



TE KĀHUI WHAKAMANA
RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY

Annual Report

for the year ended 30 June 2020

Presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989

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Contents

Minister’s foreword	3
Family Reference Group foreword	4
PART 1 – OVERVIEW	6
From the Chief Executive – the journey continues	7
Our highlights at a glance	9
PART 2 – THE AGENCY AND ITS PERFORMANCE	10
Mana Whenua	11
Our strategic objective	11
Our strategic partners	12
Our values and operating principles	12
Our organisation	13
What we have achieved with our appropriations	14
Measuring our financial performance	15
Organisational health and capability	19
Health, safety and wellbeing	20
Pay and workplace profile	22
PART 3 – STATEMENT OF MANAGEMENT RESPONSIBILITY	23
Statement of management responsibility	24
Independent Auditor’s Report	25
Who we are	37
How we were funded	43
The costs we incur to achieve our goals	44
Our working capital	47
Assets that support our operations	53
Financial risk management	55
Other disclosures	57
The Pike River 29	66

At 3.44pm on Friday 19 November 2010 there was an underground explosion at the Pike River mine. Two men in the mine drift that day were able to escape. 29 men did not return home.



Minister's Foreword



What happened at Pike River was a tragedy for the 29 men who did not come home, for their families, and for the wider New Zealand family. All the more so because it was a tragedy that could and should have been avoided.

No-one should go to work and not come home. The re-entry, recovery and forensic examination of the mine drift is a simple, necessary and long overdue act of justice. It also honours the promise that the Coalition Government made to the Pike River families and to New Zealand.

We need to find out as much as possible about exactly what happened at Pike River and why. Even after the work done by the Royal Commission into the tragedy there are things that will only be discovered by detailed forensic examination of the drift and the chambers off the drift in the area known as Pit Bottom in Stone.

We need to bring some peace and reconciliation to the families left behind. And any remains that are found and recovered need to be treated with the utmost dignity and respect.

I am pleased that so much progress has now been made by Te Kāhui Whakamana Rua Tekau mā Iwa – the Pike River Recovery Agency with the re-entry, recovery and examination of the drift. I look forward to the successful conclusion of their work and the justice this will bring for the families and all New Zealanders.

Hon Andrew Little

**Minister Responsible
for Pike River Re-entry**

Family Reference Group Foreword



It is now nearly ten years on from the day that our men were taken from us, and four since the families and the New Zealand public stopped the truth being forever sealed behind 30m of concrete.

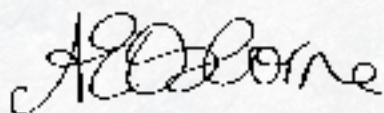
So much has changed. We write this as re-entry to the drift is underway, as we are within weeks of reaching that unexplored part of the drift that we have fought so hard to bring light to. And as the evidence that we hope will lay bare the truth and justice of the Pike River travesty is almost within reach.

We have achieved this through unity of purpose and through partnership with the

agency and the government. It has not always been easy. There have been many difficult conversations, and we know at times we have pissed off the agency and the police, and no doubt the Minister occasionally too. But that is our job as the advocates for the families and for their boys. And there has always been respect for the partnership and for the role of the families in this.

We have all done this together. It is not something that has simply been done for us. That sense of being able to take control of our lives, of what happened, and what comes of it has been incredibly healing for family members who had felt that they had lost not only their men, but their power too.

When I spend time with the people who are making this happen day in day out – in Greymouth, at Pike River itself, and in Wellington – I can only offer our deepest thanks. To the people who have put their lives on hold to come to the Coast for justice, who have worked long hours day after day for truth, and who have left their own family back home while they seek accountability for ours – thank you. You are not only righting a wrong for the families of Pike River, you are also helping heal a wound that has scarred New Zealanders’ national identity for too long.



Anna Osborne
Chair, Family Reference Group (FRG)



PART ONE

OVERVIEW



From the Chief Executive – re-entry, recovery and examination of the drift



I am pleased to present the 2019/20 Annual Report for Te Kāhui Whakamana Rua Tekau mā Iwa – the Pike River Recovery Agency.

In the year to 30 June 2020 the planning and preparation phase of the work in the Pike River mine drift was completed.

As part of this:

- ④ A comprehensive Entry and Exit Execution Plan (together with the required supporting documentation) was developed, risk-assessed with input from world-leading experts, submitted to WorkSafe New Zealand for review, and accepted

- ④ A remote ventilation ‘plug’ was installed successfully near the end of the drift as part of the proposed ventilation and gas control arrangements
- ④ The drift was purged of methane gas with nitrogen and fresh air was introduced successfully up to a borehole just before the plug
- ④ WorkSafe NZ approved an application for a regulatory exemption to allow the safest and best approach to be used for ventilating the drift

Then, on 17 December 2019, an Agency team broke through the 170 metre barrier in the drift for the first time since it was established in 2011 and carried out an initial assessment of the first section of the drift beyond that.

There was a safe operational pause during the periods of COVID-19 Alert Level Four and then Alert Level Three. Otherwise Agency teams have continued to move up the drift carrying out re-support work and forensic examination work in each section; moving up services including communications, monitoring, ventilation and safety equipment; before moving on to the next section.

By 30 June 2020 the reconnaissance barrier underground had reached 981 metres into the drift. Four of the five robots that were sent into the drift after the tragedy had been recovered and secured by the NZ Police team at the mine site. The fifth robot was recovered shortly afterwards.

The Agency is now working to complete the project within the revised budget approved by Cabinet in March 2020. This includes:

- ④ Reaching and securing the extensive area known as Pit Bottom in Stone near the end of the drift for detailed forensic examination
- ④ Completing recovery/examination operations in the final section of the drift beyond the remote ventilation ‘plug’ (a comprehensive and full risk-assessed plan for this was finalised during the operational pause for COVID-19 and submitted to WorkSafe NZ for review)
- ④ Withdrawing and sealing the mine and the drift
- ④ Completing all required rehabilitation work and handing over the site to the Department of Conservation for ongoing management
- ④ Winding down and disestablishing the Agency.

The health and safety of everyone involved continues to be an absolute and overriding priority. There were no lost time injuries to Agency staff from when the Agency was established to 30 June 2020, a total of 733 working days. That is something to celebrate but nothing can – or will – be taken for granted.

The final timeframes for achieving project milestones will be determined by what can be achieved safely, as well as effectively and efficiently.

We continue to take very seriously our commitment to working closely and collaboratively in partnership with the Family Reference Group (FRG). We value and appreciate the close working relationship we have with the FRG.

Our strategic partners (including the Ministry of Business, Innovation and Employment, NZ Police, the NZ Defence Force and Department of Conservation) have also continued to provide us with

invaluable support and assistance to achieve our objectives.

We have continued our commitment to building and maintaining a positive and constructive working relationship with WorkSafe New Zealand – the regulator of underground coal mining operations in New Zealand.

The staffing and structure of the Agency has evolved and developed to meet the ongoing needs of the project. This will continue as we move on to rehabilitation, handover, wind down and disestablishment work.

We have also continued to draw on the insights and advice of the range of national and international experts that have guided and informed what we do.

The energy, the passion and the commitment of the Agency team is very impressive. I am proud of them and what has been achieved so far. For all of us this project continues to be more – much more – than just another job.

We know that the eyes of the Pike River families and the wider New Zealand community are on us and on the Agency. We are up for the challenge and we look forward to getting the job done.

Whakataukī (proverb)

Mā whero mā pango ka oti ai te mahi
Literally, “*With red and black the work will be complete*” – refers to co-operation, whereby if everyone does their part, the work will be done.



Dave Gawn
Chief Executive
Pike River Recovery Agency

Our highlights at a glance

The Agency

🌲 Partnership agreement with Family Reference Group (FRG) renewed again with no changes

🌲 FRG and Minister have continued to report high levels of satisfaction with the services provided by the Agency

🌲 Low staff turnover – only three staff resignations since the Agency was established on 31 January 2018

🌲 NZ Police reported a very high level of satisfaction with the Agency/Police working relationship

🌲 Mine-based personnel received 3129 hours of training to optimise our staff capability

The Mine

🌲 Mine maintained in a safe and legally compliant condition – no enforcement or prohibition notices issued by WorkSafe NZ

🌲 All required Principal Hazard Management Plans (20) and Principal Control Plans reviewed and refreshed

🌲 No “lost time injuries” for 733 days

Re-entry, recovery and examination of the drift

🌲 Entry and Exit Execution Plan developed and accepted

🌲 Remote ventilation plug installed

🌲 Agency underground teams advanced 981 metres into the drift

🌲 616 bolts drilled to provide roof and rib support



PART TWO

THE AGENCY AND ITS PERFORMANCE

Te Kāhui Whakamana Rua Tekau mā Iwa – the Pike River Recovery Agency was established as a stand-alone government department by Order in Council on 31 January 2018. The Agency will be disestablished once the Pike River Mine site has been rehabilitated and returned to the Department of Conservation.

Mana whenua

Te Rūnanga o Ngāti Waewae (Ngāi Tahu) gifted the Agency the Te Reo name Te Kāhui Whakamana Rua Tekau mā Iwa, which can be shortened to Te Kāhui Whakamana 29. It is interpreted as ‘The Empowering Voice for the Pike 29’. Ngāti Waewae is kaitiaki of Pike River in the Atarau region.

Our strategic objective

Our strategic objective is to conduct a safe manned re-entry and recovery of the Pike River mine drift (access tunnel) to:

- ④ Gather evidence to better understand what happened in 2010 with an eye to preventing future mining tragedies and promoting accountability for this mining tragedy;
- ④ Give the Pike River families and victims overdue closure and peace of mind; and
- ④ Recover remains where possible.

The Agency will then be wound down and formally disestablished.



Our strategic partners

The Agency would like to acknowledge the ongoing expertise, support and goodwill of:

- † Pike River families and the Family Reference Group
- † Ngāti Waewae
- † The Technical Experts Group
- † Ministry of Business, Innovation and Employment (MBIE)
- † New Zealand Police
- † New Zealand Defence Force
- † WorkSafe New Zealand
- † Department of Conservation
- † NZ Mines Rescue Trust
- † Department of Internal Affairs
- † Archives New Zealand
- † Minerals sector industry organisations
- † National Health and Safety for the New Zealand Mining and Quarrying Industry
- † Business Leaders Health and Safety Forum

Our values and operating principles

The following values and principles underpin and inform all aspects of our work:

Close partnership with the Pike River families

We work closely with the families and their representatives in all areas of our work. In particular the families and their expert advisers continue to play a central role in planning for and implementing re-entry and recovery of the drift.

We regularly monitor the satisfaction of the Family Reference Group with the engagement and liaison services we provide and we are committed to acting on the insights gained from that.

Health and safety comes first

Everyone involved in this project agrees that safety is paramount and non-negotiable.

Transparency and openness

Re-entry and recovery is being planned and carried out in a transparent and rigorous way that draws on the best possible expertise.

Our advice to the Minister and our operational decisions are open and unbiased. We go where the facts and the best available information takes us.

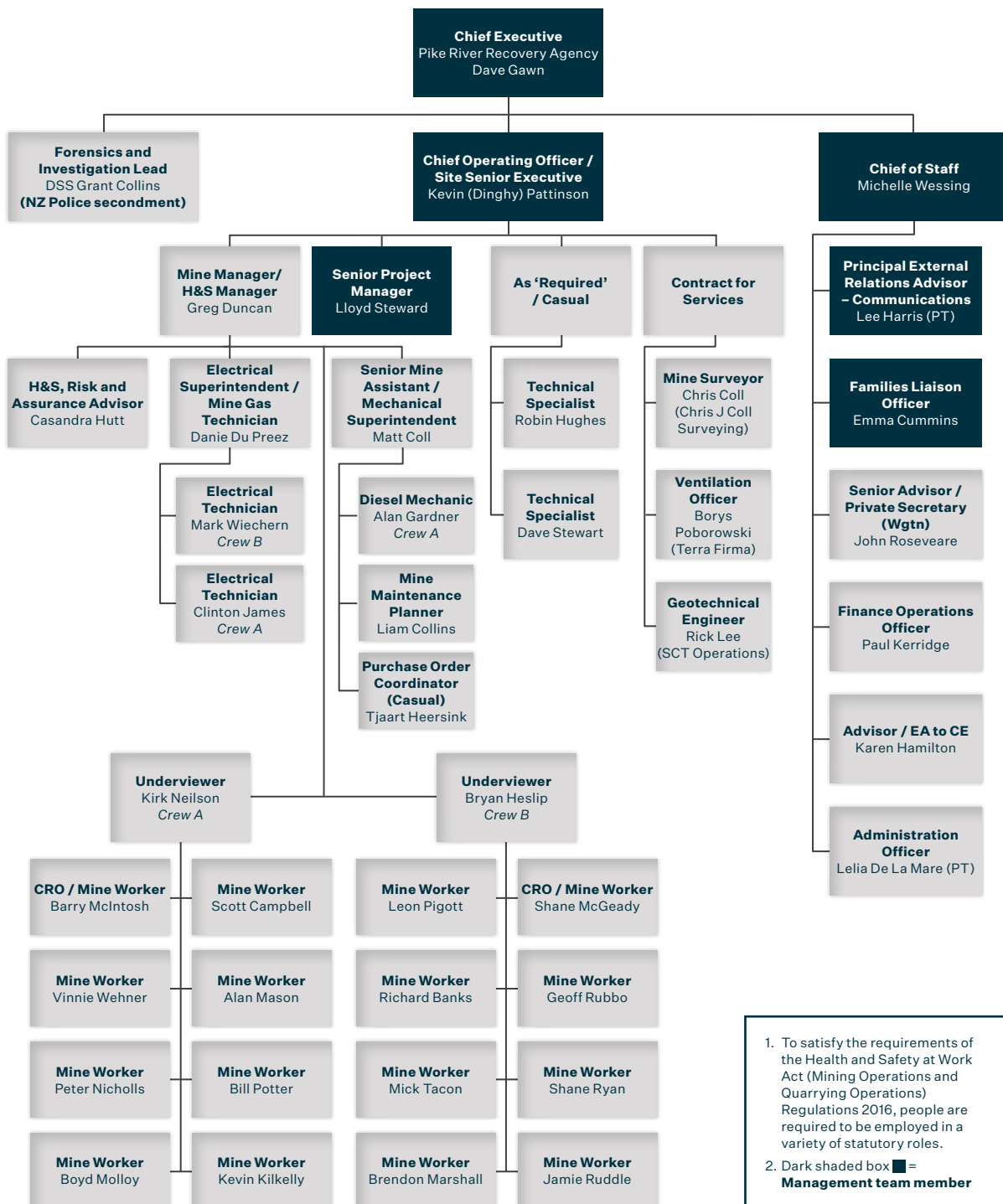
Information about our activities and advice continues to be released proactively to the Agency's website without people needing to ask for it, and we respond positively to requests for additional information that are made under the Official Information Act 1982 or otherwise.

Our Organisation

AS AT 30 JUNE 2020



TE KĀHUI WHAKAMANA
RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY



1. To satisfy the requirements of the Health and Safety at Work Act (Mining Operations and Quarrying Operations) Regulations 2016, people are required to be employed in a variety of statutory roles.

2. Dark shaded box ■ = **Management team member**

What we have achieved with our appropriations

This section provides information about performance against our targets as set out in the information supporting the Estimates and the Supplementary Estimates 2019/20.

Comparative information is provided for the year ending 30 June 2019.

Departmental multi-year appropriations and capital expenditure

The purpose of these appropriations was to fund the establishment and operations of the Pike River Recovery Agency. See Tables 1 to 3.

The appropriation for output expenses was intended to achieve a plan for the safe manned re-entry to the Pike River Mine drift and a recommendation to the responsible Minister about whether the risks can, as much as is reasonably practicable, be reasonably managed, and then if the responsible Minister agreed, to execute the plan.

The appropriation for capital expenditure was to support and enable the safe manned re-entry and recovery of the Pike River Mine drift by funding the purchase of legally required safety infrastructure, and other required mining and office equipment. No capital expenditure has been incurred in the financial year 2019/20.

Independent advice on Pike River Recovery (non-departmental multi-year appropriation for output expenses)

The purpose of this appropriation was to fund advice from an independent adviser to support decision-making by the Minister Responsible for Pike River Re-entry.

Mr Rob Fyfe was appointed in December 2017 to carry out this role and his costs and expenses have been met from the appropriation. The appointment of the independent adviser was intended to support high quality unbiased decision-making relating to the development and implementation of the plan for safe manned re-entry and recovery of the drift.

The Agency is the appropriation administrator for this appropriation. Expenditure is monitored and approved by the responsible Minister. See Table 4.

Measuring our financial performance

Statements of budgeted and actual expenses and capital expenditure incurred against appropriations¹ for the period ended 30 June 2020.

Table 1 : Statement of Expenses and Capital Expenditure

No capital expenditure has been incurred in the 2019/20 financial year.

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2020 Supplementary Estimates Budget \$000's
	Departmental Capital Expenditure			
561	<i>Pike River Recovery Agency – Capital Expenditure PLA (M99)</i>	0	0	0
561	Total Capital Expenditure	0	0	0

Table 2 : Statement of Departmental Capital Injections

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2020 Supplementary Estimates Budget \$000's
	Departmental Output Expenses			
0	<i>Pike River Recovery Agency – Capital Injection</i>	750	0	750
0	Total Capital Injection	750	0	750

¹ The Agency has a capital expenditure appropriation, departmental and non-departmental multi-year appropriation which commenced on 31 January 2018.

Table 3 : Departmental Output Expense

The Agency's expenditure is above the Main Estimates for the 2019/20 financial year. This is due to additional Crown funding being received by the Agency during the year, resulting in re-phasing of the 2019/20 budgets.

2019 Actual \$000's		2020 Actual \$000's	2020 ² Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
	Departmental Output Expenses			
	<i>Pike River Recovery Agency (M99) (31 January 2018 to 30 June 2021)</i>			
21,974	Original appropriation	21,974	21,974	21,974
13,276	Cumulative adjustments	28,681	13,276	28,681
35,250	Total adjusted appropriations	50,655	35,250	50,655
2,135	Cumulative expenditure 30 June 2019	17,592	22,041	17,593
15,457	Current year expenditure	17,680	12,099	25,662
17,592	Cumulative expenditure 30 June 2020	35,272	34,140	43,255
17,658	Appropriation remaining 30 June 2020	15,383	1,110	7,400

Note: Performance against these appropriations is reported within this Annual Report.

Table 4 : Non-Departmental Output Expense

Costs incurred by the independent advisor to support decision-making by the Minister Responsible for Pike River Re-entry.

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
	Non-Departmental Output Expenses			
	<i>Independent Advice on Pike River Recovery (M99) (31 January 2018 to 31 December 2019)</i>			
75	Original appropriation	75	75	75
-	Cumulative adjustments	-	-	-
75	Total adjusted appropriations	75	75	75
15	Cumulative expenditure 30 June 2019	47	75	59
32	Current year expenditure	12	0	16
47	Cumulative expenditure 30 June 2020	59	75	75
28	Appropriation remaining 30 June 2020	16	-	-

Note: An exemption from end of year performance reporting under s15D (2) (b) (iii) of the Public Finance Act 1989 was granted.

Statement of unappropriated expenses and capital expenditure incurred without appropriations

Nil.

Statement of capital injection made to the Department without the authority or in excess of an existing authority

Nil.

MEASURING OUR PERFORMANCE

Performance measures	Supplementary Estimates 2019/2020 Standard	Achievement As at 30 June 2020	Supplementary Estimates 2018/19 Standard	Achievement As at 30 June 2019
The satisfaction of the Families Reference Group (FRG) with the engagement and liaison service, as measured using the Common Measurement tool is at least a '3' (See Note 1)	3 – Met Expectation	4.1 (see Note 2)	3 – Met Expectation	4.75
Legally compliant sealing of the mine completed, and mine site rehabilitated in accordance with the Memorandum of Understanding entered into with the Department of Conservation. To be completed following mine re-entry and completion of forensic work.	By 31 December 2020	Substantial progress made (see Note 3)	By 31 December 2019	Substantial progress has been made
Number of fatal work accidents or injuries to Agency staff	Nil	Nil	Nil	Nil
Number of infringement or prohibition notices issued to the Agency by WorkSafe New Zealand	Nil	Nil	Nil	Nil
Number of lost time injuries reported to WorkSafe NZ under Schedule 8 of the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016	Nil	Nil	Nil	Nil
Hazard report to incident report ratio is 2:1	2:1	2:1 (see Note 4)	2:1	2.96:1
The Minister's satisfaction with the information, advice and ministerial support the Agency provides to him	A score between 7 and 10	9.75 (see Note 5)	A score between 7 and 10	9.25

Drift re-entry and recovery operations were affected by measures to meet the requirements of national COVID-19 alert levels when they were in force. However, the Agency still met or exceeded all but one of its appropriation performance measures for the year, and made substantial progress towards achieving the remaining measure. Further information on the impact of COVID-19 can be found in Note 19 on page 60.

Notes

1. The Common Measurement tool measures external client satisfaction and identifies areas for delivery improvement in the public sector on a scale of 1 to 5, where 1 means “fell well short of expectations” and 5 means “far exceeded expectations”.
2. FRG satisfaction surveys were carried out quarterly. As well as providing an overall rating, FRG members are invited to identify any areas in which things could be done differently or better by the Agency. Any identified issues are addressed promptly and a written response is provided to the FRG. Progress on issues raised in satisfaction survey responses are a standing agenda item for meetings of the Agency management team. The reported result is the simple average rating across the four quarterly surveys of overall reported FRG satisfaction with the engagement and liaison services provided by the Agency to the FRG and the families it represents – 4 out of 5, 5 out of 5, 4 out of 5, and 3.5 out of 5
3. By 30 June 2020:
 - a. A comprehensive Entry and Exit Execution plan (with supporting documentation) had been developed and accepted
 - b. Agency teams had advanced 981 metres into the drift
 - c. A specific plan for the recovery and examination operations in the final section of the drift up to the roof fall at the end had been prepared and submitted to WorkSafe NZ for review; and
 - d. Some of the rehabilitation work required for the site to be handed over to the Department of Conservation had been completed, and planning was well advanced (in consultation with DoC) for the remaining work
4. Hazards reported for the period 1 July 2019 to 30 June 2020 totalled 92, with 46 reported incidents for the same period. The hazard to incident equates to 2.1 – meeting the performance measure of 2:1.
5. The satisfaction of the Minister with the information, advice and ministerial support the Agency provides to him was surveyed as at 31 December 2019 and again as at 30 June 2020. The reported result is the average rating of reported ministerial satisfaction across both surveys with:
 - a. The information and advice being provided by the Agency to the Minister and his office (at the time of the survey) – 10 out of 10 and 9 out of 10
 - b. The ministerial support being provided (at the time of the survey) – 10 out of 10 and 10 out of 10



Organisational health and capability

As a small agency with a clear and time-limited strategic objective we have continued to strike a balance between:

- 🌀 Employing a small team of dedicated people with the specific skills and experience required to do our core work
- 🌀 Reaching out to other agencies (including NZ Defence Force, MBIE and NZ Police) to provide services, expertise and people to support our work where that is the best use of available resources
- 🌀 Engaging other specialist expertise, advice and assistance (from New Zealand and overseas) as required.

During COVID-19 Alert Level Four, use was made of remote video conferencing to ensure that overseas-based experts could continue to contribute to Agency planning and operations.

Our staff

We employ a mix of technically qualified mining staff (with backgrounds in the mining industry in New Zealand and overseas) and people in managerial, facilitation, engagement, communication, analytical and support roles.

Being a good employer

The Agency has a strong commitment to being a good employer through fair, honest and transparent dealings with all our staff. Recruitment, selection and remuneration practices are based on principles of fairness, equity and merit-based selection.

The policies and management practices that we have for recruitment, induction, staff development, health and safety and all other employment matters demonstrate our commitment to all aspects of being a good employer.

Our culture

We have actively promoted an organisational culture of learning, continuous improvement and success.

The Agency team is proactive at a local level to motivate, support and engage with each other. Specific initiatives that promote positive staff engagement include:

- 🌀 Staff briefings and 'stand up' progress meetings
- 🌀 Carrying out staff engagement surveys and developing action plans to address issues identified in the survey responses
- 🌀 Investing in the personal and professional development of staff³.

³ In the year ending 30 June 2020 we invested \$122,346 in ongoing upskilling and re-qualification of staff in critical safety sensitive statutory roles.

Health, safety and wellbeing

An effective health and safety management system requires a number of complementary and mutually reinforcing elements:

- ④ top level commitment, leadership and modelling
- ④ a quality regulatory regime
- ④ a supportive and robust organisational culture
- ④ effective worker participation
- ④ sound and effective systems and processes
- ④ good quality internal and external reporting and accountability systems.

The Agency takes all of these things seriously and has invested in them accordingly.

The Health, Safety and Wellbeing Strategy adopted and promulgated by the Management Team provides a high level statement of the Agency's commitment to 'zero harm' and the action that will be taken to ensure and achieve this.

The Agency is the holder of a tier 1 mining permit under the Crown Minerals Act 1991 and is a PCBU for the purposes of the Health and Safety at Work Act 2015. It is subject to the requirements of the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016, Schedule 3 to the Health and Safety at Work Act 2015, and

the Mines Rescue Act 2013. It is subject to regulation by WorkSafe New Zealand, including scheduled and unscheduled inspection visits.

We welcome this oversight. We aim to comply fully with the spirit and the letter of all applicable requirements and to build a positive, transparent and constructive working relationship with WorkSafe as the regulator of underground coal mining operations.

In the year to 30 June 2020 there were 15 scheduled and two unscheduled visits to the mine site by WorkSafe inspectors, and WorkSafe representatives were invited to attend and participate in planning workshops and activities.

A real living culture of 'safety first', deliberate and meticulous planning, well-developed operating plans and procedures, realistic training and rehearsals, and 'conditions-based operations' is fundamental to the safe and successful conduct of our work. There is a lot that we still do not know and we will not know until we encounter actual conditions underground. We will need to have and demonstrate agile thinking, and the willingness to reassess, reset and re-plan when required.

As an agency we need to know when to call it 'quits' if that is what needs to be done. As staff of the Agency all of us need to be willing and able to say STOP if we are concerned about any aspect of health, safety or wellbeing.

We encourage and support the role and activities of the health and safety representatives, and the Agency health and safety committees.

Comprehensive ‘fit for purpose’ systems and processes have been developed and implemented, and rigorous risk assessment and controls are a core element of the operating plans that have been and are being developed.

The organisational commitment to health and safety is supported by:

- ④ An active operational health and safety committee for the mine site that meets weekly
- ④ A high level health and safety steering committee that provides supervision and direction on health and safety matters and priorities across the Agency
- ④ Regular discussion between the chief executive and staff in statutory and non-statutory mining roles
- ④ Scheduled consideration by the Agency management team of health and safety matters – including reports on the work of the health and safety committees
- ④ The Agency paying for Group Medical and Personal Insurance cover for employees
- ④ Co-designed health and safety policies and procedures that discuss how a safe and healthy workplace for all staff, contractors and visitors will be maintained, and what procedures will be implemented in order to achieve this.
- ④ Staff having access to the Employee Assistance Programme – a confidential workplace service that the Agency funds.
- ④ A range of internal and external reporting and accountability mechanisms – including the four health and safety-related performance measures that have been included in the operating expense appropriation that funds the work of the Agency.

Pay and workplace profile

As at 30 June 2020, 39 staff⁴ were employed by the Agency.

Ethnicity profile⁵

94% of Agency staff identify with a New Zealand European/Pākehā ethnicity group, 13.89% identify with two ethnicity groups (Māori and other), and 2.78% identify as European and one other ethnicity.

Remuneration profile for the period 1 July 2019 to 30 June 2020^{6,7}

Salary per annum	Number of staff
Up to \$100,000	21
Over \$100,000	22

Gender representation and pay

Of the 39 staff employed by the Agency as at 30 June 2020, six were women and 33 were men.

Of the seven members of the Management Team (including the Chief Executive and the Chair of the Family Reference Group who attends meetings as an active observer) four were women and three were men.

Across the Agency as a whole, the gender pay gap (based on a simple comparison of the total average salaries paid to women and men) was 22% in favour of men.⁸

The Agency acknowledges and supports the commitments in the Gender Pay Action Plan to equal pay, flexible work by default, no bias or discrimination in remuneration systems and human resource practices, and gender-balanced leadership.

The Agency reviewed its Gender Pay Gap Agency Action Plan in May 2020, submitted the plan to the Public Service Commission, and published it on the Agency website.

4 Includes the Chief Executive who is employed by the Public Service Commission and two technical specialists and one casual worker, who are engaged on an 'as required' basis

5 Ethnicity information about Agency staff has been aggregated to protect the privacy of individuals

6 Remuneration information for Agency staff has been aggregated to protect the privacy of individuals, with gross earnings from 1 July 2019 to 30 June 2020 reported. Some new positions were filled part way during the financial year. This includes staff who started or concluded employment during the year.

7 Excludes the remuneration of the chief executive who is employed by the Public Service Commission, however includes the two technical specialists, and one casual worker.

8 Salaries paid to specialised mining staff (all of whom are men for historical reasons) include compensation for being on call and – in most cases – for working a range of shift rosters. Comparing such salaries with salaries paid to staff employed on other conditions is not a simple 'like for like' exercise.



PART THREE
STATEMENT OF
MANAGEMENT
RESPONSIBILITY

Statement of management responsibility

I am responsible, as Chief Executive of the Pike River Recovery Agency (the Agency) for:

- ④ the preparation of the Agency's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- ④ having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ④ ensuring that end-of-year performance information on each appropriation administered by the Agency is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- ④ the accuracy of any end-of-year performance information prepared by the Agency, whether or not that information is included in the annual report.

In my opinion:

- ④ the financial statements fairly reflect the financial position of the Agency as at 30 June 2020 and its operations for the year ended on that date
- ④ the forecast financial statements fairly reflect the forecast financial position of the Agency as at 30 June 2021 and its operations for the year ending on that date.



Dave Gawn
Chief Executive
30 November 2020

Independent Auditor's Report



To the readers of the Pike River Recovery Agency's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of the Pike River Recovery Agency (the Agency). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- ④ the financial statements of the Agency on pages 30 to 60, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- ④ the performance information prepared by the Agency for the year ended 30 June 2020 on pages 17 to 18;
- ④ the statements of expenses and capital expenditure of the Agency for the year ended 30 June 2020 on pages 15 to 16; and
- ④ the schedules of non departmental activities which are managed by the Agency on behalf of the Crown on pages 61 to 64 that comprise:
 - › the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2020;
 - › the schedules of expenses; and revenue for the year ended 30 June 2020; and
 - › the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- ④ The financial statements of the Agency on pages 30 to 60, which have been prepared on a disestablishment basis:
 - › present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year ended on that date; and
 - › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- ④ the performance information of the Agency on pages 17 and 18:
 - › presents fairly, in all material respects, for the year ended 30 June 2020:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - › complies with generally accepted accounting practice in New Zealand.
- ④ The statements of expenses and capital expenditure of the Agency on pages 15 to 16 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- ④ The schedules of non departmental activities which are managed by the Agency on behalf of the Crown on pages 61 to 64 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - › the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2020; and
 - › expenses; and revenue for the year ended 30 June 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to other matters. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

The financial statements are appropriately prepared on a disestablishment basis

Note 2 basis of preparation section on page 37 and note 18 on page 59 outline the financial statements being prepared on a disestablishment basis. This is because the Agency expects to be disestablished within 12 months of signing the financial statements after completing its objectives and transferring the mine site to the Department of Conservation. We consider the disestablishment basis of preparation of the financial statements, and the related disclosures to be appropriate to the Agency's circumstances.

Impact of COVID-19

Note 19 to the financial statements and page 17 of the performance information explains the impact of the COVID-19 pandemic on the Agency.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Agency for preparing:

- ④ financial statements that present fairly the Agency's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- ④ performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- ④ statements of expenses and capital expenditure of the Agency, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- ④ schedules of non departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Agency on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Agency for assessing the Agency's ability to continue as a going concern. If the Chief Executive concludes that the going concern basis of accounting is inappropriate, the Chief Executive is responsible for preparing financial statements on a non-going concern basis and making appropriate disclosures.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Agency's Estimates and Supplementary Estimates of Appropriations 2019/20 and the 2019/20 forecast financial figures included in the Agency's 2018/19 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- ④ We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ④ We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- ④ We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- ④ We evaluate the appropriateness of the reported performance information within the Agency's framework for reporting its performance.
- ④ We conclude on the appropriateness of the use of the non-going concern basis of accounting by the Chief Executive.
- ④ We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 2 to 67, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Agency in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Agency.



Ajay Sharma
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Departmental Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2020

2019 Actual \$000's		Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
	Income				
15,438	Revenue – Crown	3	17,553	12,099	7,400
19	Other revenue		126	-	-
15,457	Total income		17,679	12,099	7,400
	Expenditure				
3,605	Personnel costs	4	5,410	2,797	1,708
190	Depreciation and amortisation expense	13	592	-	-
30	Capital charge	6	30	-	-
11,632	Other operating expenses	5	11,648	9,302	5,692
15,457	Total expenditure		17,680	12,099	7,400
-	Net surplus/(deficit) and comprehensive income		-	-	-

Explanation of major variances against Main Estimates can be found in Notes 3 to 6 and Note 13.

The accompanying notes form part of these financial statements.

Departmental Statement of Financial Position

as at 30 June 2020

2019 Actual \$000's	Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 ⁹ Unaudited Forecast \$000's
Assets				
Current Assets				
4,732	Cash and cash equivalents	10,650	1,580	-
546	Debtors and other receivables	443	-	-
316	Prepayments	200	-	-
464	Property, plant and equipment	121		
243	Work in progress	-		
6,301	Total current assets	11,414	1,580	-
6,301	Total assets	11,414	1,580	-
Liabilities				
Current Liabilities				
1,149	Creditors and other payables	1,031	830	-
1,773	Revenue in advance	6,485	-	-
323	Employee entitlements	572	-	-
2,556	Provisions	2,076		
5,801	Total current liabilities	10,164	830	-
5,801	Total liabilities	10,164	830	-
500	Net assets	1,250	750	-
Equity				
500	Taxpayers' funds	1,250	750	-
	Revaluation Reserve	-		
500	Total Equity	1,250	750	-

A discussion of major variances against Main Estimates can be found in the relevant notes.

9 The Agency expects to be disestablished within 12 months of signing the financial statements and is forecasting that all assets, liabilities and equity would have been disposed of at that time.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2020

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
500	Balance as at 30 June	500	1,250	1,250
-	Comprehensive income / (expense)	-	-	-
-	Return of operating surplus to the Crown	-	-	-
-	Capital contributions / (withdrawals)	750	(500)	(1,250)
500	Balance as at 30 June 2020	1,250	750	-

Explanation of major variances against Main Estimates can be found in the relevant notes.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2020

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
	Cash flows from operating activities			
15,438	Receipts from the Crown	17,553	13,639	7,400
(676)	Receipts from other revenue	177	-	-
(8,345)	Payments to suppliers	(7,607)	(14,116)	(8,085)
(3,332)	Payments to employees	(5,206)		
(30)	Payments for capital charge	(30)	(30)	
(299)	Goods and services tax (net)	286	-	-
2,756	Net cash flows from operating activities	5,173	(507)	(685)
	Cash flows from investing activities			
(561)	Purchase of property, plant and equipment	(5)	-	-
-	Purchase of intangible assets	-	-	-
	Sale of property, plant and equipment		944	353
(561)	Net cash flows from investing activities	(5)	944	353
	Cash flows from financing activities			
-	Capital contributions	750	-	(1,250)
-	Repayment of surplus to the Crown	-	-	-
-	Net cash flows from financing activities	750	-	(1,250)
2,195	Net (decrease) / increase in cash	5,918	437	(1,582)
2,537	Cash at the beginning of the year	4,732	1,143	1,582
4,732	Cash at the end of the year	10,650	1,580	-

Explanation of major variances against Main Estimates can be found in the relevant notes.

The accompanying notes form part of these financial statements.

Reconciliation of net surplus to net cash flows from operating activities

for the year ended 30 June 2020

2019 Actual \$000's		2020 Actual \$000's
–	Net surplus (deficit)	–
	Non-cash items:	
190	Depreciation, amortisation and impairment expenses	591
190	Total non-cash items	591
	Add/(less) movements in working capital:	
(379)	(Increase) / Decrease in debtors and other receivables	(64)
(316)	(Increase) / Decrease in prepayments	115
3,053	Increase / (Decrease) in creditors and other payables	(666)
239	Increase / (Decrease) in revenue in advance	4,712
(299)	Increase / (Decrease) in GST	286
268	Increase / (Decrease) in employee entitlements	199
2,566	Net movement in working capital items	4,583
2,756	Net cash flow from operating activities	5,173

The accompanying notes form part of these financial statements.

Statement of Commitments

As at 30 June 2020

Capital commitments

The Agency has no capital commitments at 30 June 2020 (nil at 30 June 2019).

Non-cancellable operating lease commitments

Given the Agency is to be disestablished, leases that extend beyond one year have been recognised in the financial statements as onerous and recognised as a provision based on the cost to terminate the lease. The non-cancellable operating lease commitments schedule reflects payments to be made over the remaining period of operations.

	2020 Actual \$000's	2019 Actual \$000's
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Not later than one year	1,614	1,208
Later than one year and not later than five years		–
Later than five years		
Total non-cancellable operating lease commitments	1,614	1,208

The accompanying notes form part of these financial statements.

Statement of Contingent Liabilities and Assets

As at 30 June 2020

Quantifiable contingent liability

The Agency has no quantifiable contingent liabilities (nil at 30 June 2019).

Unquantifiable contingent liabilities

The Agency has no unquantifiable contingent liabilities (nil at 30 June 2019). The Agency has an obligation to rehabilitate the Pike River Mine site, and this obligation is accounted for in the financial statements.

Contingent Assets

The Agency has no contingent assets as at 30 June 2020 (nil at 30 June 2019).



The accompanying notes form part of these financial statements.

Who we are

This section provides information on the legislation governing the Agency's operations and reporting requirements and accounting policies, or information on where to find accounting policies that are fundamental to the financial statements. The Agency was established for a finite time, and is appropriated until 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: REPORTING ENTITY

The Pike River Recovery Agency (the Agency) is a New Zealand government department as defined by section 2 of the Public Finance Act 1989 (the PFA) and is domiciled and operates in New Zealand. The legislation governing the Agency's operations includes the PFA. The ultimate parent of the Agency is the New Zealand Crown.

The Agency's primary objective is to provide services to the public. The Agency does not operate to make a financial return and is a public benefit entity (PBE) for financial

reporting purposes. The financial statements cover all activities of the Agency as set out in the Main Estimates and Supplementary Estimates 2019/20 and include Vote Pike River Re-entry.

In addition, the Agency has reported the Crown activities that it administers.

The financial statements of the Agency are for the year ended 30 June 2020. They were authorised for issue by the Chief Executive of the Agency on 30 November 2020.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a disestablishment basis, and the accounting policies have been applied consistently throughout the year. The Agency expects to be disestablished within 12 months of signing the financial statements after completing its objectives and transferring the Pike River Mine site to the Department of Conservation.

The accounting policies, detailed below, reflect the fact that the assets and liabilities may not be realised in the ordinary course of business. Refer to note 2 for further details.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the PFA, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and Treasury instructions.

The accompanying notes form part of these financial statements.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements of the Agency have been prepared in accordance with Tier 1 PBE accounting standards.

Measurement base

The financial statements have been prepared on a disestablishment basis.

Changes in accounting policies

The Agency has changed some accounting policies due to the preparation of the financial statements on a disestablishment basis. Where there is a material difference in the accounting policy this has been disclosed within the relevant policy.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Agency is New Zealand dollars.

Comparative amounts

Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation.

Standards, amendments and interpretations issued that are not yet effective and have not been adopted early

Due to the Agency applying a disestablishment basis to prepare these financial statements, there are no standards and amendments issued but not yet effective that will affect the Agency.

Significant accounting policies

The following significant accounting policies have been applied. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

Commitments

The following commitments have been recognised in the Statement of Financial Position at their expected net settlement value:

- ⑤ Lease cost expected to be incurred on termination of leases at the date the Agency will cease to operate
- ⑤ Penalty or exit costs related to cancellable contracts.

Lease and capital expenses yet to be incurred on non-cancellable contracts that have been entered into at balance date and due over the coming period of operations are disclosed as commitments.

Commitments relating to employment contracts are not disclosed.

Cancellable commitments that have penalty or exit costs in the agreement, on exercising that option to cancel, are included in the statement of commitments at the lower of either the remaining contractual commitment and the value of that penalty; or exit cost.

Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident and, for each class of contingent liability, a brief description of the nature of the contingent liability is provided at balance date.

The accompanying notes form part of these financial statements.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent liabilities are not disclosed if the possibility is remote.

Foreign currency transactions

Foreign currency transactions, including those for which forward foreign exchange contracts are held, are translated to New Zealand dollars at the rate applicable on the day of settlement.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date.

Foreign exchange gains or losses arising from the settlements of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in net surplus or deficit.

Goods and services tax (GST)

All items in the financial statements, except for receivables and payables, are stated exclusive of GST including appropriation statements and commitments and contingencies. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Income tax

Government departments are exempt from income tax as public authorities and no income tax has been provided for.

Critical accounting estimates, assumptions and critical judgements in applying accounting policies

In preparing these financial statements, estimates, assumptions and critical judgements have been made concerning the future and may differ from the subsequent actual results. Estimates, assumptions and critical judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Agency has included in the Financial Statements an estimate for the rehabilitation of the Pike River Mine site. In completing this estimate the Agency has engaged external subject matter experts with experience in these type of work activities.

No other estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been included.

Judgements

Going concern

Management has determined that the Agency's financial statements will be prepared on a disestablishment basis, instead of using a going concern assumption, for the 30 June 2020 financial year.

Management have made this judgement based on expectations of timing of disestablishment.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Onerous contract

As part of the memorandum of understanding (MOU) with the Department of Conservation, the Agency is required to upgrade the existing roads and bridges to a standard required for public access. Upgrading the assets provides no further economic benefit or service potential to the Agency due to its disestablishment. Therefore, the unavoidable costs arising from the MOU exceed the benefits. Management has concluded that the completion of this work creates an onerous contract for the Agency as the unavoidable costs of meeting the obligations under the agreement exceed the benefits expected to be received.

Key estimates around uncertainty arise in the estimation of balances under a disestablishment basis. Specifically:

Property, Plant and Equipment

The estimated useful life and residual value of property, plant and equipment has been reassessed based on the entity's expectation it will cease to use the assets. Residual values have been estimated based on the Agency's expectations about recovery of the assets through sale, disposal or transfer. Estimations have been based on the realisable value of the asset and the expected cost to dispose of it. The useful life reflects the expectation that the Agency will cease operations within 12 months of the date of signing the financial statements. This has been estimated based on management's best estimate at the reporting date of the time expected to complete the objectives of the Agency and hand the land to DoC.

Changes in the estimation of residual values and useful lives of assets might arise after the reporting date and could impact the future carrying value of the assets.

Mine rehabilitation provision

The measurement of the rehabilitation provision has been estimated based on the activities required to meet the Agency's obligations under the MOU. This includes site remediation of the land, decommissioning of drill holes and the mine portal being sealed. In determining the provision, the Agency obtained external advice regarding the cost of work required to complete the rehabilitation. This was reviewed by internal experts.

Estimates include consideration of the time taken to decommission drill holes, upgrade existing roads and bridges, technical expertise, number of people and time required to rehabilitate the land, and the design and installation of the mine portal rated seal. Changes in the estimates could impact the actual costs incurred. Factors that may significantly affect the actual costs include inclement weather and the state of the strata and hence the amount of remedial work required to stabilise this.

Onerous contract for bridges and roads

The estimation of the cost to complete the upgrade work on the bridges and roads has been based on external advice. Changes in estimations could arise as work is completed.

The accompanying notes form part of these financial statements.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget figures

The Budget figures are for the year ending 30 June 2020. They were included in the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2020, which are consistent with the financial information in the main estimates.

Forecast figures

The forecast figures for the year ending 30 June 2021 are consistent with the Agency's best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 30 June 2021.

While the Agency regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2021 will not be published.

The forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Significant assumptions used in preparing the unaudited forecast financial statements

The forecast financial statements have been prepared in accordance with the PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

The purpose of the forecast financial statements is to facilitate Parliament's consideration of the appropriations for, and planned performance of, the department. Use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the forecast information presented and that the variations may be material.

The forecast figures contained in these financial statements reflect the Agency's purpose and activities and are based on a number of assumptions about what may occur during the 2020/21 year.

The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised. The main assumptions were as follows:

- ④ the Agency's activities and output expectations will remain substantially the same as for the previous year focusing on the Government's priorities
- ④ personnel costs were based on planned full-time equivalent staff, which takes into account staff turnover
- ④ estimated year-end information for 2019/20 was used as the opening position for the 2020/21 forecasts.

The actual financial results achieved for 30 June 2021 are likely to vary from the forecast information presented, and the variations may be material.

There are no significant events or changes that would have a material impact on the BEFU forecast. Factors that could lead to material differences between the forecast financial statements and the 2020/21 actual financial statements include changes to the baseline budget through new funding.

The accompanying notes form part of these financial statements.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Since balance date the following events of significance have occurred:

- ④ On 4 August 2020 after weeks of planning and risk assessments, the Agency recovered the loader which was being driven by Russell Smith at the time of the 2010 explosion.
- ④ On 11 August 2020, underground workers were withdrawn from the Pike River Mine for around two weeks after an unusual substance was found on the walls and roof of the drift. A risk assessment was conducted and in consultation with technical experts including industrial hygienists, controls developed to mitigate the presence of products of combustion from explosions. Mine workers focused on rehabilitation of the site while they were unable to work underground.
- ④ The Agency continues to be impacted by COVID-19. Underground operations were able to be carried out at Alert Level 2, with extra measures involving physical distancing, use of PPE and hygiene practices.

As at 10 November 2020 NZ Police are:

- ④ conducting a feasibility study on commissioning additional boreholes that could provide further information of relevance to the investigation they are conducting. If such a drilling programme proceeds it is likely to affect the timeframe for completion of the project
- ④ finalising their proposed approach to the recovery and relocation of equipment and infrastructure from the Pit Bottom in Stone, and to the forensic examination and investigation that should be carried out underground in that area before the Agency withdraws from the drift and it is resealed. The confirmed arrangements for these things could also affect the timeframe for completion of the project

Authorisation statement

The forecast figures reported are those for the period ended 30 June 2021 submitted to Treasury and included in the Budget and Economic Update (BEFU) 2020. These were authorised for issue on 18 March 2020 by the Chief Executive who is responsible for the forecast financial statements as presented.

It is not intended that the prospective financial statement will be updated subsequent to presentation.

How we were funded

The Agency's delivery of services and functions on behalf of the Government is funded by revenue from the Crown. Revenue from the Crown consists of amounts appropriated for departmental multi-year appropriations, adjusted for any formal additions and reductions.

NOTE 3: REVENUE

Accounting policy

Revenue from the Crown

Revenue from the Crown is treated as a non-exchange transaction. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Agency can incur expenses only within the scope and limits of its appropriations.

The fair value of revenue has been determined to be equivalent to the funding entitlement.

Explanation of major variances against estimates

Total revenue is equal to the expenses incurred and all Crown revenue received above this has been recognised as revenue in advance. The Agency also recognised revenue from New Zealand Police for the reimbursement of expenses incurred on their behalf.

Main Estimates for the 2019/20 year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

The accompanying notes form part of these financial statements.

The costs we incur to achieve our goals

In order to provide services to the public, the Agency incurred various types of expenditure totalling \$17.680m. Personnel costs (see note 4) and other operating expenses (see note 5), such as IT costs and technical support, professional services, rental and operating lease costs, and the costs associated directly with the re-entry to the Pike River Mine drift make up the majority of the Agency's expenditure.

NOTE 4: PERSONNEL COSTS

Accounting policy

Employee benefits

Employee entitlements to salaries and wages, bonuses, annual leave, and other similar benefits are recognised in the surplus or deficit when they accrue to employees.

Obligations for contributions to KiwiSaver are recognised in the surplus or deficit as they fall due.

	2020 Actual \$000's	2019 Actual \$000's
Salaries and wages	4,744	3,201
Superannuation contributions to defined contribution plans	115	76
Increase in employee entitlements	204	168
Training and development	122	56
Other	225	104
Total personnel costs	5,410	3,605

Explanation of major variances against estimates

Personnel costs were \$2.613m above Main Estimates. This was mainly due to the need to recruit additional mine workers for the re-entry and recovery works and to complete the forensic examination of the Pike River Mine drift.

Main Estimates for the 2019/20 financial year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

The accompanying notes form part of these financial statements.

NOTE 5: OTHER OPERATING EXPENSES

Accounting policy

Other operating expense recognition

Other operating expenses are recognised when goods and services are received.

Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

The unexpired lease portion of operating leases that will be incurred on termination of a lease at the end of the Agency's operations is recognised in the Statement of Financial Position as a liability reflecting the expected new settlement value. See Note 11.

The unexpired portion of an operating lease to be incurred during the period of operations is shown in the Statement of Commitments.

	2020 Actual \$000's	2019 Actual \$000's
Occupancy costs	1,625	960
Rental of premises	34	163
Fees to auditor	85	83
Legal fees	99	234
Consultants and contractors	3,242	1,974
Transport and travel	362	409
Information and communication costs	517	652
Mine-related costs	4,389	5,694
COVID-19 related costs	22	–
Other operating costs	1,272	1,463
Total operating expenses	11,648	11,632

Explanation of major variances against estimates

Other operating expenses were \$2.346m above Main Estimates. This was mainly due to:

- ④ ongoing costs to maintain a legally compliant mining operation
- ④ additional roof support over and above that which was initially allowed for, as progress was made up the mine drift, and
- ④ engagement of a specialist contractor to remotely install the ventilation plug at the head of the mine drift access way as part of the strengthened ventilation and gas control arrangements.

Main Estimates for the 2019/20 financial year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

The accompanying notes form part of these financial statements.

NOTE 6: CAPITAL CHARGE

The Agency pays a capital charge to the Crown based on its taxpayers' funds at 31 December and 30 June each financial year.

The capital charge rate was 6% for the six months to 31 December 2019, and 30 June 2020.

The capital charge is recognised as an expense in the financial year to which it relates.



The accompanying notes form part of these financial statements.

Our working capital

The Agency's working capital is made up of its operating assets less liabilities. The Agency's operating assets support the performance of day-to-day operations and the provision of services to the public. Certain Agency's operating assets were cash-related and disclosures relating to these can be found in the Financial Risk Management section.

NOTE 7: DEBTORS AND OTHER RECEIVABLES

Accounting policy

Debtors and other receivables are recorded at face value, less any provision for impairment.

Debtors and other receivables are considered to be impaired when there is evidence that the Agency will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount and the present value of the amount expected to be collected.

	2020 Actual \$000's	2019 Actual \$000's
Temporary Customs Bonds	354	354
NZ Police reimbursement	67	19
GST Receivable from Inland Revenue	-	167
Other	22	6
Total debtors and other receivables	443	546

The Agency has imported on a temporary basis a number of pieces of equipment for use in the re-entry of the Pike River Mine drift. It is anticipated that this equipment will be in New Zealand for a short period of time and the customs payments will be returned to the Agency.

The Agency is also paying on behalf of the New Zealand Police a monthly charge in relation to the hire of specialist equipment for use at the Pike River Mine site. The New Zealand Police have agreed to reimburse the Agency for this cost.

The accompanying notes form part of these financial statements.

Explanation of major variances against estimates

The Agency had \$0.443m debtors or other receivables as at 30 June 2020. This was \$0.443m above the Main Estimates.

Main Estimates for the 2019/20 financial year are disclosed in the Statement of Financial Position on page 31.

NOTE 8: PREPAYMENTS

The Agency holds insurance premiums that cover the expected period that the Agency will require this cover. The premiums payment has been recognised as a prepayment.

	2020 Actual \$000's	2019 Actual \$000's
Westpower electricity supply to Pike River Mine site	–	180
Crombie Lockwood Insurance Broker	200	136
Total prepayments	200	316

NOTE 9: CREDITORS AND OTHER PAYABLES

Accounting policy

Short-term creditors and other payables are recorded at face value.

	2020 Actual \$000's	2019 Actual \$000's
Payables	10	796
Accrued expenses	902	353
GST payable to Inland Revenue	119	–
Total creditors and other payables	1,031	1,149

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value of creditors and other payables approximates their fair value.

The accompanying notes form part of these financial statements.

NOTE 10: REVENUE IN ADVANCE

Accounting policy

Revenue in advance results from the Agency operating a multi-year appropriation. The balance represents the difference between the revenue and the expenditure incurred for the year. In the final year of the multi-year appropriation the whole of the remaining funding will be recognised and any surplus will be repaid to the Crown.

	2020 Actual \$000's	2019 Actual \$000's
Balance as at 30 June 2019	1,773	1,541
Receipts	22,264	15,689
Less total expenditure	17,552	15,457
Revenue in advance	6,485	1,773

NOTE 11: PROVISIONS

Accounting policy

The Agency recognises a provision for future expenditure when there is a present obligation, either legal or constructive, as the result of a past event and it is probable that an outflow of resources will be required to settle the obligation but the timing or the amount of obligation is uncertain.

Expenditure expected to be incurred in relation to the disestablishment of the Agency has been recognised as a provision at the reporting date. This includes costs of existing contracts, disposal costs and additional legal costs.

Provisions are measured at the net settlement value of the expenditure expected to be required to settle the obligation. No discounting has been applied due to the anticipated timing of payments.

The accompanying notes form part of these financial statements.

NOTE 11: PROVISIONS (CONTINUED)

Mine site rehabilitation obligations

The Agency has a present obligation to rehabilitate the Pike River Mine site. The basis for this obligation arises from agreements for the transfer of mine assets and access arrangements. Now that re-entry to the mine has occurred, the Agency is in a position to be able to quantify its obligation based on a net settlement value.

The estimate of the obligation has been determined based on the activities required to meet the Agency's obligations under the Memorandum of Understanding. This includes site remediation of the land, decommissioning of drill holes and the mine portal being sealed.

Movements in Provisions	Lease Make Good – Greymouth Office	Non-Cancellable Leases or contracts	Mine Site rehabilitation obligations	Total
Opening balance at 30 June 2019	80	160	2,316	2,556
Additional VLC made	–	–	–	–
Amounts used	–	(160)	(320)	(480)
Balance at 30 June 2020	80	–	1,996	2,076

Make good – Greymouth office

The Agency is required at the expiry of its leases to make-good any damage caused and remove any fixtures or fittings installed by it.

Due to the Agency ceasing to operate within 12 months of signing the financial statements, a provision has been recognised for the expected cost of restoring the building to the required state.

The Agency has recognised the expected costs of terminating leases at the end of its operations in relation to termination of building leases and telecommunications contracts. The provision represents the unavoidable costs expected to be incurred at cessation of operations of the Agency on cancellation of the contracts.

NOTE 11: PROVISIONS (CONTINUED)

Non-cancellable leases or contracts

The opening balance represents the contracts that the Agency had entered into that are unable to be cancelled and will continue past the disestablishment of the Agency.

These contracts have now gone past that date and no further non-cancellable leases or contracts have been entered into.

Onerous Contract for Bridges and Roads

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the benefits expected to be received under it. As part of the Memorandum of Understanding with DoC, the Agency is required to upgrade the existing roads and bridges to a standard required for public access. The completion of this work creates an onerous contract for the Agency, as the unavoidable costs of meeting the obligations under the agreement exceed the benefits expected to be received.



NOTE 12: EMPLOYEE ENTITLEMENTS

Accounting policy

All employee entitlements are expected to be settled within 12 months of balance date and are classified as current liabilities.

Current employee entitlements

Current employee entitlements are measured at nominal values based on accrued entitlements at current rates of pay. These include: Salaries and wages accrued up to balance date; and annual leave earned but not yet taken at balance date.

A liability for performance payment will be recognised where the Agency has a contractual obligation or where there is a past practice that has created a constructive obligation.

	2020 Actual \$000's	2019 Actual \$000's
Current liabilities		
Accrued salaries	143	74
Annual leave	403	199
ACC payable	26	50
Total employee entitlements	572	323

The accompanying notes form part of these financial statements.

Assets that support our operations

Due to adopting a disestablishment basis, long-term assets have been recognised as current assets and measured at the lower of cost or net realisable value.

NOTE 13: PROPERTY AND EQUIPMENT

Accounting policy

Property and equipment consists of equipment, leasehold improvements, furniture and fittings, computer hardware and motor vehicles.

Measurement

All asset classes are measured at cost less accumulated depreciation and impairment losses. The residual values used reflect the net realisable value of the asset on disposal, less cost to dispose, in order to reflect a non-going concern basis of accounting.

Depreciation

Depreciation is charged on a straight-line basis, at rates that will write off the cost of the assets to their estimated residual value over their useful life to the Agency. The useful lives of major categories of property and equipment have been estimated as follows:

Asset Class	Useful Life
Computer hardware	1 Year
Furniture and fittings	1 Year
Leasehold improvements (shorter of lease period or estimated useful life)	1 Year
Motor vehicles	1 Year
Mine equipment	1 Year

The accompanying notes form part of these financial statements.

Impairment

Property and equipment is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the surplus or deficit.

Disposals

Gains and losses on disposal of an item of property and equipment represent the difference between disposal proceeds, if any, and the carrying value of the asset at the time of disposal and are recognised in net surplus or deficit.

	Leasehold Improvements \$000	Furniture, Fittings and Office Equipment \$000	Computer Hardware \$000	Motor Vehicles \$000	Mine Equipment \$000	Work In Progress \$000	Total
Cost							
Opening Balance at 30 June 2019	144	145	128	48	246	241	952
Additions	(20)	–	–	–	246	(221)	5
Transferred from WIP	20	–	–	–	–	(20)	–
Balance at 30 June 2020	144	145	128	48	492	–	957
Accumulated depreciation and impairment losses							
Opening Balance at 30 June 2019	65	67	31	34	47	–	244
Depreciation expense	12	48	85	–	447	–	592
Balance at 30 June 2020	77	115	116	34	494	–	836
Carrying amounts							
At 30 June 2019	79	76	96	14	199	243	707
At 30 June 2020	67	30	12	14	(2)	–	121

Explanation of major variances against estimates

There are no major variances against Main Estimates for property and equipment.

Main Estimates for the 2019/20 financial year are disclosed in the Statement of Financial Position on page 31.

The accompanying notes form part of these financial statements.

Financial risk management

The Agency can be exposed to various financial risks. This section discusses how financial risks can affect the Agency's financial position, net surplus and deficit, and how the Agency manages these risks.

NOTE 14: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Accounting policy

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less. Balances denominated in foreign currencies are translated to New Zealand dollars at the foreign exchange rate at balance date. The Agency is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Agency has no exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of, or cash flows from, a financial instrument will fluctuate due to changes in market interest rates. The Agency has no exposure to interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Agency, resulting in a loss. In the ordinary course of the Agency's business it is exposed to credit risk in association with financial assets held. The Agency is not exposed to significant concentrations of credit risk. The Agency is potentially exposed to credit risk for undrawn credit card facilities equal to the undrawn balance. The credit card facilities limit as at 30 June 2020 was \$60,000.

The Agency's maximum credit exposure is the carrying value of its financial assets. The Agency does not hold collateral as security against its financial assets.

The accompanying notes form part of these financial statements.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty raising liquid funds to meet its commitments as they fall due. In meeting its liquidity requirements, the Agency closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Agency maintains a target level of available cash to meet liquidity requirements.

The Agency will settle all of its financial liabilities within six months of balance date.



The accompanying notes form part of these financial statements.

Other disclosures

NOTE 15: EQUITY

Accounting policy

Equity is the Crown's investment in the Agency and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds.

Taxpayers' funds

2019 Actual \$000's		2020 Actual \$000's	2020 Unaudited Main Estimates \$000's	2021 Unaudited Forecast \$000's
500	Balance as at 30 June 2019	500	1,250	1,250
-	Capital contributions	750	(500)	(1,250)
500	Total Capital Contributions	1,250	750	-

The Agency pays a capital charge to the Crown in December and June each year based on its taxpayers' funds at 31 December and 30 June each financial year.

NOTE 16: CAPITAL MANAGEMENT

The objective of managing the Agency's equity is to ensure that the Agency achieves its goals and objectives efficiently, and is disestablished once its objectives are met. Where the Agency identifies that it does not have sufficient resources to achieve this objective, a capital injection is sought.

As general government policy, with the exception of the balances retained in memorandum accounts, the Agency is not permitted to retain any operating surplus.

Statement of Departmental Capital Injections

	2020 Actual \$000's	2019 Actual \$000
Capital injections	750	-
Total Capital Injections	750	-

The accompanying notes form part of these financial statements.

NOTE 17: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

All related party transactions have been entered into on an arm's-length basis.

The Agency has received funding from the Crown of \$17.553m to provide services to the public for the year ended 30 June 2020 (2019 \$15.438m).

In conducting its activities, the Agency is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers. The Agency is exempt from paying income tax.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Agency would have adopted in dealing with the party at arm's-length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Treasury advises that the responsible Minister, Hon Andrew Little, has certified that there have been no related party transactions for the year ended 30 June 2020.

Related party transactions involving key management personnel or their close family members

There are no unrecorded related party transactions involving key management personnel or their close family members.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Key management personnel compensation

As at balance date the Agency's management team consisted of 6 roles. As at 30 June 2020 the Agency's management team consisted of 6 staff.

	2020 Actual \$000's	2019 Actual \$000's
Salaries and other short-term employee benefits	1,376	1,369
Post-employment benefits	20	19
Total key management personnel compensation	1,390	1,388

The above key management personnel disclosure includes the Chief Executive, however excludes the Minister responsible for the Agency. The Chief Executive is paid by the Public Service Commission and the Minister's remuneration and other benefits

are set by the Remuneration Authority under the Members of Parliament (Remuneration of Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Agency.

NOTE 18 : NON-GOING CONCERN ASSUMPTION

On 21 May 2019 the Agency breached the concrete seal 30 metres into the drift access tunnel and the drift beyond that was re-entered. This began the re-entry and recovery phase for the Agency, including conducting a forensic examination of the area between 30 metres and 170 metres.

The Agency was established to conduct a safe, manned re-entry and recovery of the Pike River Mine drift access tunnel. As part of the establishment of the Agency it was acknowledged that once the strategic objectives had been achieved the Agency would be disestablished. A formal decision has been made to disestablish the Agency and now that the seal of the drift has been breached the Agency is in a position to estimate the timing of the disestablishment.

It is management's expectation that disestablishment will occur within 12 months of signing the financial statements.

Based on this, the financial statements have been prepared on a non-going concern basis. This has resulted in the following adjustments to the accounting policies (refer to specific notes for details):

- ④ additional provisions being recognised for the termination costs of certain leases
- ④ adjustments to the estimates of costs to rehabilitate leasehold improvements
- ④ adjustments to provisions to reflect the estimated date the Agency will cease operations
- ④ re-assessment of useful lives and residual values of property, plant and equipment based on estimations of the date the Agency will cease to operate and the expected net realisable value of the assets at that date.

The accompanying notes form part of these financial statements.

NOTE 19: IMPACT OF COVID-19

The Agency, along with the rest of New Zealand, was in late March placed in lockdown due to the spread of COVID-19 through communities in NZ. The lockdown resulted in the suspension of the Agency's underground activities for eight weeks, and this has resulted in progress through the drift being slower than expected.

During the lockdown the mine site was managed in a care and maintenance mode, with remote monitoring of the mine drift and weekly onsite inspections to ensure all health and safety performance measures remained positive. The Agency continued to incur expenditure on all fixed costs over that period, including the payment of staff and lease commitments.

Due to the Agency's physical location and the nature of the work it completes, no staff were redeployed to other organisations to assist with COVID-19 activities. However some office staff chose to volunteer their time and were engaged to assist with West Coast District Health Board efforts and the Student Volunteer Army in Christchurch during lockdown.

The Agency has not at this time sought additional funding for costs associated with COVID-19. The Agency is revising the work plan and associated costs for the delays resulting from the COVID-19 lockdowns and will remain focused on the safe recovery of the Pike River Mine drift within the current appropriations.

NOTE 20: EVENTS AFTER BALANCE DATE

Since balance date the following events of significance have occurred:

- ④ On 4 August 2020 after weeks of planning and risk assessments, the Agency recovered the loader which was being driven by Russell Smith at the time of the 2010 explosion.
- ④ On 11 August 2020, underground workers were withdrawn from the Pike River Mine for around two weeks after an unusual substance was found on the walls and roof of the drift. A risk assessment was conducted and in consultation with technical experts including industrial hygienists, controls were developed to mitigate the presence of products of combustion from explosions. Mine workers focused on rehabilitation of the site while they were unable to work underground.
- ④ The Agency continues to be impacted by COVID-19. Underground operations were able to be carried at Alert Level 2 and below, with extra measures around physical distancing, PPE and good hygiene.

As at 10 November 2020 NZ Police are:

- ④ conducting a feasibility study on commissioning additional boreholes that could provide further information of relevance to the investigation they are conducting. If such a drilling programme proceeds it is likely to affect the timeframe for completion of the project.
- ④ finalising their proposed approach to the recovery and relocation of equipment and infrastructure from the Pit Bottom in Stone, and to the forensic examination and investigation that should be carried out underground in that area before the Agency withdraws from the drift and it is resealed. The confirmed arrangements for these things could also affect the timeframe for completion of the project.

The accompanying notes form part of these financial statements.

Non-Departmental Statements and Schedules

For the year ended 30 June 2020

The following non-departmental statements and schedules record the revenue, expenses, assets and liabilities, commitments, contingent liabilities, and contingency assets that the Agency manages on behalf of the Crown.

Schedule of Non-Departmental Revenue

For the the year ended 30 June 2020

2019 Actual \$000's		Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's
	Non-Departmental Revenue			
-	Revenue – Crown		-	-
-	Total non-departmental revenue		-	-

Schedule of Non-Departmental Expenditure

For the year ended 30 June 2020

2019 Actual \$000's		Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's
	Non-Departmental Expenditure			
32	Output expense – multi-year appropriation	2	12	-
32	Total non-departmental expenditure		12	-

Explanations of major variances against Main Estimates can be found in Note 2.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2020.

The accompanying notes form part of these financial statements.

Schedule of Non-Departmental Assets

As at 30 June 2020

2019 Actual \$000's	Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's
Non-Departmental Assets			
Current Assets			
28	Cash and cash equivalents	41	-
28	Total current assets	41	-
28	Total non-departmental assets	41	-

Schedule of Non-Departmental Liabilities

As at 30 June 2020

2019 Actual \$000's	Notes	2020 Actual \$000's	2020 Unaudited Main Estimates \$000's
Non-Departmental Liabilities			
Current Liabilities			
3	Creditors and other payables	28	-
3	Total current liabilities	28	-
3	Total non-departmental liabilities	28	-

Explanations of major variances against Main Estimates can be found in Note 2.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statement of the Government for the year ended 30 June 2020.

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2020

There are no non-departmental contingent liabilities or assets as at 30 June 2020. (Nil as at 30 June 2019.)

Schedule of Non-Departmental Commitments

As at 30 June 2020

There are no non-departmental commitments as at 30 June 2020. (Nil as at 30 June 2019.)

The accompanying notes form part of these financial statements.

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These non-departmental schedules and statements present financial information on public funds that are managed by the Agency on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2020. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2020.

Basis of preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of the non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Accounting Standards) as appropriate for public benefit entities.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue from Crown is recognised when received.

Foreign exchange

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the schedule of non-departmental revenue or expenses.

The budget figures are those included in the Estimates of Appropriations (Budget) for the year ending 30 June 2020. The Budget is 2020 Estimates Budget. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

The accompanying notes form part of these financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits held at call with banks with maturities of three months or less.

Creditors and other payables

Creditors and other payables are recorded at their face value.

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Information on non-cancellable capital and lease commitments are reported in the Schedule of Commitments. Cancellable commitments that have penalty or exit costs in the agreement, on exercising that option to cancel, are included in the statement of commitments at the lower of either the remaining contractual commitment and the value of that penalty; or exit cost.

NOTE 2 : EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

The major variances from the Agency's non-departmental supplementary estimates figures are as follows:

Non-departmental output expense

The main estimate budget for 2019/20 assumed that all funding would be spent by the end of the 2018/19 financial year. However, an underspend of \$0.028m was still available from the 2018/19 year, as part of the multi-year appropriation. The \$0.012m spent in the 2019/20 financial year was against this updated budget.



The Pike River 29

Pike River Mine, Atarau, Greymouth, NZ

- Pike River Coal
- Sub Tech Contracting
- Valley Longwall Drilling
- Boyd Kilkelly Builders
- Pizzato Contracting
- Chris Yeats Builders



Conrad Adams
43, Greymouth



Malcolm Campbell
25, St Andrews, Scotland



Glenn Cruse
35, Greymouth



Allan Dixon
59, Runanga



Christopher (Chris) Duggan
31, Dunollie



Daniel (Dan) Herk
36, Runanga



David (Dave) Hoggart
33, Greymouth



Richard (Rolls) Holling
41, Blackball



Koos Jonker
47, Limpopo, South Africa



William (Willie) Joynson
49, Maryborough, QLD, Australia



Stuart (Stu) Mudge
31, Runanga



Peter O'Neill
55, Runanga



Brendon Palmer
27, Greymouth



Peter (Pete) Rodger
40, Perth, Scotland



Blair Sims
28, Greymouth



Keith Valli
62, Nightcaps



Terry Kitchin
41, Runanga



Samuel (Sam) Mackie
26, Christchurch



Milton (Milt) Osborne
54, Ngahere



Joseph Dunbar
17, Christchurch



Benhamin (Ben) Rockhouse
21, Singleton, NSW, Australia



Joshua (Josh) Ufer
25, Charters Towers, QLD, Australia



Zen Drew (Verhoeven)
21, Greymouth



Kane Nieper
33, Greymouth



Riki (Rik) Keane
28, Greymouth



Michael Monk
23, Greymouth



John Hale
45, Hokitika



Andrew (Huck) Hurren
32, Hokitika




Francis Marden
41, Barrytown


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More information and contact details:


 www.pikeriverrecovery.govt.nz

 info@pikeriverrecovery.govt.nz

 +64 3 966 9210

 PO Box 414, Greymouth 7840

 +64 3 966 9230

 Unit 2, 36-46 Tainui Street, Greymouth 7805





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RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY

New Zealand Government

