

**BEFORE THE INDEPENDENT HEARINGS PANEL APPOINTED BY WAITOMO  
DISTRICT COUNCIL**

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

**IN THE MATTER** of the Proposed Waitomo District Plan

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**STATEMENT OF EVIDENCE OF IAN JOHN GOODACRE FOR TAHAROA  
IRONSANDS LIMITED**

**CORPORATE**

**TRANCHE 1 - RURAL PRODUCTION ZONE**

**DATED 21 JUNE 2024**

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## MAY IT PLEASE THE PANEL

### INTRODUCTION

1. My full name is Ian John Goodacre.
2. I am the Chief Executive Officer (**CEO**) of Taharoa Ironsands Limited (**TIL**) the company which operates the Taharoa Ironsand Mine (**Mine**).
3. I have been working for the company since June 2019. I was formerly TIL's Finance and Operations Manager and, before that, TIL's Financial Analyst.
4. I hold a Bachelor of Pharmacy from Otago University and a Bachelor of Commerce degree from Victoria University of Wellington, where I majored in Economics.
5. My role as CEO involves overall management of TIL and the Mine. I am involved and have executive responsibility in all head office and mine level functions including but not limited to payments and payroll, HR, approvals, company and mine planning, resourcing, procurement, and communications. I visit the Mine every fortnight and I am across the detail of its operations.
6. I provide this evidence in support of TIL's submission on the Proposed Waitomo District Plan (**Proposed Plan**) relating to the Rural Production Zone chapter. The relief sought by TIL seeks to recognise the regional importance of the Mine, which has been part of the Taharoa community for over 50 years and ensure that the Mine is appropriately zoned as Rural Production (**RP Zone**) and that the Mine's operational requirements are recognised in the zone provisions.
7. In preparing this statement of evidence I have had regard to the following documents:
  - (a) The RP Zone chapter as notified under the Proposed Plan;
  - (b) The planning evidence prepared by Mr Grant Eccles on behalf of TIL dated 21 June 2024; and
  - (c) The section 42A report for the RP Zone chapter, including the recommended amendments to the Proposed Plan.
8. In my evidence, I address the following matters:

- (a) Background to the Mine and its operations;
- (b) The regional importance of the Mine and TIL's investment in the Mine;
- (c) Areas of the Mine that should be in the RP Zone to enable ongoing mining operations and recognised as regionally significant rural production site; and
- (d) Other operational factors that should be recognised in the Proposed Plan.

## **BACKGROUND TO TAHAROA MINE AND ITS OPERATIONS**

### **The history and ownership of the Mine**

9. The Mine is located in Taharoa, on the West Coast of the North Island, south of Kawhia Harbour. The Mine was first opened in 1973 and was previously operated by New Zealand Steel Mining Limited (**NZSML**) which now trades as TIL. The Mine accesses the largest ironsand deposit in New Zealand.
10. Ngāti Mahuta are tangata whenua and own the land on which the Mine operates through the conduit called Proprietors of Taharoa C Block Incorporated Ltd (**Taharoa C**). Taharoa C is a Māori incorporation established under the Te Ture Whenua Māori Act 1993 and is entirely comprised of members of Ngāti Mahuta hapu. TIL has a lease with Taharoa C which allows it to use the land for mining purposes until 2062 and in return it pays Taharoa C royalties.
11. The Mine was established by the New Zealand government (NZSML was wholly owned by the New Zealand government at the time), with the support of Ngāti Mahuta hapu. This occurred at a time when the New Zealand government was undertaking a series of major capital projects to improve New Zealand's economic resilience following the series of oil shocks in the early 1970s.
12. In 2017 the continued operation of the Mine was at risk because the owner of NZSML publicly stated that it was not prepared to invest the additional substantial capital needed to ensure a long-term and viable mining operation. It proposed to close or sell the Mine. I understand that much of the Mine plant had been written-off and/or was considered obsolete and the

business had significant long-term shipping charter liabilities of approximately \$286 million.

13. Despite the significant investment required to save the Mine, poor market conditions, and the challenges in taking on the significant charter liability, TMIL decided to acquire the business and invest in its future. As a result, TIL is now a New Zealand, hapu/family-owned and operated business with Taharoa C being the majority shareholder of TMIL and TIL being partly owned by TMIL.

### **Activity and location of the Mine**

14. The Mine is located between the Tasman Sea and the Taharoa Lakes, with the Taharoa Village located beyond the eastern boundary. TIL also operates the associated export port in the coastal marine area at Taharoa.
15. The Mine covers approximately 1,350 hectares of sand dunes which is virtually uninhabitable because it lies on an extremely inhospitable stretch of coastline that is exposed to the sea state and extreme westerly winds and is constantly moving. The land is not suitable for arable farming because of the poor soil, salt, and wind exposure. Mining is likely the only activity that can take place on this land with any success.
16. The Mine is made up of the following different areas or blocks: Northern Block, Central Block, Southern Block, Eastern Block and the Te Mania Extension. The Mine is effectively one large area<sup>1</sup> with mining primarily occurring in the Central and Eastern Blocks in recent years.
17. Taharoa Village is located to the northeast of the Mine and is inherently linked to the Mine. TIL owns and maintains the vast majority of the houses (which are occupied by TIL employees and their families), infrastructure and essential services in the Village, and almost all of the residents derive their income directly from the Mine. I describe the support TIL provides to the Taharoa Village residents later in my evidence.
18. Due to the location of the Mine, it is partly visible from Taharoa Village. The Mine is located on Taharoa Road which passes through the Central Block to

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<sup>1</sup> There is no setback between the Central Block and Eastern Block which has allowed mining along the boundaries on both areas.

the helicopter pad near the coastal marine area. This is a public road which means that the public can access the Mine.

19. The Mine itself has a limited number of neighbours as Mr Eccles has explained in his evidence.

### **The mining processes used on site**

20. The Mine operates 24 hours a day 7 days a week, with a 10-hour maintenance shut period every fortnight on a Wednesday.
21. There are three stages involved in TIL's operation – the mining of raw product (using wet or dry mining techniques), processing and export. In short:
22. Mining activities involve the following:
- (a) The removal of vegetation and stripping of topsoil and overburden (including silts and clays, or sands with low concentrations of titanomagnetite). These may be stockpiled for reuse in rehabilitation.
  - (b) If dry mining techniques are used:
    - (ii) The process involves depositing extracted ironsand into a dry mining unit (**DMU**) using heavy earthmoving equipment. The DMU mixes ironsand with water to form a slurry, which is pumped to a processing plant for extraction of the titanomagnetite.
    - (iii) A DMU may be located immediately adjacent to the mining area, or trucks may be used to transport material to the DMU, depending on the location of the extraction area.
    - (iv) With this technique, the sand is mined in a series of panels or stages, which take approximately 3-4 weeks each to mine.
  - (c) If wet mining techniques are used: the process involves either excavation below the groundwater table to form a small water-filled 'pond' or use of a previously excavated areas at a depth below the groundwater table, then operation of a cutter suction dredge in the 'pond' to cut, then pump the ironsand slurry via a pipeline to a treatment plant. The size of the waterbody increases with excavation.

23. Processing activities involve the following:
- (a) As noted above, whether using wet sand mining or dry mining, a slurry is formed, and it is in this form that extracted material is transported around the site. The slurry includes ironsands with variable concentrations of titanomagnetite mixed with some silts, clay, and water. This mixture is called head feed, as this is feed into the system at the 'head' of it. No additives or chemicals are added to the slurry.
  - (b) The slurry is transported to a centralised processing plant in the middle of the Mine and processed by gravity and magnetic separation to extract concentrated iron ore.
  - (c) Separated tailings are pumped from the processing plant to a tailings storage area, either for dewatering, or are moved directly to an area undergoing rehabilitation for land contouring. These are often the same thing – the area is being rehabilitated by the tails being sent there, and part of that process is extracting/dewatering the material.
  - (d) The fine silts and clays (called slimes) are separated out of the processing and water recycling stages and directed/collected in ponds for dewatering and later use in rehabilitation activities across the Mine.
  - (e) The concentrated material coming out of the processing plant that is suitable for export is pumped as a slurry then cyclone-separated on to a stockpile. Separated water *at all stages* is recovered and recycled back into the mining process. This assists TIL to reduce its water take as much as possible.
24. Export activities involve the following:
- (a) Export vessels are moored offshore to a single buoy mooring located approximately 3.5km offshore, known as the Taharoa Terminal.
  - (b) Prior to shiploading, the refined ironsand concentrate is mixed to form a slurry, which is then pumped via pipelines which terminate below the mooring. From the mooring, two hoses connect to marine floating hoses and convey the concentrate to the moored vessel.
  - (c) Export ships are fitted with dewatering equipment and the resulting freshwater containing residual fine suspended material and dissolved

metals removed from the ironsand slurry is discharged from the ship. Shiploading generally takes 3-4 days at a time.

- (d) The ore product is then transported and sold at a grade of 56.8% ferrous magnetic content, primarily to export markets in China and Japan. The ore is an essential ingredient in the manufacture of steel, a vitally important engineering and construction material.
25. As part of TIL's normal operations, it has lighting established for a range of purposes including security lighting for active working/mining areas, stockpile activities, infrastructure buildings and anywhere there is activity of heavy machinery and multiple people at night. This is primarily portable and is moved around the site with mining activities.
26. The Mine's operations, explained above, include a range of noise-generating activities, primarily relating to the operation of plant and equipment. The plant and equipment used at the Mine are similar to a large earthmoving construction site and do not including loud noise-generating activities (like piling and rock crushing).
27. The Mine uses a range of controls to minimise the already low noise levels, including:
- (a) ensuring that equipment is maintained and lubricated;
  - (b) where close to boundaries, locating noise-generating stationary equipment away from sensitive receptors and orientating equipment in such a way to minimise noise. I note that generally there is less activity and noise at night (being from only core mining activities); and
  - (c) if atypical noise-generating activities are required, planning to undertake these works during daylight hours.
28. Given the nature of the mining operation there are large areas open areas which are being mined at one time. Following mining there are generally two stages of rehabilitation undertaken in accordance with the Site's Landscape and Rehabilitation Plan:
- (a) Temporary revegetation for dust and erosion control. As new recovery technology becomes available, areas that were once mined may be re-entered to recover residual ore. Therefore, initial rehabilitation involves

dust and erosion control measures. These include the use of coconut matting to assist in preventing dust; and

- (b) Final contouring and revegetation with a view to establishing an appropriate and sustainable ecosystem long-term. This occurs when these areas are no longer able to be used.
29. The Mine also employs other dust management measures which are based on a trigger level response system i.e. when a certain trigger is met TIL deploy different mechanisms to mitigate dust. These measures include the mobilisation of water carts and a reduction in on-site vehicle speed limits.

### **THE REGIONAL IMPORTANCE OF THE MINE AND TIL'S INVESTMENT**

30. The Mine is a long-standing regionally significant activity.
31. It provides income for local iwi, employment opportunities, significant support for the local Taharoa Village, contributions to the regional community and financial benefits to the nation as a whole. The contribution that it has, and continues, to make to tangata whenua as well as the economy and local community cannot be emphasised enough.
32. TIL has also made a significant investment in the Mine to secure its future for the benefit of the region now and in the medium to long term.
33. I explain each of these points in more detail below.

#### **Income for local iwi**

34. Taharoa C is entirely comprised of members of Ngāti Mahuta hapu. Royalties from the Mine are the main source of income for Taharoa C. Since TMIL acquired the business, in today's dollars, royalties and dividends of well over \$150 million have been paid to the landowners.

#### **Employment**

35. The Mine currently employs almost 180 operational staff plus additional contractors. Their roles include management, superintendents, team leaders, process operators, grade controllers, heavy machine operators, maintenance tradesmen, engineers, labours, scaffolder/riggers/crane operators, dredge operators, administration staff, stores staff, labour technicians, support staff, port staff, and supporting contractors.



36. In 2023 approximately 80 per cent of the Mine's workers were local Māori (Ngāti Mahuta), with 63% of skilled roles filled by Ngāti Mahuta (an increase of 25% and 175% respectively since the acquisition by TMIL in 2017). This includes employment in Kāwhia for activities relating to operation of the port and ship loading.
37. Most of our employees live either permanently or temporarily (during working days) in the nearby Taharoa Village. TIL provides housing for employees and their families in the nearby Taharoa Village (a total of approximately 200 people). TIL owns 75 houses and rents them to employees at a discounted rate.

### **Other benefits to the local and wider community**

38. TIL provides considerable financial support to the local Taharoa mining community. By way of example, TIL:
- (a) owns and maintains the community hall, school, shop, two large sports facilities, the local marae, and the fire brigade in the Taharoa Village;
  - (b) provides a local bus service;
  - (c) subsidises freight services for the village store;
  - (d) has helicopters on standby for emergencies;
  - (e) owns, maintains and upgrades the majority of the infrastructure and services that supports the Village including the provision of water, wastewater, and rubbish collection;
  - (f) education payment for travel and boarding for employee's high-school aged children (at a cost of up to \$18,000 per child annually).
39. The Mine also provides broader support for local industry and businesses, who the Mine seeks to rely on and use where possible, including to provide goods and services.
40. Economic benefits are also realised from TIL's operations at a national level through the payment of taxes on the extracted resource.

### **TIL's investment in the mine**

41. The Mine's regional importance is derived from the significant investment that is being made to ensure that this business thrives in the medium to long term. Approximately \$150 million is invested per year into the Mine and its operational costs, and in the last year alone, approximately \$100 million has been invested in new capital equipment.
42. A theme of TIL's investments is to invest in new and advanced equipment to enable better and more efficient recovery from the site and reduce emissions.
43. Due to TIL's investment in new technology since the acquisition by TMIL, the Mine has a positive long-term outlook of at least 35 years, provided it is able to obtain the necessary consents (when required) to expand and continue operating:
  - (a) Significant virgin ironsand deposits exist at the site, particularly in deeper layers; and
  - (b) Separation and mining technology that TIL has developed is more efficient and has enabled additional resource to be accessed, including in areas that was previously regarded as waste.
44. However, the ability of the Mine to continue operating is significantly affected by the planning framework and whether the relevant plans recognise the functional and operational requirements of the Mine, particularly considering its type, size, scale, and location.

### **AREAS OF THE MINE THAT SHOULD BE ZONED TO ENABLE ONGOING MINING OPERATIONS**

45. In general, TIL supports the intent of the Proposed Plan to recognise and provide for regionally significant industries operating in the Waitomo District through its listing in Schedule 1 of the RP Zone provisions.
46. As outlined above, TIL operates a regionally and nationally significant Mine in the Waitomo District. TIL therefore supports the scheduling of the Mine in RPROZ-Schedule 1 – to specifically recognise these activities and support their ability to operate and grow.

47. However, to properly recognise the Mine's significance enable its ongoing operation, and ensure that the zoning appropriate reflects TIL's activities, the entire Mine should be zoned RP Zone and listed in RPROZ-Schedule 1.
48. I understand the Council supports the zoning of Northern, Central, Southern and Eastern Blocks as RP Zone. This is consistent with existing and proposed mining activities and resource consents held by TIL for that purpose.
49. However, it has not recognised the Te Mania Extension.
50. In 2022 TIL was granted resource consent to mine part of the Te Mania Extension (located adjacent to the Central Block and to the north of the Eastern Block).<sup>2</sup> The Te Mania consents were sought to as an efficient extension to the Eastern Block which could be mined while TIL is planning the longer-term future of the mine (through mining of the Northern Block). Once mining has started, TIL may seek consent to mine further into the Te Mania Block (while avoiding mining along the ridge which provides a buffer between the Mine and Taharoa Village). It is therefore appropriate for this block to be zoned as Rural Production.
51. For the reasons explained above, including the significant investment that TIL has been to the Mine and its importance to the viability of the local community, having the entire Mine zoned RPROZ and listed in RPROZ-Schedule 1 is essential.
52. I note that TIL no longer has an imminent intention to mine the Pihopa Block and it therefore does not wish to pursue this submission point. As noted above, at this stage the Mine's future expansion will be focused on the remainder of the Northern Block.

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<sup>2</sup> Mining operations within this area will be carried out in the same manner as the Eastern Block, utilising the existing Mine infrastructure associated with the Central and Southern Blocks.

## **OTHER OPERATIONAL FACTORS THAT SHOULD BE RECOGNISED IN THE PROPOSED PLAN**

53. The Mine operates in a unique environment and accommodates a range of infrastructure, processes and portable equipment. Operations also need to be flexible to adapt to harsh environmental conditions, the discovery of new deposits and the opportunities of evolving technology.
54. It is important that the operational and functional requirements for the Mine are recognised and provided in the RP zone, as clearly intended in the Proposed Plan.
55. There are particular objectives, policies and rules proposed for the RP Zone that are not appropriate to apply to TIL's mining activities from a practical perspective and could unreasonably restrict TIL's activities. Mr Eccles describes these provisions and some proposed amendments to address TIL's concerns in his planning evidence. The provisions relate to landscaping, screening and rehabilitation and visitor accommodation. Below I have commented on the practical issues that need to be considered when assessing the appropriateness of standards which address these matters.

### **Landscaping, screening and rehabilitation**

56. There is a policy in the Proposed Plan which seeks to ensure that "*sites are sufficiently landscape and screened from roads, public spaces and adjoining neighbours*" (Clause 2 of Policy RPOZ-P6). TIL has sought that this policy not apply to the Mine. The s42A report proposes an alternative which would require landscaping and screening "*as far as practicable*". TIL has also sought an amendment to the associated Objective (Objective PROZ-05) to recognise that mitigation of adverse effects, through the design, location and landscaping of a site, must occur *as far as practicable*.
57. The Mine cannot comply with proposed policy 6 in any material way and may not be able to comply with proposed objective 5, as notified.
58. As I have explained above, Taharoa Village is a mining village that has been established as a result of, and which supports, the Mine. This means it is in relatively close proximity to the Mine and the Mine (including the future expansion areas) is visible from some parts of the Village in gaps in the

ridgeline. The Mine is also bounded on the western side by a public beach along the Tasman Sea.

59. The Mine also contains a public road which runs through the centre of the Mine and can be accessed by the public.
60. The Mine is also large – as I have noted above it spans across 1350 hectares, and TIL intends to expand the mine in the future into the Northern Block, at least.
61. Given the above factors, it is both unreasonable and would also be extremely difficult, to provide landscaping to screen future development sites from roads, public spaces, and adjoining neighbours and to mitigate all adverse visual (and other) effects of the Mine through design, location, and landscaping. This could be provided to the extent practicable.
62. Similarly, TIL seeks that the Plan provide some recognition that rehabilitation will occur, as far as practicable (in clause 6 of Policy RPROZ-P4).
63. As I have explained above, TIL undertakes rehabilitation in two stages given we often reopen areas to extract further material. However, rehabilitation on the Mine is a difficult undertaking because the environment is largely a natural dune environment that is subject to extreme westerly winds and is highly dynamic. These climatic conditions make planting very difficult. The dunes themselves move which means we have frequently been required to dig out fences and areas of coconut matting which become covered in sand. Rehabilitation is also undertaken in accordance with the wishes of the landowner. These factors should be recognised in the Plan by providing some flexibility in clause 6 of Policy RPOZ-P4 as proposed by Mr Grant Eccles.

#### **Provision of visitor accommodation for staff**

64. As notified PROZ-R7 allows for only one residential unit providing residential accommodation for security staff, caretakers, or other staff who are required to be on-site at night.
65. TIL currently provides accommodation for contractors and staff located near the helicopter pad in the Central Block.

66. There are small self-contained relocatable unit rooms for helicopter and maritime pilots, security staff and other staff who are required to be on site at the Mine overnight. These are primarily used by TIL's dredge team and port services contractors (fly in / fly out staff) during shiploading events because of the Mine's isolated location and limited accommodation options. It is simply impractical for them to stay in a single dwelling or not stay on the site.
67. These units provide an extra supply of accommodation for staff involved in port and transport requirements plus operational staff, which balances use of village resources to an appropriate level. The accommodation has appropriate and certified services available to them and has enabled important expansion of operational functions (as the ability to provide new full facilities in the village or surrounding areas is difficult and complex in such a remote area).
68. TIL seeks for the Proposed Plan to recognise the importance of this accommodation (and future accommodation that may be provided at the Mine) through an amendment to Rule RPROZ-R7 (as proposed by Mr Eccles).

#### **CONCLUDING REMARKS**

69. Overall, TIL supports the proposed Rural Production zone and the recognition of the Mine as regionally significant, however, it seeks that practical amendments be made to recognise the Mine's existing activities, to ensure the Mine can continue to operate without unreasonable restriction and to properly reflect the practicalities of the Mine operation.

**Ian John Goodacre**

Dated 21 June 2024