



BRIEFING

Proposed funding transfer from Pike River Recovery Agency to Department of Conservation to fund partial rehabilitation work on the bridges on the access road to the Pike River Mine

Date:	25 January 2021	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BN2021/0033

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to proposed appropriation changes transferring funding from Vote Pike River Re-entry to Vote Conservation.	12 February 2021
Hon Andrew Little Minister Responsible for Pike River Re-entry		12 February 2021
Hon Kiritapu Allan Minister of Conservation		12 February 2021

Contact for telephone discussion (if required)

Name	Position	Telephone		1st contact
Dave Gawn	Chief Executive, PRRA	(03) 966 9215	[REDACTED]	
[REDACTED]	Manager Finance Business Partner MBIE	[REDACTED]	[REDACTED]	✓
Mark Davies	Director Operations, WSI, Department of Conservation	N/A	[REDACTED]	
[REDACTED]	Senior Analyst, Treasury	[REDACTED]	N/A	

The following departments/agencies have been consulted

Treasury, Department of Conservation (DOC)

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments

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Date:	25 January 2021	Priority:	Medium
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Purpose

To seek approval for the transfer of funds from Vote Pike River Re-entry to Vote Conservation to fund required rehabilitation work to road bridges on the access road to the Pike River Mine.

Recommended action

The Pike River Recovery Agency ("the Agency") recommends that you:

- Note** that it will be more cost and time effective for the Department of Conservation (DOC) (rather than the Agency) to manage the final stages of rehabilitation required on the access road bridges to the Pike River mine site.
Noted
- Note** that the funding for all rehabilitation work is currently included in Vote Pike River Re-entry.
Noted
- Approve** the following changes to appropriations, with no impact on the operating balance or net debt, to transfer funding from Vote Pike River Re-entry to Vote Conservation- Management of Recreational Opportunities.
Agree / Disagree

	\$m-increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25
Vote Pike River Re-entry Minister for Pike River Re-entry Pike River Recovery Agency Multi-Year Appropriations Departmental Output Expenses(funded by revenue Crown)					

Vote Conservation Minister of Conservation Departmental Output Expenses Management of Recreational Opportunities (funded by revenue Crown)					
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4. **Agree** that the proposed changes to the appropriations for 2020/21 be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase in Vote Conservation- Management of Recreational Opportunities be met from Imprest Supply.

Agree / Disagree

5. **Note** that the amounts shown in the appropriation changes table above are the changes to the indicative spending profiles.

Noted



A.D.Gawn
Chief Executive
 Pike River Recovery Agency

22/01/2021

Hon Grant Robertson
Minister of Finance

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Hon Andrew Little
**Minister Responsible for Pike River
 Re-entry**

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Hon Kiritapu Allan
Minister of Conservation

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Background

1. As part of its work the Pike River Recovery Agency (“the Agency”) is required, after its recovery and examination operations underground have been completed, to:
 - a. Rehabilitate the mine site in accordance with a Rehabilitation Plan agreed with the Department of Conservation (DOC); and
 - b. Handover the mine and the mine site to DOC for ongoing management as part of the Paparoa National Park in which it is located.
2. The Agency and DOC agree that the road bridge slab replacement and deferred maintenance work will be procured and managed by DOC.
3. The on-site work to the road bridges is estimated to take several months. This work can’t occur until after the Agency have concluded their operations at the mine due to the significant disruption it would cause.
4. Both the Agency and DOC agree that it is more cost and time effective for DOC to procure and manage the work. If the Agency was to complete this work it would mean extending the employment of specialist mine-based personnel when there will be no other work requiring their expertise.
5. Funding for rehabilitation work at Pike River is included as part of the multi-year appropriation in Vote Pike River Re-entry. This appropriation currently expires on 30 June 2021, and the rehabilitation work is planned to be completed after this date.
6. It is therefore proposed that the estimated cost of the required work on the bridges () be transferred:
 - a. From the Pike River Recovery multi-year departmental output expenses appropriation in Vote Pike River Re-entry
 - b. To Management of Recreational Opportunities in Vote Conservation.
7. Following the approval of the transfer DOC will commence design and delivery of the work to the road bridges. The Agency will coordinate and liaise with DOC as necessary on this matter using the existing process and relationship that exists for the transition of the mine site to DOC.