



TE KĀHUI WHAKAMANA
RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY

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Final Annual Report

For the year ended 30 June 2022

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



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ISSN (electronic): 2624-1641

ISSN (print): 2624-1633

September 2022



TE KĀHUI WHAKAMANA
RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY

Te Kāwanatanga o Aotearoa
New Zealand Government

Contents

Minister's Foreword	3
Family Reference Group Foreword	4
PART ONE OVERVIEW	6
From the outgoing acting Chief Executive	7
Our highlights at a glance	9
PART TWO THE AGENCY AND ITS PERFORMANCE	10
Mana Whenua	11
Our Strategic Objective	11
Responsibility for the final annual report	11
Our Strategic Partners	11
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	18
Health, Safety and Wellbeing	20
Pay and workplace profile	22
PART THREE STATEMENT OF MANAGEMENT RESPONSIBILITY	23
Statement of management responsibility	24
Independent auditor's report	25
Who we are	37
How we were funded	42
The costs we incur to achieve our goals	43
Our working capital	46
Assets that support our operations	51
Financial risk management	53
Other disclosures	55
The Pike river 29	60

At 3.44 pm 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



Four and a half years after we set out to re-enter and recover the Pike River Mine drift, rehabilitate the site and hand it over to the Department of Conservation, then subsequently wind-down and close Te Kāhui Whakamana Rua Tekau mā Iwa, the Pike River Recovery Agency (the Agency), that work is now completed.

In November 2010, 29 men died at the Pike River Mine. We committed to families that we would set up the Agency to undertake the task of re-entering and recovering the Pike River Mine drift to support the Police investigation, to promote accountability for this tragedy, and to help prevent future mining tragedies.

In December 2021 the re-entry and recovery was completed and the mine drift access tunnel finally sealed at the portal. While our initial job was finished, we continued to support the Police investigation, working with them on their borehole drilling programme.

That programme was finished in March 2022, the remaining site rehabilitation was completed to the satisfaction of the Department of Conservation, resulting in the site being handed over to the Department on 1 April 2022 to continue to work with the families to deliver the proposed Memorial and Interpretation Centre.

Like all New Zealanders, the Pike River project has been affected by COVID-19, incurring challenges and delays to work programmes. However, the work was done safely and now the Agency has completed its winding down processes and was disestablished effective 1 July 2022. We have done what we can to bring justice for the families of the Pike 29, and all New Zealanders.

This has been a huge undertaking by the Government, the families, Agency staff, key stakeholders, and all those working with and supporting the programme.

The families' quest for justice has been furthered by the Pike River Recovery Agency's work. The recovery of the drift has allowed the Police investigation to be reopened. That investigation continues. The need for accountability remains. So does the need for an unrelenting focus on health and safety in every workplace in New Zealand. Forever, this is the legacy of the tragedy that happened at the Pike River Mine.

A handwritten signature in black ink that reads "Andrew Little". The signature is written in a cursive, slightly slanted style.

Hon Andrew Little

Minister Responsible for Pike River Re-entry

Family Reference Group Foreword



It is a strange feeling to see this chapter of our fight for justice come to a close.

In 2016 we started a campaign calling for the recovery of the drift to gather remains and evidence. This was work that had been promised to us by the government of the time and then taken from the table, as the state-owned enterprise involved financially collapsed.

Following the 2017 election we worked with the government to co-design the agency that would carry out this vital work – the Pike River Recovery Agency. We partnered with this Agency. Family members were there when the technical plan was designed, we were there as the kilometres of drift and attached tunnels were recovered and forensically searched 20 slow and careful metres at a time.

We have stood in the warehouse where every piece of evidence from the drift has been stored.

And we have helped push for the additional work of drilling into the mine workings to look for more evidence.

Over these four and a half years since the Agency was founded there have been many joys and many frustrations. There has been ample evidence found in the drift and beyond. But no remains were recovered. It is fair to say that nobody truly understood the magnitude of the job we had ahead of us. But we made it happen.

In this last report, we would like to thank the people who have been a part of this journey. We would like to thank the Government – Minister Little, and Prime Minister Ardern in particular – for sharing our optimism that this could be done as a partnership between the families and the Government. In doing so, you have helped chart a new and kinder way to work with people, not just for them. Our great hope is that this model continues to grow and be used. We, of course, will be pushing to make sure it does and is.

We also want to thank the people who have made this project work, at the design table, in the back office making sure that everything works, and at the very front line – painstakingly searching across every inch of gravel in the dark drift.



What happened at Pike River on 19 November 2010 is forever a stain on New Zealand's conscience. The reckless drive for profit cost the lives of 29 men and boys and left hundreds bereaved of sons, brothers, fathers, husbands and partners.

All too often these terrible wrongs are mourned and then tucked away to be forgotten about. Put out of mind instead of being put right. Pike River felt like it would end like that. No more than a note in the history books and families left to manage their grief with no closure.

But it hasn't. Because we fought, because the Government had the courage to face this wrong and fix it, and because the people who came to work on this project believed in justice and in making this right.

To those who have been a part of this recovery: **thank you**. You have helped right an historic wrong. This is a thing to be proud of.

Handwritten signature of Anna Osborne in black ink.

Anna Osborne
Chair, Family Reference Group (FRG)

PART ONE OVERVIEW



From the outgoing acting Chief Executive

Withdrawing from the mine drift, sealing of the Pike River Mine, finishing the borehole drilling programme supporting the NZ Police investigation

I am pleased to present the 2022 Final Annual Report for Te Kāhui Whakamana Rua Tekau mā Iwa – the Pike River Recovery Agency.

In the year to 30 June 2022 the Agency finished its work underground and sealed the Pike River Mine, finished the borehole programme supporting the New Zealand Police investigation, wound down and closed, resulting in the disestablishment of the government department effective 1 July 2022.

Key milestones this year included:

- ✦ The Pike River Mine drift was sealed on Friday 19 November 2021.
- ✦ The Police borehole drilling programme was completed on Friday 18 March 2022.
- ✦ The Handover Ceremony of the mine site to the Department of Conservation (DOC) took place on 25 March 2022.
- ✦ The rehabilitation programme was completed to DOC's satisfaction, resulting in the closure of the mine site. The site was then handed over to DOC for day to day management from 1 April 2022 to continue to work with the families to deliver the proposed Memorial and Interpretation Centre.
- ✦ The Agency was wound down with the disestablishment order coming into force on 1 July 2022.

The partnership with the Family Reference Group (FRG) concluded when the Pike River Mine site was handed over to DOC. Throughout the Agency's four and a half years, the FRG has sat alongside us in workshops, meetings, providing a voice for the families and reminding us about

why we were carrying out this very special project. We valued and appreciated the close working relationship and partnership we had with the FRG.

I'd like to make a special mention of Anna Osborne, Sonya Rockhouse, and Rowdy Durbridge of the Pike 29. With the support of their FRG advisory members Tony Sutorius and Rob Egan, they continued to put forward the Pike 29 families' checks and balances, challenges and support for our work.

Some families were also represented outside the FRG, and we appreciated all those that shared their views and thoughts towards finishing the work as mandated by the Government. I'd like to thank Colin Smith, Chair of the Pike River Families committee, for his role in sharing information and facilitating understanding of our mandated activities.

It was initially thought that this project might take up to two years, but no-one could have predicted a four and a half-year journey. It was hard to quantify as no-one had taken on such a challenge, and previous attempts had been halted. A number of uncontrollable elements affected underground progress, including COVID-19 and products of combustion found on the walls and roof of the mine drift.

The health and safety of everyone involved continued to be an absolute and overriding priority through to the Agency's disestablishment.

There were no lost time injuries to Agency staff or Contractors from when the Agency was established on 31 January 2018 to its closure on 30 June 2022, a total of 1,231 working days.

Given the complexity and hazards of the work carried out, this is a tremendous result for the team and demonstrates the absolute focus on health and safety that all personnel have maintained throughout the lifespan of the Agency.

We want to acknowledge and thank our Responsible Minister for Pike River Re-entry, the Hon. Andrew Little and his team for ongoing support as we faced our challenges in order to complete our mandated work.

With careful, meticulous planning, input from experts around New Zealand and the world, dedication by a team of local mine workers and supporting contractors and services, the very technical programme to re-enter and recover the Pike River Mine drift was achieved safely.

Grant Wormald, Detective Inspector Pike River Mine investigation praised the Agency's team – NZ Police (NZP) final summary from the March 2022 satisfaction survey:

“ Overall NZP (Police) could not be more impressed with the engagement and capability of the Agency at all tiers. The investigative outcomes achieved would have been in no way possible but for the willingness of the Agency to work collaboratively with NZP to realise both the legislatively mandated outcomes and the investigative intent. ”

“ The work of the Agency Team, from the middle of 2021, when the gear was being removed from Pit Bottom in Stone and the borehole programme had commenced, has been exceptional. I commend them all for their attitude to their work, professionalism, and empathy for those who had lost their lives at Pike River and their associated families. There was not a day that I was on site, where conversation did not turn to why everyone was there and how the loss of life had impacted everyone who worked at the Agency in some way. ”

Along the way we developed a close relationship with the NZP, as our programme grew to support their investigation. They established a base at the mine site and their professionalism provided our team with an excellent foundation and training for learning how to conduct a methodical, careful and safe on-site forensic search, documenting and retrieving items to be handed over to the Police investigation team. In the Police's most recent satisfaction survey response (March 2022),

they outlined that throughout all operations the Agency had been extremely engaged and responsive to Police requirements, particularly in respect of the borehole drilling programme.

When we began, mana whenua for the area, Ngāti Waewae, gifted the Agency the Te Reo name Te Kāhui Whakamana Rua Tekau mā Iwa interpreted as 'The Empowering Voice for the Pike 29'. We hope our work has done justice to that name, and we wish the families and the Police all the best from here on so that their justice is also done.

Our other strategic partners (including the Ministry of Business, Innovation and Employment, NZ Mines Rescue Services, and DOC) have throughout provided us with the invaluable support and assistance we needed to achieve our objectives.

We maintained our commitment to sustain a positive and constructive working relationship with WorkSafe New Zealand – the regulator of underground coal mining operations in New Zealand. Their oversight and expertise are essential for any high hazard environment.

Our Minister's office, FRG and NZP have reported high levels of satisfaction with the Agency, in terms of communication, health and safety, responsiveness and engagement, among other factors surveyed.

I am proud of our team, both past and present team members, and the energy, passion and commitment they brought to what they did. For them and for me, working for the Agency was much more than just another job.

I want to thank all New Zealanders for the ongoing support that has helped us complete this work. Every day we came to work we were reminded of the 29 men who died needlessly.

Let us all continue to work towards keeping everyone who makes up our New Zealand workforce safe from harm, so every worker gets to go home.



Michelle Wessing
Acting Chief Executive (Outgoing)
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 the Minister continued to report very high levels of satisfaction with the services provided by the Agency



NZ Police report that throughout all operations the Agency had been extremely engaged and responsive to their requirements

The Mine



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



Executed a 10-borehole drilling programme safely for the NZ Police



Independent underground health and safety inspections & surface drilling programme site audits completed – resulting in no substantive corrective actions



No “lost time injuries” for 1231 days



Detailed forensic investigation and removal of 22 large pieces of equipment from Pit Bottom in Stone roadways



Comprehensive, post closure Operating Maintenance Manual provided to DOC – to continue to operate and maintain the facilities and equipment post handover

Rehabilitation of the mine site



Entire mine site and hill area safely rehabilitated to the satisfaction of DOC



Workshop restored back to original condition



Safely removed 16km of fibre optic cables off the hill



Safely removed 4km of tube bundle gas monitoring lines off the hill



Flights / deck completed

- safely completed 1349 hours helicopter flights
- Upgraded vent shaft deck to designated helicopter landing pad



Certification of the installed water management launder system at the portal



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PIKE RIVER MINE

ERZ 1

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. All of the Agency’s functions and objectives had been met at 30 June 2022, resulting in the disestablishment of the government department effective 1 July 2022, by order in Council.

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

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

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

In the year to 30 June 2022, the Agency finished its mandated work, wound down and closed on 30 June, resulting in the disestablishment of the government department on 1 July 2022.

Our Strategic Partners

The Agency would like to acknowledge the ongoing contribution, support and goodwill of our strategic partners, shown opposite.

Our appreciation is extended to:

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

Responsibility for the final annual report

The Minister of Finance approved on 14 March 2022 the transfer of responsibility for the final annual report to the Chief Executive – Ministry of Business, Innovation and Employment (MBIE). Under Section 45J of the Public Finance Act 1989, the approval of transfer of responsibility was granted for the period 1 July 2021 to 30 June 2022 to the Chief Executive of MBIE.

Our values and operating principles

The following values and principles underpinned and informed all aspects of our work:

Close partnership with the Pike River families

We worked closely with the families and their representatives in all areas of our work up to the point when the Department of Conservation took over the Crown relationship lead with families from 1 April 2022.

Up to that point, we regularly monitored the satisfaction of the Family Reference Group with the engagement and liaison services we provided and were committed to acting on the insights gained from that.

While the Agency had an office in Greymouth, we kept our doors open to all family members and member of the public. Weekly operational updates were provided to all family members up until 1 April 2022. Up until late May, we published progress updates to our subscriber based newsletter to keep them informed on the remaining work of the Agency.

Health and safety comes first

Everyone involved in this project agreed that safety was paramount and non-negotiable.

Transparency and openness

Planning and implementation of the re-entry and recovery was done in a transparent and rigorous way that has drawn on the best possible expertise.

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

Information regarding our activities and advice, including health and safety reports, continued to be released proactively on the Agency's website, and we responded positively to requests for additional information that were made under the Official Information Act 1982 or otherwise. The number of days to respond to requests for information was on average estimated to be eight working days.

The Agency website was taken down on 30 June 2022, with the Department of Internal Affairs taking a final scrape of the website beforehand.

The website was not relocated as the Agency's mandated objectives and tasks had been met.

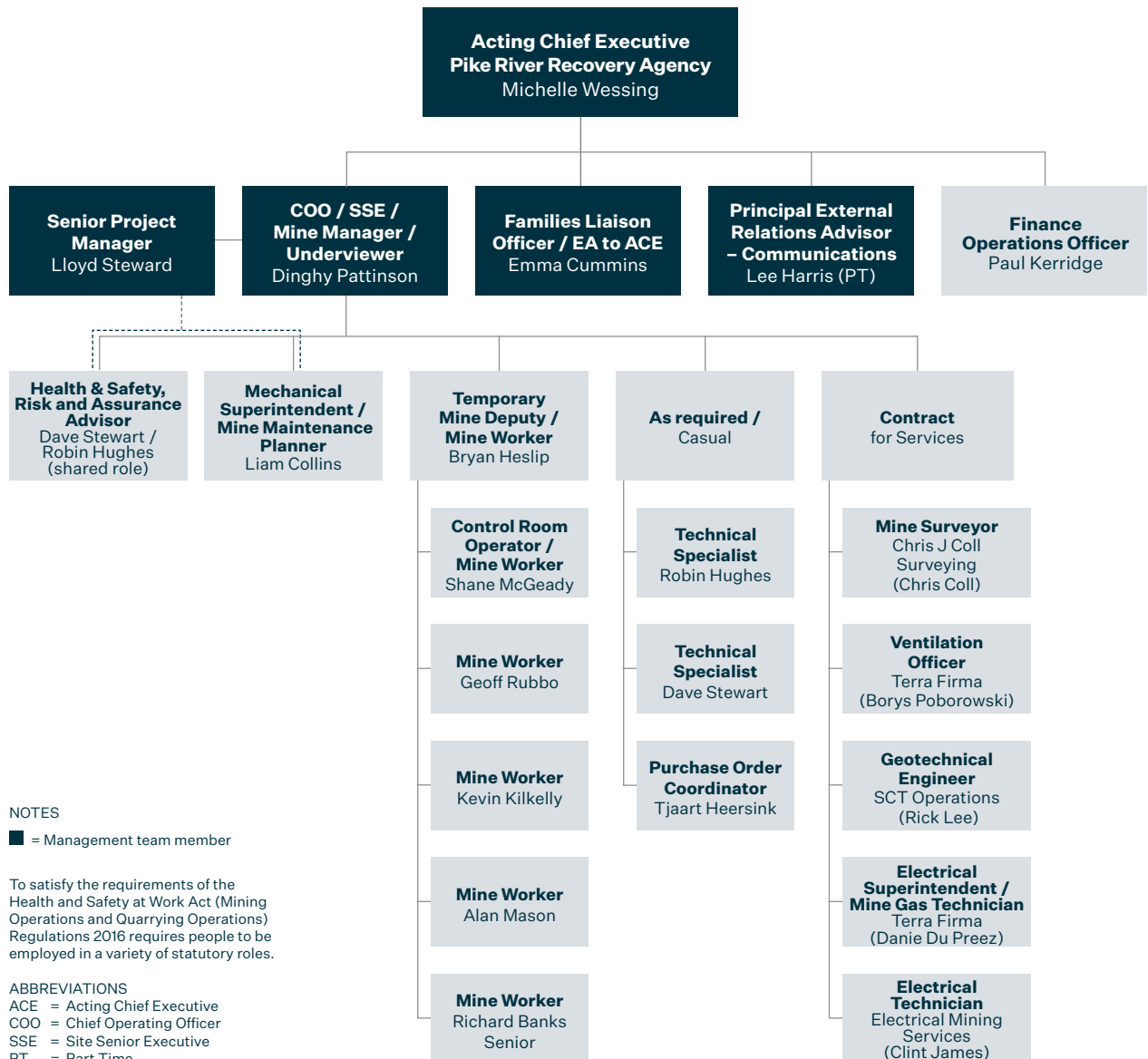


Our organisation

AS AT 31 MARCH 2022



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PIKE RIVER
RECOVERY AGENCY



NOTES

■ = Management team member

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

ABBREVIATIONS
ACE = Acting Chief Executive
COO = Chief Operating Officer
SSE = Site Senior Executive
PT = Part Time

The Agency’s organisational structure prior to handing the mine site over to Department of Conservation from 1 April 2022, for day to day management on that date. The Agency withdrew from the mine site on 31 March, with a number of employment and supplier contracts ending on 31 March 2022.

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 Supplementary Estimates 2021/22.

Comparative information is provided for the year ended 30 June 2021.

Departmental multi-year appropriations

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

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.

Measuring our financial performance

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the period ended 30 June 2022.¹

Table 1: Departmental Output Expense

The Agency's expenditure was above the Main Estimates for the 2021/22 financial year, as at the time of completing the Mains Estimates the Agency had expected to have concluded activities early in the 2021/22 year. The expenses incurred by the Agency however were less than the remaining balance of the appropriation of \$7.4 million. The surplus was repaid to the Crown prior to 30 June 2022.

2021 Actual \$000's		2022 Actual \$000's	2022 Unaudited Main Estimates \$000's	2022 Unaudited Forecast \$000's
	Departmental Output Expenses			
	<i>Pike River Recovery Agency (M99) (31 January 2018 to 30 June 2022)</i>			
21,974	Original appropriation	21,974	21,974	21,974
31,583	Cumulative adjustments	31,297	31,583	31,297
53,557	Total adjusted appropriations	53,271	53,557	53,271
35,272	Cumulative expenditure 30 June 2021	45,836	52,522	45,836
10,562	Current year expenditure	3,259	1,035	7,435
45,834	Cumulative expenditure 30 June 2022	49,095	53,557	53,271
7,723	Appropriation remaining 30 June 2022	4,176	-	-

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.

¹ The Agency had a capital expenditure appropriation, departmental and non-departmental multi-year appropriation which commenced on 31 January 2018. The non-departmental appropriation expired 31 December 2020 and departmental appropriation expired 30 June 2022.

MEASURING OUR PERFORMANCE

Performance measures	Supplementary Estimates 2021/22 Standard	Achievement As at 30 June 2022	Supplementary Estimates 2020/21 Standard	Achievement As at 30 June 2021
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	4.8 (see Note 2)	3 Met Expectation	4
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 March 2022	Completed by 31 March 2022 Met expectation (see Note 3)	By 31 December 2020	Substantial progress made
Number of fatal work accidents or injuries to Agency staff	Nil	Nil (see Note 6)	Nil	Nil
Number of infringement or prohibition notices issued to the Agency by WorkSafe New Zealand	Nil	Nil (see Note 6)	Nil	Nil
Number of lost time injuries reported to WorkSafe New Zealand under Schedule 8 of the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016	Nil	Nil (see Note 6)	Nil	Nil
Hazard report to incident report ratio is 2:1	2:1 Achieved	2.26:1 (see Note 4)	2:1	2.7:1
The Minister's satisfaction with the information, advice and ministerial support the Agency provides to him	A score between 7 and 10	10.00 (see Note 5)	A score between 7 and 10	9.50

Notes to Measuring Our Performance

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 were invited to identify any areas in which things could be done differently or better by the Agency. Any identified issues were addressed promptly and a written response provided to the FRG. Progress on issues raised in satisfaction survey responses were a standing agenda item for meetings of the Agency management team. The reported result is the simple average rating across all quarterly surveys undertaken (note, the partnership agreement with the FRG was completed at the end of March 2022 when the mine site was handed over to the Department of Conservation. So three full quarter surveys achieved during the year to end June 2022). The surveys measured overall reported FRG satisfaction with the engagement and liaison services provided by the Agency to the FRG and the families it represents.
3. By 30 June 2022:
 - a. The Pike River Mine drift had been re-entered and recovered, and the mine sealed
 - b. The Pike River Recovery Agency had supported the NZ Police with a programme to drill 10 boreholes for their investigation
 - c. The Pike River Recovery Agency withdrew from the mine site on 31 March 2022, after completing all the required rehabilitation work to the Department of Conservation’s satisfaction.
 - d. The rehabilitation work was completed and the site handed over to the Department of Conservation for day to day management from 1 April 2022.
4. Total reported hazards for the period 1 July 2021 to 31 March 2022 totalled 70, with 31 reported incidents for the same period. The hazard to incident equates to 2.26 exceeding the performance measure of 2:1.
5. The satisfaction of the Minister with the information, advice and ministerial support the Agency provided to him was surveyed as at 31 December 2021 and again as at 30 June 2022. 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 10 out of 10
 - b. The ministerial support being provided (at the time of the survey) – 10 out of 10 and 10 out of 10.
6. WorkSafe New Zealand provided the notifiable event numbers and enforcement actions for the period 1 July 2021 to 31 March 2022.

Organisational health and capability

As a small agency with a clear and time-limited strategic objective, we 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 Mines Rescue Service, MBIE and NZ Police) to provide services, expertise and people to support our work where that was the best use of available resources
- ✦ Engaging other specialist expertise, advice and assistance (from New Zealand and overseas) as required.



As the Agency's timeframes stretched due to a range of issues, and as the work neared completion, the final staff were focused on supporting the Department of Conservation as they took over the management of the Pike River Mine site, and disestablishing the Agency.

Impact of COVID-19 including delta variant

On 17 August 2021 at 11.59 pm the country moved into Alert Level 4, and then south of Auckland moved to Alert Level 3 (11.59 pm Tuesday 31 August). For the duration of those three weeks, the Agency was unable to work underground or on the Police borehole drilling programme. Work resumed on site on Wednesday 8 September 2021 with appropriate COVID-19 Delta Alert Level 2 controls in place according to the Agency's COVID-19 Principal Hazard Management Plan.

Our staff

We employed 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.

As we moved into the final phases of work, our workforce requirements changed and the Agency downsized accordingly, with several staff taking on tasks previously allocated to other staff members.

Being a good employer

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

The policies and management practices for recruitment, induction, staff development, health and safety and all other employment matters demonstrated our commitment to all aspects of being a good employer. A number of these policies continued to be proactively released to the Agency's website to maintain transparency.

Our culture

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

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

- 🌱 Staff briefings
- 🌱 Investing in the professional development of staff²
- 🌱 regular performance conversations.

² In the year ended 30 June 2022 we invested \$3,547.82 in ongoing upskilling of the remaining staff.

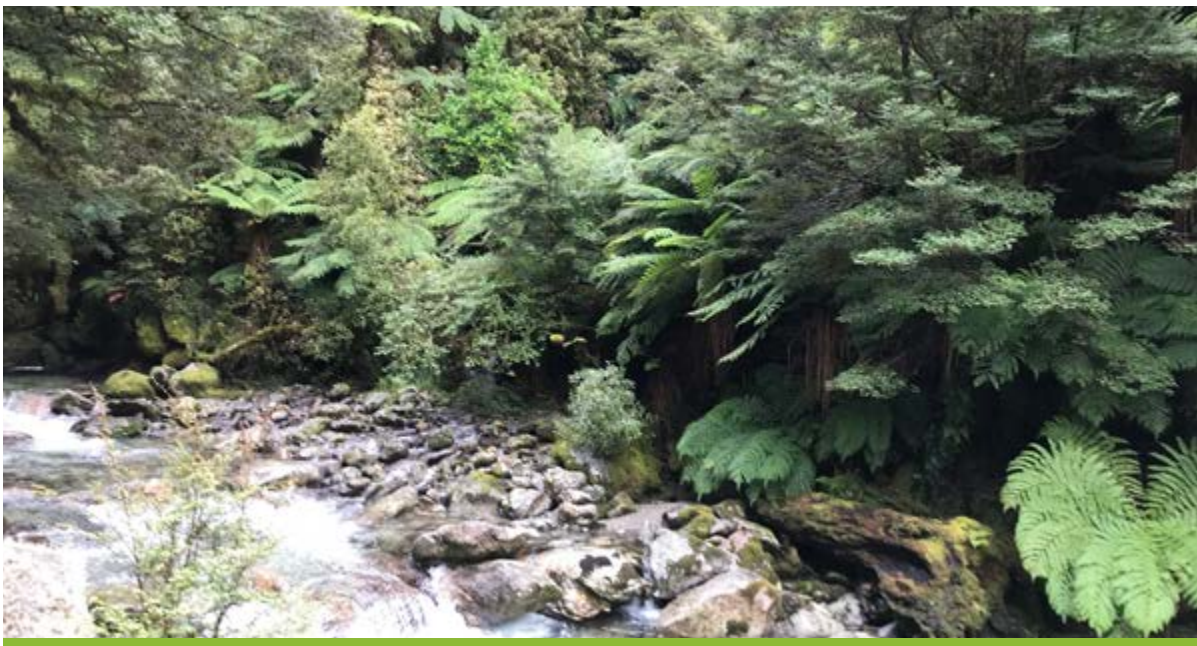
Health, Safety and Wellbeing

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

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

The Agency took all of these things seriously and invested in them accordingly. The Health, Safety and Wellbeing Strategy provided a high level statement of the Agency's commitment to 'zero harm' and the action that would be taken to ensure and achieve this.

Until relinquishing its consents in March 2022, the Agency was the holder of a tier 1 mining permit under the Crown Minerals Act 1991 and was a PCBU for the purposes of the Health and Safety at Work Act 2015. It was 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 was subject to regulation by WorkSafe New Zealand including scheduled and unscheduled inspection visits.



We welcomed this oversight. We continued to comply fully with the spirit and the letter of all applicable requirements and had a positive, transparent and constructive working relationship with WorkSafe New Zealand as the regulator of underground coal mining operations through to the mine being fully sealed and the mine site rehabilitated, and the site handed over to the Department of Conservation.

For the nine months to 31 March 2022 there were four scheduled and no unscheduled visits to the mine site by WorkSafe New Zealand inspectors. WorkSafe New Zealand representatives were invited to attend and participate in workshops and activities, including emergency training exercises; and supported a seamless handover of the mine site to the Department of Conservation.

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’ was fundamental to the safe and successful conduct of our work. Along the way we demonstrated agile thinking, and the willingness to reassess, reset and re-plan when required.

We encouraged and supported the role and activities of the health and safety representatives, and the Agency health and safety committees.

Comprehensive ‘fit for purpose’ systems and processes were developed and implemented, and rigorous risk assessment and control was a core element of the operating plans.

The organisational commitment to health and safety was supported by:

- ⤴ An active operational health and safety committee for the mine site that met weekly
- ⤴ A high-level Health and Safety Steering Committee that provided supervision and direction on health and safety matters and priorities across the Agency
- ⤴ Regular discussion between the chief executive/acting chief executive and staff in statutory and non-statutory mining roles
- ⤴ Scheduled consideration by the Agency management team of health and safety matters – including reports on the work of the health and safety committees
- ⤴ Co-designed COVID-19 Vaccination Policy built on risk-based principles
- ⤴ Agency-funded Group Medical and Personal Insurance cover for employees through to the handover of the mine site
- ⤴ Independent underground health and safety inspections, and independent surface drilling audits
- ⤴ Co-designed health and safety policies and procedures that outline how a safe and healthy workplace for all staff, contractors and visitors is maintained, and what procedures are implemented to achieve this
- ⤴ Staff having access to the Employee Assistance Programme – a confidential workplace service that the Agency funds
- ⤴ A range of internal and external reporting and accountability mechanisms – including the four health and safety related performance measures (as shown on page 16) that have been included in the operating expense appropriation that funds the work of the Agency.

Pay and workplace profile

As at 30 June 2022, four staff³ were employed by the Agency.

Ethnicity profile⁴

100% of Agency staff as at 30 June 2022 identify with the New Zealand European/ European (Pakeha) ethnicity group.

Remuneration profile for the period 1 July 2021 to 30 June 2022^{5,6}

Salary per annum	Number of staff
Up to \$99,999	5
From \$100,000 plus	18
Total staff	23

Gender representation and pay

There were three female and one male staff employed by the Agency, as at 30 June 2022.

Across the Agency as a whole during the 2021/22 financial year, the gender pay gap (based on a simple comparison of the total average salaries paid to women and men) was 34% in favour of men.⁷

At the time the Agency withdrew from the mine site (31 March 2022), of the five members of the management team, three were female and two were male. NZ Police representatives attended the management meetings and the FRG Chair had a standing invitation to attend as an active listener.

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 and again in 2021, submitted the plan with no changes to the Public Services Commission, and published it to the Agency website.

3 Includes the Acting Chief Executive who was employed by Te Kawa Mataaho Public Service Commission

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

5 Remuneration information for Agency staff has been aggregated to protect the privacy of individuals, with gross earnings from 1 July 2021 to 30 June 2022 reported (excluding termination benefits, i.e. annual leave). Majority of staff left the Agency's employment on 31 March 2022 when the Agency withdrew from the mine site.

6 Excludes the remuneration of the Acting Chief Executive who was employed by Te Kawa Mataaho Public Service Commission, however including the three men employed on an 'as required' bases, two of whom were technical specialists.

7 Salaries paid to specialised mining staff (all of whom are men for historical reasons) include compensation for being on call. 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

The Minister of Finance transferred to me as the Chief Executive of the Ministry of Business, Innovation and Employment under section 45J of the Public Finance Act the responsibility for the final annual report of the Pike River Recovery Agency (the Agency). The Agency was disestablished as a government department by Order in Council on 1 July 2022. After receiving the necessary attestations and assurances from the Agency's former Acting Chief Executive:

In my opinion:

- ✦ the annual report fairly reflects the operations, progress and the organisation health and capability of the Agency;
- ✦ financial statement fairly reflect the financial position of the Agency as at 30 June 2022 and its operations for the year ended on that date.

I am responsible for:

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



Carolyn Tremain

Te Tumu Whakarae mō Hikina Whakatutuki
Secretary for Business, Innovation & Employment and Chief Executive

30 September 2022

Independent Auditor's Report

To the readers of Pike River Recovery Agency's final annual report for the year ended 30 June 2022

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

- the financial statements of the Agency on pages 30 to 58, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2022, the statement of comprehensive revenue and expenses, 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;
- the performance information prepared by the Agency for the year ended 30 June 2022 on pages 16 to 17; and
- the statements of expenses and capital expenditure of the Agency for the year ended 30 June 2022 on page 15.

Opinion

In our opinion:

- the financial statements of the Agency on pages 30 to 58, which have been prepared on a disestablishment basis:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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.
- the performance information of the Agency on pages 16 to 17:
 - presents fairly, in all material respects, for the year ended 30 June 2022:
 - 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.
- the statements of expenses and capital expenditure of the Agency on page 15 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

Our audit was completed on 30 September 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the financial statements being prepared on a disestablishment basis. In addition, we outline the responsibilities of the Chief Executive of the Ministry of Business, Innovation & Employment (the Ministry) and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Emphasis of matter - The financial statements are prepared on a disestablishment basis

Without modifying our opinion, we draw attention to Note 2 *Basis of preparation* section on page 38 and note 18 on page 58 of the financial statements about the financial statements being prepared on a disestablishment basis. The Agency was disestablished on 1 July 2022 after completing its functions and objectives, and transferring the Pike River Mine site to the Department of Conservation.

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 of the Ministry for the information to be audited

The responsibility for preparing the Agency's final annual report was transferred to the Chief Executive of the Ministry by the Minister of Finance under section 45J of the Public Finance Act 1989.

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

- 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;
- 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; and
- statements of expenses and capital expenditure of the Agency, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.

The Chief Executive of the Ministry 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 of the Ministry is responsible on behalf of the Agency for assessing the Agency's ability to continue as a going concern. If the Chief Executive of the Ministry concludes that the going concern basis of accounting is inappropriate, the Chief Executive of the Ministry is responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

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 Strategic Intentions 2018/19, Estimates and Supplementary Estimates of Appropriations 2021/22 and the 2021/22 forecast financial figures included in the Agency's 2020/21 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:

- 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.
- 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive of the Ministry.
- We evaluate the appropriateness of the reported performance information within the Agency's framework for reporting its performance.
- We conclude on the appropriateness of the use of the disestablishment basis by the Chief Executive of the Ministry.
- 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 of the Ministry 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 of the Ministry is responsible for the other information. The other information comprises the information included on pages 1 to 63, but does not include the information we audited, and our auditor's report thereon.

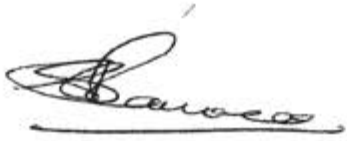
Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.

A handwritten signature in black ink, appearing to read 'Clint Ramoo', with a horizontal line underneath.

Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2022

2021			2022	2022
Actual		Notes	Actual	Unaudited Main Estimates
\$000's			\$000's	\$000's
	Income			
10,035	Revenue – Crown	3	6,709	1,035
5,372	Other revenue		6,475	–
15,407	Total income		13,184	1,035
	Expenditure			
4,966	Personnel costs	4	2,201	–
38	Depreciation and amortisation expense	13	48	–
62	Capital charge	6	62	–
10,341	Other operating expenses	5	7,222	1,035
15,407	Total expenditure		9,533	1,035
–	Net surplus/(deficit) and comprehensive income		3,651	–

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

Statement of Financial Position

as at 30 June 2022

2021			2022 ⁸	2022
Actual		Notes	Actual	Unaudited Main Estimates
\$000's			\$000's	\$000's
	Assets			
	Current Assets			
8,481	Cash and cash equivalents		–	–
1,642	Debtors and other receivables	7	–	–
81	Prepayments	8	–	–
82	Property, plant and equipment	13	–	–
10,286	Total current assets		–	–
10,286	Total assets		–	–
	Liabilities			
	Current Liabilities			
1,388	Creditors and other payables	9	–	–
5,674	Revenue in Advance	10	–	–
524	Employee entitlements	12	–	–
1,450	Provisions	11	–	–
9,036	Total current liabilities		–	–
9,036	Total liabilities		–	–
1,250	Net assets		–	–
	Equity			
1,250	Taxpayers' funds		–	–
–	Revaluation Reserve		–	–
1,250	Total Equity	15	–	–

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

⁸ The Agency closed on 30 June 2022 after completing its function and objectives, resulting in disestablishment as a government department on 1 July 2022.

Statement of Changes in Equity

for the year ended 30 June 2022

2021		2022	2022
Actual		Actual	Unaudited Main Estimates
\$000's		\$000's	\$000's
1,250	Balance as at 30 June	1,250	1,250
–	Comprehensive income / (expense)	3,651	–
–	Return of operating surplus to the Crown	(3,651)	–
–	Capital contributions / (withdrawals)	(1,250)	(1,250)
1,250	Balance as at 30 June 2022	–	–

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

Statement of Cash Flows

for the 12 months ended 30 June 2022

2021		2022	2022
Actual		Actual	Unaudited Main Estimates
\$000's		\$000's	\$000's
	Cash flows from operating activities		
10,035	Receipts from Crown	1,035	1,035
4,293	Receipts from other revenue	8,158	–
(12,187)	Payments to suppliers	(9,129)	(1,720)
(5,005)	Payments to employees	(2,745)	–
(62)	Payments for capital charge	(62)	–
757	Goods and services tax (net)	(877)	–
(2,169)	Net cash flows from operating activities	(3,620)	(685)
	Cash flows from investing activities		
0	Purchase of property, plant and equipment	(0)	–
	Sale of property, plant and equipment	40	353
0	Net cash flows from investing activities	40	353
	Cash flows from financing activities		
–	Capital contributions	(1,250)	(1,250)
–	Repayment of surplus to Crown	(3,651)	–
–	Net cash flows from financing activities	(4,901)	(1,250)
(2,169)	Net (decrease) / increase in cash	(8,481)	(1,582)
10,650	Cash at the beginning of the year	8,481	(1,582)
8,481	Cash at the end of the year	–	–

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

Reconciliation of net surplus to net cash flows from operating activities

for the 12 months ended 30 June 2022

2021		2022
Actual		Actual
\$000's		\$000's
–	Net surplus (deficit)	3,651
	Non-cash items:	
39	Depreciation, amortisation and impairment expenses	48
39	Total non-cash items	48
	Add / (less) items classified as investing or financing activities	
–	Net (Gains) / losses on disposal of property, plant and equipment	(19)
		(19)
	Add / (less) movements in working capital:	
(1,199)	(Increase) / Decrease in debtors and other receivables	1,642
119	(Increase) / Decrease in prepayments	81
–	(Increase) / Decrease in property, plant and equipment	82
(1,036)	Increase / (Decrease) in creditors and other payables	(1,960)
(811)	Increase / (Decrease) in revenue in advance	(5,744)
757	Increase / (Decrease) in GST	(877)
(38)	Increase / (Decrease) in employee entitlements	(524)
(2,207)	Net movement in working capital items	(7,300)
(2,169)	Net cash flow from operating activities	(3,620)

Statement of Commitments

as at 30 June 2022

Capital commitments

The Agency has no capital commitments at 30 June 2022 (nil at 30 June 2021).

Non-cancellable operating lease commitments

Given the Agency closed on 30 June 2022 and the disestablishment order came into force on 1 July 2022, there are no leases that extend past 30 June 2022.

	2022	2021
	Actual	Actual
	\$000's	\$000's
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Not later than one year	–	1,612
Later than one year and not later than five years	–	–
Later than five years	–	–
Total non-cancellable operating lease commitments	–	1,612

Statement of Contingent Liabilities and Assets

As at 30 June 2022

Quantifiable contingent liability

The Agency has no quantifiable contingent liabilities (nil at 30 June 2021).

Unquantifiable contingent liabilities

The Agency has no unquantifiable contingent liabilities (nil at 30 June 2021). The Agency had an obligation to rehabilitate the Pike River Mine site. This obligation was fulfilled in full when the Agency withdrew from the mine site on 31 March 2022, and transferred the mine site to Department of Conservation from 1 April 2022 to manage on a day to day basis.

Contingent Assets

The Agency has no contingent assets as at 30 June 2022 (nil at 30 June 2021).



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 appropriated until 30 June 2022. After completing its functions and objectives and disposing of all assets and satisfying any outstanding liabilities, the Agency closed on 30 June 2022. The disestablishment notice was effective on 1 July 2022.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Reporting Entity

The Pike River Recovery Agency (the Agency) was 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 was to provide services to the public. The Agency did not operate to make a financial return and was 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 2021/22 and include Vote Pike River Re-entry.

Minister of Finance approved under section 45J of the Public Finance Act on 14 March 2022 the transfer of responsibility for the final annual report to Ministry of Business, Innovation and Employment, and to the Chief Executive of Ministry of Business, Innovation and Employment to sign the statement of responsibility for the report.

The financial statements of the Agency are for the year ended 30 June 2022. They were authorised for issue by the Chief Executive of Ministry of Business, Innovation and Employment on 30 September 2022.

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 was disestablished effective 1 July 2022 after completing its functions and objectives and transferring the Pike River Mine site to the Department of Conservation on 1 April 2022 for day to day management.

The accounting policies, detailed below, reflect the fact that the assets and liabilities were realised during the year as part of the disestablishment of the Agency.

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 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 prepared its financial statements on a disestablishment basis consistent with the comparative reporting period. No other changes in accounting policies have been applied.

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

No amounts in the comparative information have been reclassified.

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.

Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

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

There are no commitments recognised in the Statement of Financial Position.

There are no lease or capital expenses yet to be incurred on non-cancellable contracts.

Contingent liabilities

There were no contingent liabilities at balance date.

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.



Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

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 the Inland Revenue Department (IRD) was received prior to the Agency's disestablishment.

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, no estimates, assumptions or critical judgements have been made concerning the future.

Judgements

Going concern/disestablishment

Management has determined that the Agency's financial statements will be prepared on a disestablishment basis, instead of using the going concern assumption, for the year ended 30 June 2022.

Management note that the 2019, 2020 and 2021 financial statements were also prepared on a disestablishment basis. Management is satisfied that the conclusions reached at the date of signing these financial statements was appropriate at that time.

The disestablishment basis is the appropriate basis for preparing the financial statements as on 21 March 2022, Cabinet agreed to disestablish the Agency as a government department on 30 June 2022. The Agency has completed its functions, disposed of any relevant assets and satisfied any outstanding liabilities. All Agency staff completed their term of employment by this date.

The disestablishment order came into effect on 1 July 2022.

There are no key estimates arising in the balances shown in the 2021/22 financial year under a disestablishment basis as all assets and liabilities have been realised.

During the 2020/21 financial year estimates were made for:

- ⌆ property, plant and equipment; and
- ⌆ mine rehabilitation.

As at 30 June 2022 these estimations had both crystallised and are no longer required.

Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

Budget figures

The budget figures are for the year ended 30 June 2022 and were published in the 2020/21 Agency Annual Report (Unaudited Forecast).

Forecast figures

No forecast figures for the year ending 30 June 2023 have been prepared as the Agency closed on 30 June 2022 after completing its functions, disposing of any relevant assets and satisfying any outstanding liabilities. The disestablishment order came into force on 1 July 2022.

Since balance date the following event of significance has occurred:

- ‡ The Public Service Te Kāhui Whakamana Rua Tekau mā Iwa – the Pike River Recovery Agency Disestablishment Order 2022 came into force on 1 July 2022.

Authorisation statement

No forecast figures for the period ending 30 June 2023 were submitted to Treasury as the Agency after completing its function closed on 30 June 2022, with the disestablishment order coming into force on 1 July 2022.



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.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Revenue – Crown	6,709	10,035
NZ Police – Administration and Use	6,274	4,845
Other Revenue	201	527
Total income	13,184	15,407

Note: During the 2021/22 financial year the Agency extended the Administration and Use agreement with NZ Police until 31 March 2022. This agreement entered into in the 2020/21 financial year allowed the Agency to recover costs from NZ Police. For the 2021/22 financial year recovered costs up to the value of \$9,495,000 was agreed to, with the actual costs recovered being \$6,274,152.

Explanation of major variances against estimates

Total revenue is \$12.149m greater than Main Estimates, as at the time of completing the Main Estimates budget, the Agency was expecting to conclude mandated activities early in the 2021/2022 year.

Main Estimates for the 2021/22 financial year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

The costs we incur to achieve our goals

In order to provide services to the public, the Agency incurred various types of expenditure totalling \$9.533m. 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 and recovery of the Pike River Mine drift, completing the borehole drilling programme supporting the New Zealand Police investigation, and some costs to complete the rehabilitation of the mine site and surrounding area, made 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.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Salaries and wages	2,447	4,606
Superannuation contributions to defined contribution plans	71	127
Increase / (decrease) in employee entitlements	(367)	(36)
Training and development	4	78
Other	46	191
Total personnel costs	2,201	4,966

Explanation of major variances against estimates

Personnel costs were \$2,201m above Main Estimates, as at the time of completing the Main Estimates, the Agency had expected to have concluded mandated activities early in the 2021/22 year.

Main Estimates for the 2021/22 financial year are disclosed in the Statement of Comprehensive Revenue of page 30.

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.

There are no unexpired lease portions of operating leases.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Occupancy costs	440	1,181
Rental of premises	85	96
Fees to auditor	76	86
Legal Fees	164	105
Consultants and contractors	1,321	1,923
Transport and travel	70	239
Information and communication costs	230	369
Mine related costs	4,564	5,486
COVID-19 related costs	2	5
Other operating costs	251	851
Total operating expenses	7,223	10,341

Note 5: Other operating expenses (continued)**Explanation of major variances against estimates**

Other operating expenses were \$6.187m above Main Estimates as at the time of completing the Main Estimates, the Agency had expected to have concluded mandated activities early in the 2021/22 year. All surplus funding was repaid to the Crown prior to 30 June 2022.

Main Estimates for the 2021/22 financial year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

Note 6: Capital charge

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

The capital charge rate was 5% for the six months to 31 December 2021, and 30 June 2022. The capital charge is recognised as an expense in the financial year to which it relates.

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 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.

	2022 Actual \$000's	2021 Actual \$000's
Temporary Customs Bonds	–	369
NZ Police reimbursement	–	1,273
Other	–	–
Total debtors and other receivables	–	1,642

During the 2020/21 financial year the Agency had receivables relating to:

- ‡ the import on a temporary basis of a number of pieces of equipment for use in the re-entry and recovery of the Pike River Mine drift; and
- ‡ the recovery of costs from New Zealand Police, mainly in relation to the hire of specialist equipment for use at the Pike River Mine site in support of their criminal investigation; the New Zealand Police had agreed to reimburse the Agency for these costs.

Both of these were recovered and no debtors and other receivables exist at 30 June 2022.

Note 7: Debtors and other receivables (continued)**Explanation of major variances against estimates**

The Agency has no variance against Main Estimates.

Main Estimates for the 2021/22 financial year are disclosed in the Statement of Comprehensive Revenue and Expenses on page 30.

Note 8: Prepayments

The Agency held insurance premiums that cover the expected period that the Agency will require this cover. The premiums payment had been recognised as a prepayment but had been fully expensed at year end.

	2022 Actual \$000's	2021 Actual \$000's
Crombie Lockwood Insurance Broker	–	81
Total prepayments	–	81

Note 9: Creditors and other payables**Accounting policy**

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

	2022 Actual \$000's	2021 Actual \$000's
Payables	–	19
Accrued expenses	–	493
GST payable to Inland Revenue	–	876
Total creditors and other payables	–	1,388

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 Agency had no creditors and other payables at 30 June 2022.

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 2021/2022 financial year the remaining funding was repaid to the Crown, resulting in nil revenue in advance being recorded in the 2021/22 financial year.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Balance as at 30 June 2021	5,674	6,485
Receipts	1,035	9,223
Released to revenue	(6,709)	(10,034)
Revenue in advance	–	5,674

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.

As at 30 June 2022 there were no provisions to be recognised.

Note 11: Provisions (continued)**Movements in provisions**

	Lease Make-good – Greymouth Office	Non-cancellable Leases or Contracts	Mine Site rehabilitation obligations	Total
Opening balance at 30 June 2021	80	–	1,370	1,450
Additional Provisions made	–	–	–	–
Amounts used/reversed	(80)	–	(1,370)	(1,450)
Balance at 30 June 2022	–	–	–	–

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. The Agency surrendered the lease on 29 April 2022 and restored the building to the required state.

Mine site rehabilitation obligations

The Agency had a present obligation to rehabilitate the Pike River Mine site. The rehabilitation work was completed by 31 March 2022 when the site was handed over to the Department of Conservation, who are now responsible for the on-going day to day management for the site.

Note 12: Employee entitlements

Accounting policy

All employee entitlements were settled as at 30 June 2022, as all employee fixed term contracts concluded on 30 June 2022.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Current liabilities		
Accrued salaries	–	107
Annual leave	–	367
ACC payable	–	50
Total employee entitlements	–	524



Assets that support our operations

Due to adopting a disestablishment basis, long-term assets had 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. Useful lives are reassessed at each reporting date to ensure they reflect management's expectations. 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

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 and 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 2021	144	143	126	48	494	–	955
Additions / (disposals)	(144)	(143)	(126)	(48)	(494)	–	(955)
Transferred from WIP	–	–	–	–	–	–	–
Balance at 30 June 2022	–	–	–	–	–	–	–
Accumulated depreciation and impairment losses							
Opening Balance at 30 June 2021	76	143	126	34	494	–	873
Depreciation expense	48	–	–	–	–	–	48
Elimination on disposal	(124)	(143)	(126)	(34)	(494)	–	(921)
Balance at 30 June 2022	–	–	–	–	–	–	–
Carrying amounts							
At 30 June 2021	68	0	0	14	–	–	82
At 30 June 2022	–	–	–	–	–	–	0

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 2022 was nil. All credit card facilities had been closed at 31 May 2022.

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.

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 settled all of its financial liabilities as at balance date.



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

2021 Actual \$000's		2022 Actual \$000's	2022 Unaudited Main Estimates \$000's
1,250	Balance as at 30 June 2021	1,250	1,250
	Surplus for the year ended 30 June 2022	3,651	–
	Repayment of surplus to Crown	(3,651)	–
–	Capital contributions / withdrawals	(1,250)	(500)
1,250	Total capital contributions	–	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.

The Agency repaid all capital contributions back to the Crown on 27 June 2022.

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/withdrawals

2021 Actual \$000's		2022 Actual \$000's	2022 Unaudited Main Estimates \$000's
–	Capital injections / withdrawals	(1,250)	–
–	Total Capital injections	(1,250)	–

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 \$6.709m to provide services to the public for the year ended 30 June 2022 (2021 \$10.035m).

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 2022.

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.

Note 17: Related party transactions and key management personnel (continued)**Key management personnel compensation**

At the time the Agency withdrew from the mine site on 31 March 2022 the Agency's management team consisted of 5 roles equating to 4.20 FTE.

	2022	2021
	Actual	Actual
	\$000's	\$000's
Salaries and other short-term employee benefits	1,174	1,339
Post employment benefits	23	28
Total key management personnel compensation	1,197	1,367

The above key management personnel disclosure includes the Acting Chief Executive, but excludes the responsible Minister for the Agency. The Acting Chief Executive was 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 2021 and are paid under Permanent Legislative Authority, and not paid by the Agency.

Note 18 : Disestablishment basis

The Agency was established to conduct a safe, manned re-entry and recovery of the Pike River Mine drift access tunnel, and in more recent times to support the New Zealand Police criminal investigation into the Pike River Mine explosion, by safely completing the forensic search and examination of the mine drift as far as the roof fall, recovery of the Pit Bottom in Stone area and completing the borehole drilling programme.

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 by Cabinet (refer Cab_22_Min_0080) was made to close the Agency on 30 June 2022 and disestablish the Agency on 1 July 2022 as the Agency had completed its functions at 30 June 2022.

Note 19: Impact of COVID-19 including Delta variant

On 17 August 2021 at 11.59 pm the country moved into Alert Level 4, and then south of Auckland moved to Alert Level 3 (11.59 pm Tuesday 31 August). For the duration of those three weeks, the Agency was unable to work underground or on the Police borehole drilling programme. Work resumed on site on Wednesday 8 September 2021 with appropriate COVID-19 Delta Alert Level 2 controls in place according to the Agency's COVID-19 Principal Hazard Management Plan.

Note 20: Key event after balance date







Since balance date the following event of significance has occurred:

- † The Agency has wound down and closed on 30 June 2022 with the disestablishment order coming into force on 1 July 2022.



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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www.mbie.govt.nz

(for this final annual report and copies of annual reports for prior years)



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PO Box 414, Greymouth 7840

To the Pike 29

Dated: 16th February 2021

2011 was the last time we were this close to you. We made a promise to you we would be back one day, hoping to return you to your families and loved ones, or at least, to find a cause of this terrible tragedy.

Assisted, and financially backed by the Labour-led Government, we are back!

An extreme amount of hard work, determination, and commitment has got us here, taken upon by employees at Pike River Recovery Agency, NZ Police, and associated contractors and advisors who have assisted.

Today we stand so very close to you, 2,260m into the drift, sadly with a massive rockfall preventing us going any further.

We can't get to you, but the cause is not over. Work will continue to investigate what happened on that fateful day of 19 November 2010 costing you your lives. Hopefully injustices will be held to account in an effort to bring some peace and closure to you and your loved ones.

As we retreat back out the drift, we say goodbye, and Rest in Peace. You are sorely missed by so many and never forgotten.

Dinghy Pattinson, and the team at Pike River Recovery Agency





TE KĀHUI WHAKAMANA
RUA TEKAU MĀ IWA
PIKE RIVER
RECOVERY AGENCY