

HUNTLY EAST RESIDENTS & HOME OWNERS

INTRODUCTION

It is well known in Huntly that since 1983 there have been problems with subsidence over the south section of the Huntly East Mine. The extent of the underground workings is shown on the map. The Department of Survey and Land Information has taken measurements which show that the area also defined on the map is sinking.

The Government has recognised that it is liable for damage that has occurred and has recently extended its existing Huntly East Land Subsidence Policy, which goes beyond its legal liability.

The policy helps more residents in Huntly East whose properties are suffering the effects of subsidence. The policy does not apply to any other area.

HOW YOU ARE PROTECTED

The policy is a form of insurance which guarantees that properties which subside retain their value. Property owners not presently within the defined area of subsidence are not disadvantaged, because the policy boundary is elastic. Owners will be covered by the policy if their properties are in any way damaged in the future by subsidence from the south section of the East Mine.

WHAT THE CROWN WILL DO

Where damage has been caused to property by mine subsidence, the Crown will pay for repairs needed to rectify that damage.

The Crown will make a disturbance payment to owners of 10% of the cost of repairs up to a maximum of \$5,000 in recognition of the inconvenience and upset caused by the damage and repairs - but no disturbance payment will be made for repairs costing less than \$500.

If the nature of the repair work will make living in a damaged house unreasonably inconvenient, then temporary accommodation will be provided at no charge while the repairs are carried out. The Crown will meet the costs of an owner (and family) shifting into temporary accommodation and returning to the property after repair.

PROPERTY VALUES

Because the Crown will always repair damage to properties, unless they need to be demolished, there is no reason for properties to lose value because of subsidence. Property owners can therefore buy and sell with confidence, and financial institutions need have no concern about the security of mortgage loans.

OWNERS WHO WISH TO SELL

If you wish to sell but cannot, the Crown will act as a guaranteed purchaser. You must first try to sell on the open market at a price not more than 5% of a value assessed by a registered valuer. This value will ignore the effect of subsidence. No reasonable offer should be declined. Offers within 5% of the assessed value are considered reasonable.

Properties need not be materially damaged to qualify for this option but property owners will need to show that they have actively tried to sell on the open market for six months before the Crown will purchase.

No disturbance payment will be made should an owner sell to the Crown under this option. The costs of sale and purchase will be met by the owner and the Crown respectively as in an everyday sale and purchase situation. Real estate agents commission will be deducted by the Crown on every sale to the Crown.

DEMOLITION OR RELOCATION

If the estimated cost of repairs to damaged property is greater than the value of the property or if the risk of further subsidence makes repair unwise, the Crown will either

- 1) Provide monetary compensation equal to the replacement cost of the affected property, or
- 2) If the affected buildings can be relocated to another site in Huntly, then the Crown will meet the cost of relocating and reinstating those buildings.

The choice of 1) or 2) will be the owner's. Other provisions for owners apply to this category and these are set out in the policy document. A copy can be obtained from the Department of Survey and Land Information in Hamilton.

HOW TO MAKE AN APPLICATION

If your property is within the area which is subsiding and you think it has been damaged,

Or, if you have a property within the defined area of subsidence which has been on the market but because of concerns about subsidence cannot be sold at a realistic price,

Or, if you just want to discuss your situation, you should contact.....

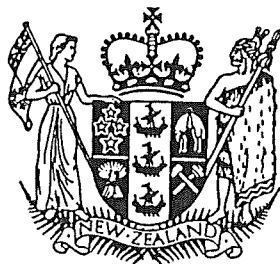
Department of Survey and Land Information
Westpac House
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HAMILTON

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July 1993

1 July 1993.



LAND SUBSIDENCE POLICY - SOUTH SECTION OLD WORKINGS, HUNTLY EAST - 1993

This policy is a revision of Government's LAND SUBSIDENCE POLICY - SOUTH SECTION OLD WORKINGS, HUNTLY EAST which came into effect on 1 March 1987. This revised policy will take effect from 1 July 1993, and is administered by the

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PREAMBLE

This policy provides for either repair, purchase or replacement of properties which suffer the adverse effects of subsidence caused by the Crown's mining of the south section old workings, Huntly East. It safeguards a property owner's interests against subsidence in the way a household fire insurance policy safeguards against losses due to fire.

If any damage is caused by mining subsidence, it will be repaired at no cost to the owner. If the damage is irreparable then the owner will receive a replacement property or the monetary equivalent.

If an owner of a property located in an area of active subsidence wishes to sell, but is unable to do so because public concern about the subsidence has caused the property to become devalued, the property will be purchased by the Crown at current market value as if no subsidence had occurred or was expected to occur.

The Coal Corporation of NZ will not accept responsibility for liabilities incurred by the Crown for damage incurred or likely to be incurred as the result of subsidence from past mining activities in areas of the mine not taken over by the Corporation.

This policy applies to all properties within areas of active subsidence caused by mining in the south section of the Huntly East Mine.

1. REPAIRS

1.1 SUBSIDENCE DAMAGE

Where damage has been caused to property by mine subsidence, the Crown will pay compensation for repairs needed to rectify that damage.

1.2 EXTENT OF REPAIRS

If the extent of damage makes repair uneconomic or if risk of further subsidence makes repair unwise, the Crown will compensate the owner as under section 3 of this policy.

1.3 DISTURBANCE PAYMENT

The Crown will pay a disturbance payment (10%) of the cost of the repairs up to a maximum of \$5,000 in recognition of the inconvenience and upset caused by the repairs. No inconvenience payment will be made for repairs costing less than \$500.

1.4 TEMPORARY ACCOMMODATION

If the nature of the repair work to be undertaken is such as to make living in the house unreasonably inconvenient, then temporary accommodation of a mutually agreed standard will be provided at no charge while repairs are carried out. The Crown will meet the costs of the owner shifting into temporary accommodation and returning to the property after repair.

1.5 PROCEDURE

A process of monitoring, interview, inspection of damage and assessment of repairs necessary will be followed.

1.6 INDEPENDENT REPORT

- 1.6.1 If the report identifying the cause of the damage does not satisfy the owners, then the owners may arrange for an independent report to be carried out.
- 1.6.2 If the independent report attributes the damage to mining related subsidence, then the Crown will pay for the report. If not, the owners will pay for the costs of the independent report.
- 1.6.3 Any dispute over liability for damage will be referred to arbitration.

2. OWNERS UNABLE TO SELL AT REASONABLE PRICE

If an owner of a property within an area of active subsidence as defined by ground level monitoring is unable to sell at a price which he or she might reasonably expect to receive, the Crown will purchase the property at current market value as if no subsidence had occurred or was expected to occur in the vicinity. Properties need not be materially damaged in any way to qualify for this option.

2.1 OTHER COSTS

Removal costs, legal and valuation fees and compensation for mortgage loss will not be paid by the Crown in the case of purchases under this option.

3. PURCHASE OR RELOCATION

If the estimated cost of repairs to a damaged property is greater than the value of the property or if the risk of further subsidence makes repair unwise, the Crown will compensate the owner at replacement cost.

3.1 OPTIONS

3.1.1 Providing monetary compensation equal to the replacement value of the affected property, plus 85% of the replacement cost of chattels remaining in the dwelling on purchase by the Crown. Replacement value of an affected property will be assessed as the value of the section (undeveloped) plus the present day cost of building a new house of equivalent size, materials and method of construction.

3.1.2 If the affected property can be relocated to another site in Huntly, then the Crown will meet the cost of relocating the dwelling and reinstating it. The location and type of replacement section will be entirely at the discretion of the owner. The Crown's financial commitment to the section purchase will be equivalent to the original undeveloped section's value as if mining related subsidence was not an issue.

3.2 CHOICE

The option selected will be the owner's choice but option 3.1.2 will depend on the availability of an alternative site.

3.3 TEMPORARY ACCOMMODATION

The provisions of section 1.4 will apply to option 3.1.2.

3.4 DISTURBANCE PAYMENT

In the event of a house being damaged beyond repair a disturbance payment of \$5,000 will be payable at the time of Crown purchase.

3.5 PROCEDURE

In the event of a house becoming uninhabitable, immediate action will be taken as a matter of the highest priority.

3.6 OTHER COSTS

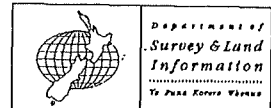
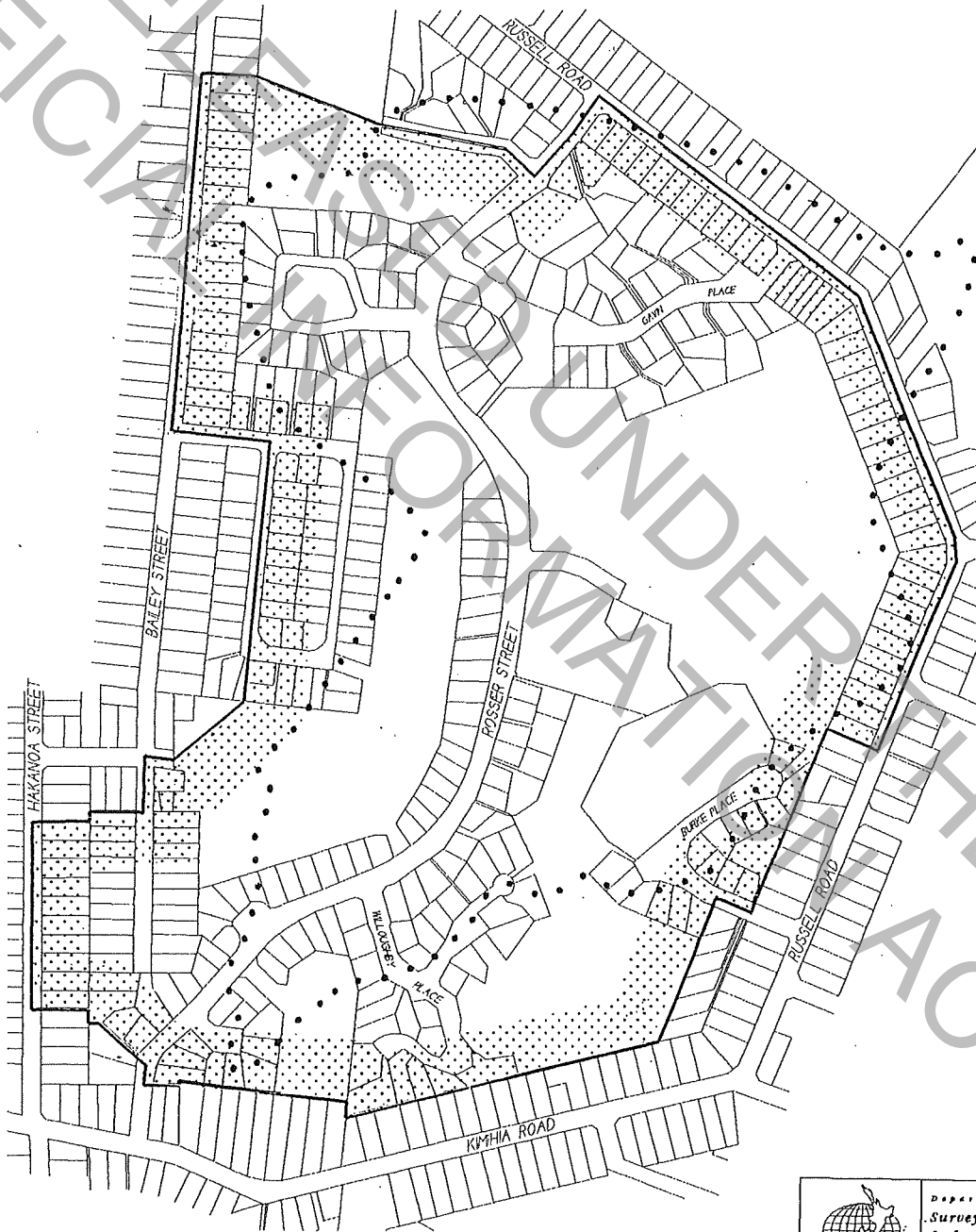
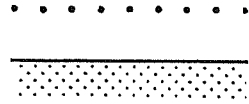
Removal costs within the Waikato District, legal fees applicable to the sale of the property to the Crown and the purchase by the former owner of another property, and compensation for mortgage loss will be paid by the Crown.



HUNTLY EAST LAND SUBSIDENCE POLICY 1993

EXTENT OF SOUTH SECTION OLD WORKINGS

DEFINED AREA (POLICY BOUNDARY) JUNE 1993



D O S L I P L O T