DUNEDIN CITY COUNCIL
Kaunihera-a-rohe o Otepoti

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21 June 2016

Jackie St John
Land and Consenting Lawyer
Oceana Gold (New Zealand) Limited
PO Box 5442
Dunedin 9058

Dear Jackie

LUC -2016 -234 and LUC-2013-225/A– Coronation North Mining Development - Request for further information

Thank you for your application for a land use consent to extend the Macraes Gold Project (called the Coronation North Project) proposed to be located on the Taieri Ridge to the north of Horseflat Road. After initial assessment of your application, the Dunedin City Council has determined that further information is required pursuant to section 92 of the Resource Management Act 1991.

Requested information:
The further information required is detailed below. It will help the Council to better understand your proposed activity, its effect on the environment and the ways any adverse effects on the environment might be mitigated.

The request for information concerns matters associated with any actual or potential effects on terrestrial ecology. The request is based on a preliminary audit of the terrestrial ecology information contained in the AEE and in the supporting reports prepared by ERA Ecology New Zealand Ltd ('ERA').

The questions are on the following:
- The ERA Reports contained in Appendices 6, 7, and 22 of the AEE respectively;
- The Coronation Site Ecological Management Plan;
- The 2015 Annual Ecological Report; and
- The Coronation North Project Impact Management Plan.

For completeness, the Preliminary Audit of the Terrestrial Ecology Information prepared by Wildland Consultants is attached.

1. Vegetation Representativeness

The ERA reports appear to assess representativeness in the context of the existing vegetation in the Macraes Ecological District. Representativeness is normally assessed as similarity to the vegetation at a selected historic baseline, commonly 1840, but sometimes pre-human. Thus, more intact and natural indigenous vegetation types are given higher rankings for representativeness.

It is unclear why the Canterbury guidelines have been used given the site resides within the Otago Region.

Please reassess the assessment of representative using an 1840 baseline and examine whether the Otago Region criteria change any evaluation or please alternatively explain why reassessment is unnecessary.

2. Evaluation of Significance

The ERA Reports assess the significance of the indigenous vegetation communities against the ecological significance criteria in the Otago Regional Plan and in the Waitaki District Plan although no detail is provided in how that evaluation was completed. Significance criteria used in the Operative and Proposed Dunedin City District Plan are discussed in the report on the proposed Coal Creek Water Storage Dam but not in the Appendix 6a Report.

In terms of terrestrial ecology, it would be helpful to provide a systematic evaluation of significance under the various District Plan criteria to form the basis of the significance assessment.

Please provide further evaluation of significance against each of the individual District Plan criterion.

3. Threatened, At Risk, or rare plant species

Figure 5 of Appendix 6a ERA Report shows that the proposed Coronation waste rock stack will have the greatest effect on nationally Threatened plant species, directly affecting seven of the eleven populations of Threatened plants in the project area.

The figures produced in Section 5.3 of the ERA Report show 'protected wetland' areas to the northeast of Macraes Flat, but it is unclear what the legal status is of this protection.

In relation to discussion of the ecological importance of the various Threatened, At Risk, Data Deficient, and locally rare species that have been found in the project area, it appears that the ecological importance conclusions have been reached on the basis of factors such as threat status, reduction in habitat, low numbers of individuals, lack of regeneration, distribution limits, and loss of previously occupied sites. However, only threat status seems to have been taken into account in the actual evaluation.

Please reassess the importance status of the species in question based on reduction in habitat, low numbers of individuals, lack of regeneration, distribution limits, and loss of previously occupied sites, in addition to threat status.

Please confirm the legal protection status of the wetlands identified in Section 5.3.

4. Avifauna

It appears that the survey avifauna completed for the ERA (Section 5.4) was limited and other recordings completed at nearby locations previously included a range of species that would be expected at the subject location. The eastern falcon, the South Island pied oystercatcher and the New Zealand pipit for example are important species that could potentially be located within the proposed footprint.

The project area could be surveyed during the breeding season (e.g. October-November) with a focus on these species which would provide the basis for any necessary mitigation.

Please confirm whether a suitably qualified and experienced ornithologist could be engaged to survey the subject area during the breeding season (October to November 2016) and if so please propose conditions that would avoid, remedy or mitigate any adverse effects on avifauna species surveyed and assessed as being ecologically significant.

Alternatively, please prepare an assessment of actual or potential effects on avifauna; and, please also determine the appropriate level of mitigation for the loss avifauna, which recognises and takes into account the current uncertainty due to a lack of information.

5. Invertebrate Values and Effects

The ERA does not address habitats or species occurrences for indigenous invertebrates. Earlier work on the invertebrate fauna of Macraes Ecological District[1] shows that at least eight Threatened, At Risk, and Data Deficient invertebrate species are known from the ecological district. Key invertebrate habitats are semi-natural grasslands, remnant gully shrublands, and rocky tor-studded areas, all of which are present in the Coronation North project area.

The high diversity of plant species documented in the project area means that indigenous invertebrate diversity is also likely to be high, and Threatened, At Risk, and/or locally rare indigenous invertebrate species are likely to be present.

For a comprehensive assessment of actual or potential effects on invertebrates surveys would need to be completed both in spring and summer. Given such survey work is now unlikely to be feasible then an alternative is to determine the appropriate mitigation for the impact on invertebrates, conservatively assuming the impact maybe high.

Please prepare an assessment of actual or potential effects on invertebrate fauna; and, please also determine the appropriate level mitigation needed for the loss of indigenous invertebrates, which recognises and takes into account any uncertainty due to a lack of information.

6. Herpetofauna

The ERA Report assesses the impact of the three surveyed species collectively rather than individually (Section 6.4). It is considered important to understand what the likely numbers of each of the individual species are present and the habitat preference of each of the species. This is needed to ensure any commensurate mitigation is carried out. This is important for the Threatened species or At Risk species which do not appear to recolonise the waste rock stacks.

Please estimate the likely numbers of each of the individual species of herpetofauna are present in the project and provide information on the habitat preference of each of the species, in particular any Threatened or At Risk species, and an appropriate level of mitigation for affected species that are not likely to colonise artificial rock stack habitat

7. Cumulative Effects

There is no discussion of cumulative effects of the mining operation on the ecology in the Macraes area and in the Macraes Ecological District. The ERA Report correctly refers to likely under-reporting of Threatened and At Risk plant species. However, at the same time the indigenous vegetation and habitats and species populations are also declining in the Macraes area.

Cumulative effects of the wider mining operation on indigenous vegetation, habitats, and relevant faunal species needs to be assessed.

Please provide an assessment of cumulative effects of the wider mining operation on indigenous vegetation, habitats, and relevant faunal species in the Macraes Environs and the Macraes Ecological District.

8. Impact Management Plan

Section 4 of the Impact Management Plan states covenanting is a valuable tool to remediate a project's impacts. However, the Plan then states that, after assessment, a covenanting approach has not been pursued because of the lack of suitable sites

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[1] Patrick, B.H. 1997: Invertebrates of Macraes Ecological District. *Otago Conservancy Miscellaneous Series No 30*. Department of Conservation, Dunedin.

containing equivalent ecological features and in order to avoid constraining present or future operational activities.

Please provide further details of the specific areas which were assessed as being unsuitable due to a lack of sites containing equivalent ecological features or due to constraints on present or future operational activities (or both).

Section 5 of the Plan states that a method similar to 'value of land approach' has been used in previous OceanaGold projects at Macraes.

Please provide further details on which projects at Macraes this approach has been used.

9. **Consideration of alternatives**

Alternative sites for the proposed mining developments are not evaluated in AEE with respect to indigenous vegetation, habitats, and species. Consideration of alternatives is particularly relevant to the proposed Coal Creek water storage reservoir proposal and the proposed waste rock stack.

While it is understood that the proposed waste rock stack needs to be in reasonable proximity to the pits no detailed discussion of alternative footprints or a reduction footprint size commensurate with an increase in height as means to further reduce the impact on indigenous vegetation, habitats, and relevant faunal species.

Please provide a discussion of alternatives of the proposed Coal Creek Water storage dam and on the location and footprint of the proposed waste rock stack in terms of loss of the indigenous vegetation, habitats, and relevant faunal species. Could the height of the waste rock stack be increased and the footprint reduced, at least from a mining operation perspective?

Responding to this request:
Within 15 working days from the date of this letter you must either:

- provide the requested information; or
- provide written confirmation that you cannot provide the requested information within the timeframe, but do intend to provide it; or
- provide written confirmation that you do not agree to provide the requested information.

The processing of your application has been put on hold from 21 June 2016.

If you cannot provide the requested information within this timeframe, but do intend to provide it, then please provide:

- written confirmation that you can provide it; and
- the likely date that you will be able to provide it by; and
- any constraints that you may have on not being able to provide it within the set timeframe.

The Council will then set a revised timeframe for the information to be provided.

If you do not agree to provide the requested information, then please provide written confirmation of this to the Council.

Restarting the processing of your application:
The processing of your application will restart:

- when all of the above requested information is received (if received within 15 working days from the date of this letter being 16 June 2016); or
- from the revised date for the requested information to be provided, if you have provided written confirmation that you are unable to meet the above timeframe and the Council has set a revised timeframe for the information to be provided; or
- from the date that you have provided written confirmation that you do not agree to providing the requested information; or

- 15 working days from the date of this letter (if you have not provided the requested information or written confirmation being **13 July 2016**).

Once the processing of the application restarts:
If you have provided all the requested information, then we will consider its adequacy and make a final decision on whether your application requires public or limited notification pursuant to sections 95A, 95B, 95D, 95E and 95F of the Resource Management Act 1991, or, whether any parties are considered adversely affected from whom you will need to obtain written approval in order for the proposal to be considered on a non-notified basis.

If you have not provided the requested information, then your application will continue to be processed and determined on the basis of the information that you have provided with the application:

- if the Council decides to give public or limited notification of the application, then the Council must publicly notify the application under section 95C(1) of the Resource Management Act 1991. You will be invoiced for any outstanding payment needed to make up the $6,500 deposit required for public notification.
- if the Council decides to process the application on a non-notified basis, and all written approvals have been received, then the application must be considered under section 104 of the Resource Management Act 1991. The Council may decline the application on the grounds that it has inadequate information to determine the application. In making an assessment on the adequacy of the information, the Council must have regard to whether this request resulted in further information being made available.

Please do not hesitate to contact the writer on 03 474 3564 if you have any questions or concerns regarding the above request or the further processing of the application.

Yours faithfully

Kirstyn Lindsay
Senior Planner