

MARTIN
JENKINS

ECONOMIC BENEFITS OF TTR'S OFFSHORE IRON SANDS PROJECT

Expert Evidence

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BRIEF

*“To identify the **economic benefits** of the Trans-Tasman Resources proposed offshore iron sands project on three study areas - local (South Taranaki/Whanganui), regional (Taranaki/Whanganui) and national (New Zealand) - in terms of **employment and Value Added**”*



METHOD

Input-Output (IO) Multiplier Analysis

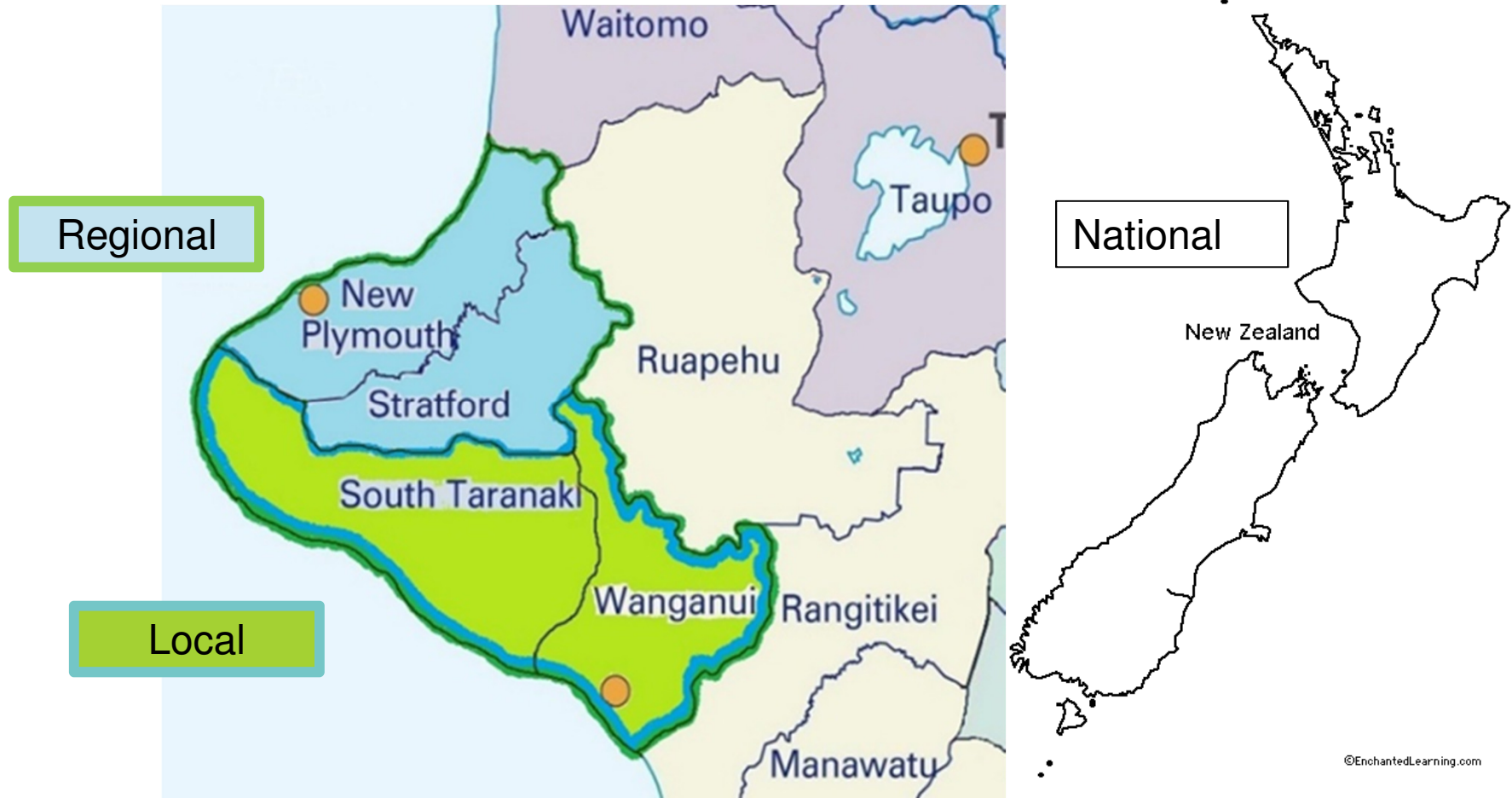
- Internationally accepted and extensively used in New Zealand
- Better suited than CGE modelling for this study
- Consistent with earlier studies on the Oil and Gas sector in Taranaki and New Zealand.

Inputs – operational focus only

- Scenario based on expenditure required to obtain 5 million tonnes of iron ore concentrate (annual)



STUDY AREA AND MODEL INPUTS



TTR IRON SANDS ACTIVITY

- Offshore vessels in South Taranaki Bight
- Onshore support in South Taranaki, New Plymouth and Wellington
- Geotech and warehousing in Whanganui
- Corporate support in Wellington



TTR IRON SANDS ACTIVITY (ANNUAL)

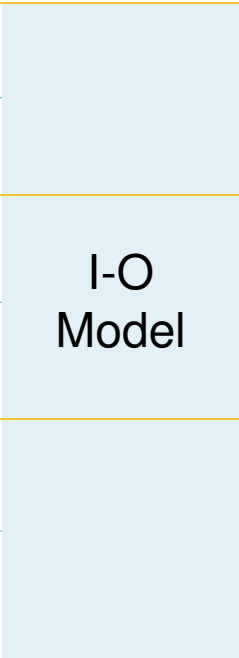
- Operational Budget - \$254m
- TTR employees - 261 FTEs

Industry (106 industries)	TTR direct Expenditure			TTR direct employment			
	Local	Regional	National	Local	Regional	National	Offshore
Fabricated metal product manufacturing	21.3	21.3	21.3				
Exploration and other mining support services	7.6	17.2	34.4	48	114	151	26
Scientific, architectural and engineering services	3.7	15.8	15.8				
Other transport	2.0	10.4	10.4	13	44	44	5
Basic material wholesaling		6.5	32.6				
Legal and accounting services		2.1	14.2	0	9	35	0
Health and general insurance			3.9				
Total	34.6	73.4	132.7	61	167	230	31



TTR IRON SANDS ECONOMIC BENEFIT

Study Area	Activity	Direct	Total
	<i>Model inputs broken down into industry activity areas</i>		<i>Includes indirect and induced impacts</i>
New Zealand	Spend - \$132.7m TTR emp - 230 FTEs	GDP - \$59.0m Emp - 463	GDP - \$159.0m FTEs - 1,666
Taranaki/Whanganui	Spend - \$73.4m TTR emp - 167 FTEs	GDP - \$30.4m Emp - 367	GDP - \$50.6m FTEs - 705
South Taranaki/Whanganui	Spend - \$34.6m TTR emp - 61 FTEs	GDP - \$13.6m FTEs - 173	GDP - \$18.6m FTEs - 299



REBUTTAL AND CONFERENCING OUTCOMES

1. Appropriateness and completeness of Analysis
2. Appropriateness of the model
3. Appropriateness of inputs and their application
4. Accuracy and transparency of the findings



SUMMARY

- The approach is appropriate, robust and transparent
- The ironsands project will spend \$35m at the local level and \$73m at the regional level.
- This will support a total of 299 jobs at the local level, 706 jobs at the regional level and 1,666 jobs nationally.
- This is a significant benefit to a local and regional area where employment growth is relevant and important to achieving wellbeing.

