

## Questions and Answers

### **1. What has been the process for considering this access agreement?**

The Department of Conservation originally received an access application from L and M Mining for the Escarpment Mine proposal in December 2008. Buller Coal took it over when its parent company Bathurst Resources purchased L and M in late 2010. In November 2011 the department raised issues relating to the application with Buller Coal which resulted in the company submitting new information in June 2012. In February 2013 the company indicated they wished to vary their access application to exclude the area west of Trent Stream and asked for the revised application, including the revised mine plan, rehabilitation plan and an offer of compensation for residual effects, to be processed before the changes to the Crown Minerals Act came into force in May. The revised application was received in March. The department submitted their report to the Minister of Conservation for final decisions earlier this month.

### **2. How does approval of the access agreement align with the resource management application and Environment Court proceedings?**

The mining company needs both resource consents from the local authority and an access agreement from the Department of Conservation to operate a mine on public conservation land. The two processes are separate.

Buller Coal gained resource consents for the Escarpment Mine proposal from West Coast Regional Council and Buller District Council in August 2011. This decision was appealed to the Environment Court by Forest and Bird and the West Coast Environment Network. In March this year the Environment Court issued an interim decision indicating it was likely to grant consent for the proposed new open-cast mine provided appropriate conditions can be agreed.

### **3. Is this application affected by changes to the Crown Minerals Act to make decisions joint with the Minister of Energy and Resources?**

No. This application was originally filed in 2008 and the company and the department have been working to complete the process under the same regulatory framework that the application was originally filed under. As a result the Minister of Conservation is the sole decision maker for this proposal.

### **4. How much coal is likely to be extracted from the Escarpment Mine and over what period?**

The area under the application is estimated to contain approximately three million tonnes of recoverable coal which Buller Coal proposes to extract through open-cast mining over a five year period.

**5. What is the coal likely to be used for?**

The high quality hard coking coal produced by the Escarpment Mine is expected to be exported through Westport for use by international companies to make steel.

**6. What specific initiatives are included in the \$22 million compensation package?**

The \$21.9 million compensation package will fund:

- A 35 year predator and pest control programme to protect plants and wildlife within about 25,000 hectares of the Heaphy River catchment in the Kahurangi National Park. This catchment contains temperate, quality forests of northern rata, kahikatea and nikau. Work on threatened species will include recovery work for populations of kaka and whio/blue duck along with great spotted kiwi, powelliphanta snails and short and long-tailed bats. Pests targeted include pigs, goats, possums, rats and stoats, along with a range of weed species.
- A 50 year predator and pest control programme over about 4,500 hectares of the Denniston Plateau and surrounding beech forest. The programme will target stoats and rats, along with pest weeds. It aims to support and enhance populations of threatened wildlife including snails, lizards and plants within the control area.
- Restoration and visitor enhancement projects on three historic mining sites on the Denniston Plateau, including restoration work associated with the Denniston Incline and Burnetts Face.

**7. Is the \$22 million compensation package just an offset for Government cuts to DOC funding?**

The claims made publicly about DOC funding have been overstated. DOC's budget is shown in the table below. Funding from the compensation package is in addition to these levels.

Years	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Baseline (\$m)	\$316	\$313	\$317	\$338	\$341	\$338	\$335	\$336	\$337

**8. How many other mines operate on conservation land?**

There are currently about 170 active mining or quarrying operations on conservation land. More than 80 percent of these operations are located on the West Coast and they range from small gravel pits to open cast gold or coal mines such as the Oceana's Globe mine near Reefton or Solid Energy's Stockton Mine near Westport.

**9. How does this compare with other mining agreements?**

This is the largest mining compensation package DOC has negotiated. This reflects both the open-cast nature of the mine operation and the nature of the plateau it is sited on. By comparison the 2004 compensation agreement for the underground Pike River mine was \$1.4 million over the life of the mine. This funding covered the disturbance caused by the access road and at the entrance to the underground mine. The funding provides for who/blue duck recovery work in a neighbouring valley.

**10. How will you ensure the company does the rehabilitation work that it is supposed to?**

As part of the agreement Buller Coal has to lodge significant bonds and take out insurance policies to ensure it meets its part of the agreement. DOC will also be monitoring the rehabilitation work to ensure it takes place.