 WAIHIGOLD (0800 92 44 44). This will continue with Project Martha. We are also proposing to continue with the same formal complaints procedure as is contained in the existing consents, and which we think works very well. Our CLO Donna Fisher has provided a statement of evidence which describes a typical range of activities she undertakes in her role.
- 29 In reality, the company does much more than the bare minimum when it comes to managing complaints and concerns. A number of these actions and responses are not linked to complaints as such but are more about being a good neighbour. Examples of the way the company interacts with the community include:
- Texting, phoning and emailing blast details each morning
  - Playing 'Battleships' with students at Waihi East School by each morning advising them of a grid reference so they can plot where that day's production blast will be
  - Providing Blast Notification Devices (**BND**) for any residents who prefer to be advised a few seconds prior to a scheduled blast.
  - Sitting in homes with residents who have expressed concerns about blast vibration
  - Addressing some property complaints when we know they have not been caused by operations at the mine (in particular if the property owner is elderly, disabled, or of limited means)
  - Shutting down exploration drill rigs - even when they are compliant - and waiting for more favourable weather conditions if nearby residents consider the noise particularly annoying
  - Arranging to have properties washed down even when we know the dust did not originate at the mine
  - Arranging for trees to be cut down on our properties when requested by neighbours
  - If a team member notices that a neighbour's curtains have not moved for a few days we knock on the door, speak to neighbours, or contact family
  - A team member will visit older neighbours on birthdays and special occasions, often carrying flowers or baking

- We arrange firewood deliveries for those in need and arrange for it to be stacked
  - We have also provided transport to the doctor, trimmed hedges, visited people in hospital, hung out washing, done the dishes, as well as arranged for our security staff to keep an eye on a property if the owner is away.
- 30 OGNZL currently contributes annually to local schools. For a number of years, we have provided each of the six primary schools in the area with \$10,000 each year. These schools are Waihi Beach Primary School, Waimata Primary School, Waihi East Primary School, Waihi Central School, St Joseph's Primary School and Waikino Primary School. These funds are spent as each school sees fit for the benefit of their students.
- 31 After the announcement of Correnso, but before the underground mine commenced construction, we began annual contributions of \$100,000 to Waihi East Primary School, \$30,000 to Waihi East Kindergarten, \$20,000 to First Steps Day Care and \$10,000 to Somerset Day Care. All of these facilities are in Waihi East near Correnso. The quantum provided annually to Waihi East Primary School has been gradually reducing (this year it is \$50,000) as roll numbers have not declined as was at first feared but have instead increased. The funds provided to the 3-day care facilities have continued at the same level.
- 32 OGNZL contributes \$40,000 each year to the Waihi College Education Trust. \$30,000 of this money is spent at the discretion of the school on assets that will benefit current students. \$10,000 is tagged for scholarships for students heading for university. Most years five Waihi College students are provided with a \$2,000 scholarship from the Education Trust, although in some years more are chosen. The Waihi College Education Trust has been in operation for 27 years.
- 33 In addition to the funding provided to schools, each year OGNZL provides approximately \$100,000 to the community by way of sponsorships, and donations. The company also makes a significant number of in-kind contributions through the provision of volunteer labour and equipment. This contribution is managed by a Sponsorship and Donations Committee which operates according to a set of criteria which are posted on the company's Waihi website and available to the public. <http://waihigold.co.nz/community/investing-in-our-community/> Each year the recipients of this funding are publicised in the local newspaper and posted on the website. The list for 2017, the last complete year, can be found here: <https://www.waihigold.co.nz/wp-content/uploads/2018/02/Update-January-2018.pdf>
- 34 For many years the company has regularly engaged social scientists to prepare social impact assessment reports on the social impacts of various mining proposals. As time has gone on it, could be argued that successive reports have contributed less new insight into the way mining impacts Waihi. Mining at the scale we are proposing for Project Martha is a 'known quantity' in Waihi, and OGNZL,

the community of Waihi, and the Hauraki District Council all have a good understanding of the range of effects and issues that arise. Project Martha is simply 'more of the same'.

35 One report which provides useful data is the Social Impact Management Plan (SIMP). This is an annual survey which is required by Correnso conditions 38-45 and is designed to identify, assess, monitor, manage and re-assess the social effects of OGNZL's mining operations on the community. The report contains management plans for six themes, which also form the structure of the report:

- Economy
- Employment
- Property
- Community
- Health and Wellbeing
- Future of Waihi

The report is regulated and approved by Hauraki District Council (HDC) and is constructed with the views, opinions and statistics collected from various stakeholders including (but not limited to) Waihi residents, community representatives, local business operators and OGNZL's workforce.

For each of the above themes the report outlines the following: OGNZL's objective, the potential impact of mining operations, OGNZL's performance goals, mitigation and management activities and indicators covering the drivers and outcomes of the potential impacts. Results from the previous year and baseline year (2014) are also presented in the report for context. A summary of the 2017 SIMP is provided as Appendix B.

36 Without doubt, the mine has a major impact on the town. This is borne out in the facts and figures presented by Shamubeel Equb in terms of employment and economic contribution. What sits underneath those facts and figures is the reality that the mine's community impact comes from the combined impact of its employees and contractors. We are fully integrated into the town and surrounding district.

### **Personal Comments**

37 I live 15 minutes outside Waihi, but I work in Waihi at OceanaGold and am active in a number of community groups. Until recently I was chairperson of Waihi Heritage Vision. I stepped down this year, ending five years in that position. I remain an active member of the group. I am also a member of the Waihi Community

Forum where I am one of two company representatives along with Donna Fisher. In the last month I have also spent time working with the Waihi Lions Club, the Waihi Resource Centre, and the Waihi Armistice 100 Committee.

- 38 Through the lens of my work at OceanaGold and the community groups I regularly work with, I believe that I have a unique perspective on the operations and activities of this mining company and its effects on the community of Waihi.
- 39 Each year OGNZL gives a significant amount of money to local schools and the community. Here too, I have seen first-hand what a difference this funding can make to individuals, sports and community groups who would normally struggle to attract the required funding in a small rural town. OceanaGold also contributes a significant amount to the local community through in-kind assistance and the provision of facilities. The local drama club is in one of the company's buildings, as is a training establishment which is working with students from Waihi College. We are currently working with two other organisations to see if we can assist them with their space requirements. In addition, at this time we are also storing the books left over from the annual Lions Book Fair, carvings from the local marae while they refurbish a building, and a palliative care bed from Waikato District Health Board which we look after when it is not needed. Last month we stored a family's furniture while they were 'between accommodation'.
- 40 Staff at OceanaGold are members of sports, community and church groups. Several are members of volunteer fire brigades. Our Mines Rescue Team is active in the community. Over the years the team has rescued a kayaker in difficulty at the base of cliffs near Orokawa Bay, abseiled down the cliffs at Bowentown to rescue a dog, and assisted the Waihi Beach Coast Guard in search and rescue in the northern Tauranga Harbour. The team has loaned its thermal imaging camera to Waihi Volunteer Fire Brigade as they have more use for it on a regular basis than the mine does.
- 41 I mention all of this because I wish to illustrate that OceanaGold and its staff are an integral part of the town of Waihi and its community. Often the contributions of the company and the staff go unnoticed. Recent surveys have indicated that the company is responsible for between 40 and 45% of the economic throughput of the town, but its presence goes deeper than just money.
- 42 This year the mining company celebrated 30 years of modern gold mining in Waihi. A number of staff have also recently been recognised for 30 years of service. They came here as the mine was being constructed – and they stayed. Their children, and now in some cases their grandchildren, have been born here. Gold mining – and the people it employs – have become a vital part of all facets of Waihi. Project Martha offers a further decade of mining activity. Waihi stands only to benefit from this.

43 None of this would be relevant if the company was not also taking great care with mine construction, operation, and environmental effects. None of that is within my field of expertise, but what I have observed over the years in the Waihi community has convinced me that staff at this mine, at OceanaGold, care passionately about what they do, how they do it, and how it affects the people of Waihi. I am proud to number myself amongst OceanaGold staff.



**Kit Wilson**

29 October 2018