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| Before the Independent Commissioners |  |
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| Under | the Resource Management Act 1991 |
| In the matter of | a hearing on submissions on the proposed Te Tai o Poutini Plan  Hearing Topics 1 and 2  Submitter: **Birchfield Coal Mines Limited (S601)** |

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| Statement of Evidence of Philip James McKinnel |
| 2 October 2023 |
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**Introduction**

1. My name is Philip James McKinnel.
2. I am the Chief Executive Officer at Birchfield Coal Mines Ltd (**BCML**), and have held that position since 2020. I confirm I have authority to give evidence on behalf of BCML
3. I have previously held both public and private sector roles, notably as Compliance Team Leader with the West Coast Regional Council, and as a Director of GM Gold Traders Limited, Tai Poutini Resources Limited, and Resource Solutions West Coast Limited.

**Company overview**

1. BCML is family owned and operated company, its Directors are Evan Birchfield, Karen Birchfield and Gary Birchfield. BCML and its predecessors have been operating on the West Coast since the 1970s.
2. BCML predominantly mines for coal, but has smaller gold mining components to the business. Mining primarily occurs at the Giles Creek Mine near Reefton and the Strongman Mine near Greymouth. Both of these mines are mined via opencast methods (a surface mining technique that extracts minerals from an open pit in the ground). The coal sourced from these mines is either used locally for energy supply (including hospital boilers and food processing) or coking coal that is exported overseas.
3. Through its wholly owned subsidiary (Birchfield Energy and Resources Ltd) BCML owns and operates the Reefton Sawmill. This site produces firewood, sawn timber and other products such as woodchip and biomass that is increasing in demand as decarbonisation efforts in small industrial heat energy production increase.
4. BCML also operates several coal processing, handling and distribution sites across the West Coast and Canterbury, including:
   1. Kaiata Yard (Greymouth) – coal handling, distribution and domestic sales;
   2. Rocky Creek Coal Handling and Processing Plant – including the Rapahoe Yard and Rocky Creek Rail Loadout;
   3. Grey Valley Distribution Centre (Ikamatua) – Rail loadout;
   4. Mai Mai Siding – Coal storage and rail loadout;
   5. Reefton Distribution Centre – Coal blending, storage and distribution; and
   6. Darfield Yard – Coal storage and distribution.
5. BCML holds Minerals Mining Permits, Coal Mining Licences, Ancillary Coal Mining Licences and resource consents for the above sites and activities. Additionally, BCML is actively developing new mining operations at Strongman East and recommencement of mining at Island Block.
6. BCML's mining methods involve the progressive mining of coal deposits via removal of overlying vegetation and overburden. This material is then used in progressive rehabilitation behind the active mining area. Once extraction is complete at each individual stage, overburden is backfilled into the previously mined ground and covered with vegetation in a method know as Vegetation Direct Transfer.
7. This kind of mining process is temporary in nature, with the progressive rehabilitation seeking to reinstate the site to its pre-mining condition a short time after mining has been completed. This approach ensures the area of disturbed land at any one time is minimised.
8. BCML employs approximately 100 people across its operations. Nearly all of BCML's employees live in Hokitika, Greymouth, Reefton and Westport, and any number of smaller settlements between these main centres. Many of these employees are skilled operators and therefore are high wage earners.
9. Outside of their employment with BCML, employees are involved in a wide range of activities, including voluntary governance, sports coaching and administration, volunteer fire brigades, school Board of Trustees and members of club and regional sports teams.
10. BCML also engages a number of contractors to provide services required to support company operations. These contractors and service providers cover the following activities:
    1. mechanical
    2. engineering
    3. fuel supply
    4. professional services (Planning, Legal and Surveying)
    5. machinery supply
11. At any one time, the company supports approximately 5 trades apprentices through a range of qualifications, including heavy diesel mechanics, electricians, engineers and auto electricians.
12. The company also supports a variety of local initiatives through sponsorship and donations.
13. Birchfield Coal supports the provisions contained within the TTPP in relation to the inclusion of mining within the strategic directions, recognising importance of mining and providing a consenting pathway for these activities. The strategic directions enable mineral extraction; recognise that mineral resources are fixed in location; and enable mineral extraction activities in a range of locations where adverse effects on environment can be appropriately managed.

**The West Coast's connection with mining**

1. It is important that the TTPP continues to recognise the mineral extraction industry on the West Coast. Mining brings many benefits to the region, including:
   1. employment opportunities – particularly for young people, who, absent such opportunities might otherwise have moved out of the region to find work elsewhere;
   2. provision of contracting services – especially heavy diesel mechanics and heavy engineering services;
   3. the continued use, support and investment in local and regional transport infrastructure – roads (including strategically important bridges), rail (midland line and associated infrastructure) and ports;
   4. security of energy for West Coast and wider South Island energy users;
   5. protection of developing industries including advanced carbon technologies and alternate uses for coal currently being developed; and
   6. socio-economic benefits that employment in the extractives industry provides to the West Coast.
2. Mining on the West Coast disturbs a small percentage of the overall land area. The ability of the West Coast and West Coasters to use land for commercial activities for commercial benefit is limited when the extent of the Conservation Estate is considered. Restrictions currently exist via Conservation Act and Crown Minerals Act protections that exclude mining from our most sensitive areas.
3. Mining only occurs where mineral deposits are located. Areas outside of these protections should be able to be the subject of robust applications that are dealt with on their merit.
4. It is widely accepted that mining is required to support the energy needs of New Zealand for the foreseeable future, notwithstanding the push to move towards greener energy sources. Demand for minerals found on the West Coast (and coal specifically) will continue at the same level, if not increase, over the next 10 years as the country and energy users explore alternatives to determine their feasibility on a long-term basis, from a practical, supply and economic sense.
5. The challenges the West Coast has in relation to alternate sources of energy, and the lead time for new hydro-electric projects and upgrade of electricity infrastructure means that coal will continue to be used for heat energy for the foreseeable future. To that end, there is a need for mining operations on the West Coast to continue.
6. Additional restrictions on the ability of miners to consent projects will increase pressure on these energy users and could lead to detrimental socio-economic outcomes if businesses are unable access energy sources.

**Mining activity**

1. The physical act of extracting mineral deposits is only one aspect of the wider mining activity. In order to facilitate the physical mining of the mineral deposit the following ancillary activities need to be provided for:
   1. access;
   2. mineral processing, handling and storage;
   3. mineral distribution and transport;
   4. mining support – mechanical servicing and repair facilities;
   5. administration requirements; and
   6. worker facilities.
2. Without these ancillary activities being enabled, the mining activities cannot occur sustainably and efficiently. To enable mining, these activities must also be enabled.
3. Mining activity cannot always avoid areas that are considered to be significant due to the mineral resources being fixed in location. In this commonplace situation, adverse effects on the environment are still able to be appropriately managed. Our company seeks to achieve an overall positive environmental outcome on a site through remedying, offsetting, and/or compensation. These options are now expressly recognised in the effects mitigation hierarchy.

**Conclusion**

1. The TTPP recognises the importance of mining to the West Coast economy and its communities. BCML supports the mining pathway proposed by the notified version of the TTPP.

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**Phillip James McKinnel**

**2 October 2023**