



Contaminated Sites Remediation Fund 2021/22 Round 2 Funding Recommendations

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	Action sought:	Response by:
Hon David PARKER, Minister for the Environment	Decision on allocation of funding	17 December 2021

Actions for Minister's Office Staff	Return the signed report to MfE,
Number of appendices and attachments # 4	<p>Titles of appendices</p> <ol style="list-style-type: none"> Appendix 1: Contaminated Sites Remediation Fund - Eligibility and Assessment criteria Appendix 2: Contaminated Sites Remediation Fund - Panel meeting minutes and recommendations Appendix 3: Contaminated Sites Remediation Fund – Priority List Appendix 4: MfE Hazardous Activities and Industries List (HAIL)

Key contacts

Position	Name	Cell phone	1st contact
Principal author	Carmel Mangan	0220154307	
Responsible Manager	Sarah Kenward	0272889374	✓
Director	Glenn Wigley	0274917806	

Contaminated Site Remediation Fund 2021/22 Round 2 Funding Recommendations

Key Messages

1. This briefing seeks your decision on applications made for funding from the Contaminated Sites Remediation Fund (CSRF, the Fund).
2. The CSRF has an annual appropriation of \$2.628M; of this appropriation, \$2.25M is currently available in the 2020/21 financial year allocation.
3. On consideration of the CSRF Assessment Panel's advice, the Ministry recommends that you approve funding for three of the four applications made to the 2021/22 Round 2 Funding Round.
4. The projects recommended for your consideration are summarised in the following paragraphs.

Contaminated Site Remediation Fund 2021/22 Round 2 Applications for funding

5. The Ministry received four applications for funding from the CSRF 2021/22 annual appropriation. An overview of the applications is provided in Table 1:

Table 1: 2021/22 Round 2 Applications Received

Project	Applicant	Investigation Phase	Total Project Costs	CSRF Funding Requested \$/%	Priority List Ranking
Victoria Battery	Waikato Regional Council (WRC)	2 - Investigation	\$413,508.00	\$194,254.00 47%	2 nd
Awaroa Godley Head	Environment Canterbury (ECan)	4 - Remediation	\$969,977.79	\$449,738.89 46%	10 th
Tokatea Mine	Waikato Regional Council (WRC)	2 - Investigation	\$105,800.00	\$42,900.00 41%	6 th
Papanui Hills	Bay of Plenty Regional Council (BOPRC)	3 – Remedial Planning 4 - Remediation	\$402,800.00	\$25,000.00 6%	26 th

CSRF Panel Assessment and Project Details

6. The CSRF Panel (the Panel) assess applications against the CSRF's eligibility and assessment criteria and make recommendations to the Ministry to fund or decline the projects. The funding eligibility and assessment criteria are listed in Appendix 1.
7. The CSRF assessment process ensures that only eligible applications are considered for funding and that the appropriate level of investment is allocated. The Panel only

recommend funding for projects they consider have the capabilities and resources to be successful.

8. The Panel utilise their contaminated land expertise and experience to scrutinise critical elements of the project that have the potential to impact its success. They consider whether the proposed activities are logical, realistic, and directly relate to the contamination. They review the costs to verify if they are sufficient and reasonable for the activities proposed and that they accurately reflect the current market rate. They consider if the project management and governance structures are appropriate for the scale of the project and the successful delivery of the project.
9. The 2021/22 Round 2 assessment panel convened on 5 November 2021 to finalise their recommendations and funding conditions for each project seeking CSRF funding. The Panel's comments and recommendations from the meeting are provided in Appendix 2.
10. For three of the four projects, the Panel considered the sites posed a risk due to historical contaminating activities that need to be addressed. They felt the projects were worthwhile, had the potential to be strategically valuable where the benefits could be realised at similar sites throughout New Zealand and in one case, affirm New Zealand's commitment under the Minamata Convention.
11. The Panel agreed that one project was not eligible and did not meet the funding criteria or standards required by the Ministry.

Victoria Battery Mine Site Project

12. Waikato Regional Council (WRC) applied to the CSRF for funding to undertake a contamination investigation and prepare a detailed site investigation report for the Victoria Battery Mine site. WRC have established a partnership with the current site owner the Department of Conservation (DOC).
13. The former Victoria Battery Mine is located on Public Conservation Land known as the Victoria Battery Historic Reserve, within the area encompassed by the Karangahake Goldfield in the Hauraki District. The site is heavily utilised for recreational purposes and is managed as a recreational reserve with heritage and visitor attraction.
14. The extent of contamination from the gold recovery process and demolished building materials, and subsequent risk of exposure to the public, DOC staff and volunteer staff is unknown. Therefore, the purpose of the Victoria Battery Mine Project is to gather robust information about the human health risks and environmental effects, to inform decisions about managing and/or remediating the battery site, with a focus on making the area safe for public use and staff maintenance works.

Victoria Battery Mine Site Project Assessment

15. During its assessment of this application the Panel agreed:
 - that the preliminary investigation had established and presented the site's gold mining history, the nature and source of probable contaminants and subsequent potential exposure risk in accordance with contaminated land management requirements
 - the relevant project partnerships and stakeholders have been identified and the project management team and Working Group appear to have the capabilities and expertise to perform their roles and execute their responsibilities, but that WRC may want to consider the potential opportunity for more involvement from iwi

- the deliverables were logical, and given the proposed tasks and activities the estimated costs were sufficient and reasonable, that some additional sampling should be included
 - that the proposal would be strengthened by DOC confirming their financial contribution, ensuring that a robust sampling regime is developed, that adequate strategies are in place to address health and safety issues, and to manage communications.
16. The Panel therefore recommend funding for the Victoria Battery Mine Project subject to conditions that would address their concerns and provide greater certainty around:
- the mitigation measures proposed to manage public and media scrutiny
 - the proposed sampling regime.

Awaroa Godley Head Project

17. Environment Canterbury (ECan) applied to the CSRF for funding to remediate an area of land at the Awaroa Godley Head Reserve site (the Site). ECan has established project partnerships with the current site owner, the Department of Conservation (DOC).
18. The Awaroa Godley Head Reserve is in the easternmost end of the Port Hills mountain range between Christchurch City and Lyttleton Harbour in the Canterbury region. The site is a former coastal defence site that was actively used by the New Zealand Defence Force (NZDF) from WWI until 1983 and is now a high use recreational reserve.
19. The extent of contamination at the site from materials associated with infrastructure and decommissioned buildings has been quantified. Due to the widespread nature and variable level of risk posed by the contamination, several remedial options have been proposed to address the risk of exposure to the public, DOC staff and volunteer staff. Therefore, the purpose of the project is to mitigate the risks through the implementation of the Awaroa Godley Head Heritage Site Remedial Action Plan (RAP).

Awaroa Godley Head Project Assessment

20. During its assessment of this application the Panel agreed:
- that detailed information had been provided, but it was not consistent with MfE's requirements for contaminated land investigations, and as such there was cause for concern about the solutions that have been derived from the investigation
 - the solutions could not be properly evaluated against the likelihood of project's delivery and success without greater certainty around the effectiveness and necessity of proposed remedial options
 - the project partners and stakeholders identified included personnel and agencies with extensive capabilities and expertise to perform their roles and execute their responsibilities
 - that the proposal would be strengthened by DOC confirming their financial contribution, ensuring the most pragmatic approach to the remediation is adopted so the methodologies have the highest potential to achieve the goals and objectives of the project, that adequate strategies are in place to address health and safety issues, and to manage communications.
21. The Panel therefore recommend funding for the Godley Head Remediation Project subject to conditions that would address their concerns and provide greater certainty around:

- the mitigation measures proposed to manage public and media scrutiny
- the need for an independent peer review and any recommendations would be incorporated into a revised RAP prior to its implementation.

Tokatea Mine Site Project

22. Waikato Regional Council (WRC) applied to the CSRF for funding to undertake a contamination investigation and prepare a detailed site investigation report for the Tokatea Mine Site. WRC have established a partnership with the current site owner the Department of Conservation (DOC).
23. The former Tokatea Mine Complex is located on Public Conservation Land within the general area of the Coromandel/Hauraki Goldfields in the Thames-Coromandel District. The mine areas are not readily accessible by the public and are utilised more for conservation than recreational purposes.
24. The extent of contamination from the gold recovery process and demolished building materials, and subsequent risk of exposure to public, DOC staff and volunteer staff is unknown. Therefore, the purpose of the Tokatea Mine Project is to characterise and delineate the extent of the contamination, enabling the risk to human health and the environment to be quantified so that the area can be made safe for public use and staff maintenance workers.

Tokatea Mine Site Project Assessment

25. During its assessment of this application the Panel agreed:
- the preliminary investigation had established and presented the site's gold mining history, the nature and source of probable contaminants and subsequent potential exposure risk in accordance with contaminated land management requirements
 - it was unclear if the costs were sufficient, the proposed sampling was appropriate, and the deliverables were achievable given that, due to Covid-19 restrictions no site visit had been undertaken
 - the relevant partnerships have been identified, and the project management team and Working Group have the capabilities to perform their roles and execute their responsibilities, but that WRC/DOC may want to consider partnering with iwi to a larger extent, particularly as part of the project area is subject to a settlement claim
 - the proposal would be strengthened by WRC/DOC undertaking a site visit and a visual assessment of site conditions, to inform the proposed sampling regime and evaluate the logistical issues at the site and confirm the project can be delivered as proposed within the estimated budget and funding timeframe.
26. The Panel therefore recommend funding for the Victoria Battery Mine Project subject to conditions that would address their concerns and provide greater certainty around:
- the cost of the works
 - the mitigation measures proposed to manage public and media scrutiny
 - the proposed sampling regime.

Papamoa Hills Reserve Project

27. Bay of Plenty Regional Council (BOPRC) applied to the CSRF for funding to undertake remedial works as part of the Papamoa Hills Regional Park Upgrade project. The aim of

the project is to construct a new car park and entrance for the Papamoa Hills Reserve located in the Western Bay of Plenty District.

28. A site investigation has confirmed the project area has been associated with farming and horticultural practices. The car park development footprint includes a localised contaminated area commonly known as a "hot spot" that has been created through the practice of burning of treated timber onsite.
29. The contamination has been quantified to some extent and the preferred option of dig and dump is proposed to ensure the contaminated soil is appropriately disposed. Therefore, the purpose of the remediation component of the project is to mitigate the risk to construction workers through soil removal and disposal.

Papamoa Hills Reserve Project Assessment

30. The Panel consider the project is not eligible for funding and that it does not meet the fund's assessment criteria. During its assessment of this application the Panel agreed:
 - the information provided does not meet contaminated land management or CSRF funding requirements and as a result the development of the proposal was based on poor quality and erroneous information. The application lacked critical information such as demonstrating that the necessary partnerships had been established, the relevant issues and risk had been identified and would be appropriately addressed and that the activity had been costed correctly
 - the application is for a dig and dump exercise that is part of a construction project where no consideration was given to the required contaminated land practice. There was also no indication the works would be undertaken, overseen, or reported on by a contaminated land practitioner
 - the project objectives related to the benefits of improved access to the reserve, rather than to the benefits from, or a vision for, implementing sustainable remedial strategies
 - BOPRC have the ability to fund a \$400,000 project, therefore financial assistance from the CSRF is not critical to the project's success.
31. The Panel therefore recommend funding is declined for the Papamoa Hills Reserve Project.
32. Additional information regarding the four projects is provided in paragraphs 58-79, and regarding the Panel's assessment is provided in paragraphs 80-87 of this briefing note.
33. The Ministry has considered and agrees the Panel's recommendations. We consider the Panel undertook a robust assessment of the applications and scrutinised the applications against the three principal criteria in accordance with the CSRF process to ensure their recommendations met the funding objectives. The Panel's comments and recommendations are provided in Appendix 2.
34. The Ministry considers the three projects being recommended for funding have demonstrated they have the necessary capabilities and strategies to ensure the proper use of public funds in investigating and/or implementing viable solutions for reducing the risk to human health and the environment.
35. If you approve funding for the three projects, the Ministry will address the Panel's concerns in the deed of funding by special terms (e.g., conditions precedent or stage gate). This approach is consistent with the CSRF process and is intended to ensure the

Ministry can be satisfied there are adequate provisions to maximise the effectiveness of the project, prior to the signing of the deed or at critical stages of the project where approval is necessary to proceed.

The CSRF Priority List

36. The CSRF prioritisation tool (the Tool) comprises a list of probable and confirmed contaminated sites identified by regional councils as priorities for their region, being sites where activities and industries listed on the Ministry's Hazardous Activities and Industries List (HAIL) (Appendix 4) have been undertaken. Currently, there are 50 sites on the Tool.
37. The Priority List (the List) is published on the Ministry's website and comprises the 10 highest ranked confirmed contaminated sites on the CSRF prioritisation tool that are eligible for funding. The public release of the List was notified to Cabinet in May 2014 [EGI (14) 104].
38. The List has been successful at placing a greater focus on sites with significant contamination issues and encouraging the responsible regional councils and landowners to address their respective priority sites through applications to the CSRF.
39. The Ministry reviews the List prior to each funding round. Regional councils usually provide details for new sites in the form of applications to the CSRF. When sites have been successfully managed or remediated, they are removed from the List. The List is not a comprehensive list of all the contaminated sites in New Zealand.
40. Following any revisions, we provide you with a revised List for approval. As Minister for the Environment, you approve the Priority List for publication in conjunction with CSRF funding rounds.
41. You last approved publications of the updated List in June 2020/21 Funding Recommendations Briefing Note (R117- CSRF). The List has changed since then, with the addition of the four applications made to this round.
42. The updated List will be published on the Ministry's Website. A copy of the updated List is attached as Appendix 3.

Recommendations

We recommend that you:

- **Approve** Waikato Regional Council's application for funding as requested (\$194,254) for the Victoria Battery Investigation project subject to conditions Yes/No *DP*
- **Approve** Environment Canterbury's application for funding as requested (\$449,738) for the Godley Head Remediation project subject to conditions Yes/No *DP*
- **Approve** Waikato Regional Council's application for funding as requested (\$42,900) for the Tokatea Mine Investigation project subject to conditions Yes/No *DP*
- **Decline** Bay of Plenty Regional Council's application for funding for the Papamoa Hills Reserve project (\$25,000) Yes/No *DP*
- **Note** that we will contact all successful applicants to confirm their intent to proceed and advise unsuccessful application of the outcome of their application to the fund
- **Agree** to publish on the Ministry's website, the updated Priority List presented in Appendix 3 Yes/No *DP*
- **Meet** with officials for further discussion Yes/No *DP*
- **Agree** that this briefing and appendices will be release proactively on the Ministry for the Environment's website following the signing of the deeds of funding for the approved projects. Yes/No *DP*

Signature

Glenn Wigley Director - Policy and Regulatory Waste Resource and Efficiency	<i>G. Wigley</i>
Hon David PARKER, Minister for the Environment	<i>David Parker</i>
[Date field]	9/12/21

Contaminated Sites Remediation Fund Round 2 2021/22 Funding Recommendations

Supporting Information

Purpose

43. This briefing seeks your decision on applications to the contestable Round 2 - 2021/22 (Round 2) of the Contaminated Sites Remediation Fund (CSRF, the Fund). As Minister for the Environment, you approve funding for applications to the CSRF.
44. It also seeks your approval to publish the updated CSRF Priority List (the Priority List, the List) on the Ministry for the Environment's (the Ministry) website. As Minister for the Environment, you approve the Priority List for publication in conjunction with CSRF funding rounds.

Context

Contaminated Sites Remediation Fund (CSRF)

45. The CSRF is a contestable fund administered by the Ministry with an annual appropriation of \$2.628M. The Fund was established in 2000 for a three-year trial following on from development of the Orphaned Sites Remediation Fund which began in 1999.
46. The purpose of the CSRF is to assist regional councils, unitary authorities, and territorial authorities to fulfil their obligations for contaminated land management under the Resource Management Act 1991. Regional councils and unitary authorities can submit applications for sites that they consider priorities for investigation or remediation, and eligible for financial assistance from the Fund. The CSRF eligibility criteria enable councils to ensure the site is eligible for funding before an application is submitted.
47. Funding is directed towards detailed site investigations, remedial planning, and/or remediation. Typically, funding from the CSRF contributes up to fifty per cent of the total project costs; however, in some cases, the Fund can contribute a higher proportion of costs. There is a Cabinet requirement that at least \$0.87M be made available for projects each financial year.
48. Funding rounds are bi-annual and close on the last working day of March and September. In addition to the bi-annual funding rounds, the Ministry will consider applications for emergency/priority funding outside of the normal funding rounds. This is subject to funds being available.

CSRF Application Assessment Process

49. The CSRF funding principles and assessment criteria were considered by Cabinet in 2003 [CAB Min (03) 30/4A] and agreed by Cabinet in 2006 [CAB Min (06) 25/3]. The application assessment criteria derived from the funding principles and assessment criteria are summarised as:
 - a project must meet the eligibility criteria
 - the CSRF funds to a maximum of 50 per cent for the total project costs

- best practice project management methodology, accounting practices and other tools are to be used to ensure there is accountability for the use of public funds
 - partnerships are developed (between the Government, local government, and landowners/occupiers)
 - a risk sharing agreement would detail how increased project costs would be addressed throughout the duration of the project.
50. The three principal criteria embedded into the CSRF's eligibility and assessment criteria are:
- Risk: is posed at a site where there's a pathway to a receptor for toxic contaminants to cause effects. These are sites where activities and industries listed on the Ministry's Hazardous Activities and Industries List (HAIL) have been undertaken. The HAIL is provided in Appendix 4
 - Cost-effectiveness: is where an appropriate level of investment is allocated to the project, and where costs are sufficient and reasonable for the activities proposed. Projects are more likely to be completed within the budget where the proposed activities are practical, the costs reflect the current market rate and they relate only to works associated with the project
 - Equity: is a consideration in determining the appropriate level of financial assistance from the Fund. While preference is given to applicants/organisations that have significant funding capacity, equally the Fund would look to assist applicants/organisations with limited funding capacity where the benefits of that support are greater.
51. The assessment process involves a panel of industry professionals that have the contaminated land capabilities and industry experience to evaluate the applications. The panel assessment process include scoring and evaluating critical factors that align with the assessment criteria summarised below:
- that the site poses an actual or potential, significant risk to human health or the environment
 - there is a strong partnership between the regional council and other parties willing to work together for a common goal and share the risks and benefits. Contributing legitimate capabilities through experienced staff, governance structures, project management and financial processes, necessary to assist in effectively delivering the project
 - whether the level of funding from other sources reflects the responsibility for the contamination; and,
 - priority for funding will go to high ranked sites on the CSRF Priority List in the first place over low-risk sites.

CSRF Project Process

52. Projects that are approved by you will then be invited to Stage II, Project Planning. This includes developing a Work Programme and negotiating a deed of funding. If any conditions of funding or special terms are set for a project, they will be addressed during this period.

53. Once the deed of funding is signed by both the Ministry and the funding recipient, the project may begin. Any costs incurred prior to the deed signing will not be liable for payment under the CSRF.
54. Projects are typically run by regional councils and unitary authorities partnering with landowners and territorial authorities. A suitably qualified environmental practitioner with experience in contaminated land assessments and/or remediation projects is contracted to undertake the works on behalf of councils. The council then reports to the Ministry on the findings of the investigation or progress of the remediation.
55. Contaminated site investigation and remediation, and associated reporting must comply with the Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2012 and the Ministry's Contaminated Land Management Guidelines Nos. 1 and 5.

Assessment of Round 2 2021/22 Applications

56. An assessment panel, comprising of one local government representative, one suitably qualified environmental practitioner and two Ministry staff, convene to discuss their assessment of the applications against the funding criteria (Appendix 1). Panel members are selected based on their technical knowledge and experience in the contaminated land industry.
55. The Round 2 2021/22 Assessment Panel included:
 - Nick Kennedy (non-voting Chair) – Senior Analyst, Ministry for the Environment
 - Bruce Croucher - Principal Analyst, Ministry for the Environment
 - Anne Pezaro - Senior Analyst, Ministry for the Environment
 - Fiona Rudsits – Contaminated Land Specialist, Auckland City Council
 - Dave Dangerfield – Contaminated Land Practitioner, EHS Support.
56. The Panel have considered the extent to which each application meets the funding criteria, the merit of each application compared with the other applications, and the position of the sites on the CSRF Priority List. As such the Panel consider three of the four applications are eligible for funding.
57. The Ministry has considered and agrees with the Panel's assessment and recommends three of the four applications are funded.

Additional information regarding the applicant's project

58. The Ministry received four applications to Round 2 of the CSRF, requesting \$711,892 in funding towards \$1,892,085 total project costs.

Victoria Battery Mine Site Investigation Project

59. Waikato Regional Council (WRC) applied to the CSRF for funding to undertake a contamination investigation at the Victoria Battery Mine site located within the Victorian Battery Reserve area of the Karangahake Goldfield in the Hauraki District.
60. The CSRF contribution sought is 47% of the estimated total project cost of \$413,508, with DOC providing the remainder and an estimated in-kind contribution of \$25,000. The Victoria Battery Mine site is ranked second on the CSRF Priority List.
61. Victoria Battery was constructed in 1897 and erected by the Waihi Gold Mining Company to process ore from its Martha Mine in Waihi. During the 54 years of

operation of the underground mine, 35 million ounces of gold and silver were produced from 11,931,047 tons of quartz. Approximately 70% of the quartz was treated at the Victoria Battery. The site is in a popular recreational area and experiences very high traffic as a cycle trail site, heritage site, and visitor attraction.

62. Given the methodologies utilised in the gold recovery process and the significant volume of rock processed at Victoria Battery, there is potential for significant contamination to be present where any waste rock (mullock or tailings) has been deposited within the site, as well as from the extraction process leachate.
63. The project objectives relate to undertaking an investigation that will give DOC and HWRC a greater understanding of the risk to human health for the public and DOC and Hauraki Rail Trail staff who maintain the area. Subsequent decisions to enhance visitor and staff safety at the site will be informed by the investigation.

Godley Head Remediation Project

64. Environment Canterbury (ECan) applied to the CSRF for funding to remediate an area of land at the Awaroa Godley Head Reserve site (the Site), the northern headland to Lyttleton Harbour in the Canterbury region.
65. The CSRF contribution sought is 46% of the estimated total project cost of \$969,977 with DOC providing the remainder and an estimated in-kind contribution of \$70,500. The Awaroa Godley Head Reserve site is ranked 10th on the CSRF Priority List.
66. The Awaroa Godley Head Reserve was a coastal defence site during WWII and actively used by the New Zealand Defence Force (NZDF) until 1983. The site comprises of buildings and structures in ruins associated with military and lighthouse operations. In 1987 the site was transferred to the Department of Conservation (DOC) and is now a high use recreational reserve.
67. The source of the contamination at the site relates to buildings constructed of asbestos cement products and defence related activities when the NZDF was in residence.
68. A site investigation confirmed the presence of contaminants in soils and on the ground surface at multiple areas across the site. The impact is the result of general maintenance, and poor demolition and removal practices at the time the site was decommissioned.
69. The project objectives relate to implementing the remedial action plan (RAP) and validating that the risk to the public DOC staff and volunteers has been reduced, enabling DOC to reopen the site to public access, and resume maintenance and management of the site.

Tokatea Mine Site Investigation Project

70. Waikato Regional Council (WRC) applied to the CSRF for funding to undertake a contamination site investigation at the Tokatea Mine Site located within the general area of the Coromandel/Hauraki Goldfields in the Thames-Coromandel District.
71. The CSRF contribution sought is 41% of the estimated total project cost of \$105,800 with DOC providing the remainder and an estimated in-kind contribution of \$22,000. The Tokatea Mine site is ranked sixth on the CSRF Priority List
72. The former Tokatea Mine Complex is located on Public Conservation Land known as the Whangapoua Forest (Tokatea) Conservation Area. The complex includes the West Tokatea Battery, the Whakaroa Battery Tokatea-Success and the West Tokatea Mine

Tailings. The mine areas are not readily accessible by the public and are utilised more for conservation than recreational purposes.

73. Tokatea Mines were constructed in 1868 and operated in varying capacities through until 1935. The Tokatea Gold-Mining Company operated at the Royal Oak Mine, exploiting two veins north of Tokatea Saddle from 1870 until 1916. The Tokatea Big Reef mine was operational from 1880 until 1935. The volume of ore extracted is unknown, but the volume of bullion extracted is reported to be 93,748 ounces.
74. Given the methodologies utilised in the gold recovery, there is potential for significant contamination to be present where any waste rock (mullock or tailings) has been deposited within the site, as well as from the extraction process leachate.
75. The project objectives relate to undertaking an investigation that will give DOC and WRC a greater understanding of the risk to the public and DOC staff who maintain the area. Subsequent decisions to enhance visitor and staff safety at the site will be informed by the investigation.

Papamoa Hills Reserve Project

76. Bay of Plenty Regional Council (BOPRC) has applied to the CSRF for funding to undertake the remedial works part of the Papamoa Hills Reserve Upgrade project at the Papamoa Hills Regional Park located in the Western Bay of Plenty District.
77. The CSRF contribution sought is 6% of the estimated total project cost of \$402,800, with BOPRC providing the remainder. The Papamoa Reserve site is ranked 26th on the CSRF Priority List.
78. The remediation component of the project relates to the soil disturbance occurring within the car park development footprint. The excavated soil from within the footprint is intended to be placed in the Reserve area, however the contaminated soil from the hot spot area is unsuitable for reuse in this manner and will be disposed to landfill.
79. The project objectives relate to the construction of a new carpark and visitor entry to improving public access and increase visitor numbers to the Papamoa Hills Regional Park.

Analysis and Advice

80. When considering the Victoria Battery project, the Panel:
 - were in agreement that the application was eligible, and that the preliminary investigation had provided sufficient detail about the site's HAIL history and the potential risk to human health and the environment. There was consensus that the project was worthwhile and would be an opportunity to be strategically valuable, potentially providing solutions for other similar legacy mine sites in New Zealand
 - felt that the governance structure proposed is appropriate for the scale of the project, and that the necessary partnerships and relevant stakeholders had been identified. The Panel considered there was an opportunity for greater involvement from iwi more so than providing cultural support and participating in the Working party
 - agreed that site specific management plans would be necessary to address all the risks and issues the project faces. The safety of workers and site users, and the scrutiny the project is likely to endure needs to be adequately addressed through robust risk management. That the proposed mitigation/management strategies

should be critically evaluated for their impact on the completion and success of the project

- felt that the estimated costs were appropriate given the proposed tasks and activities, and that the deliverables were logical realistic and achievable within the estimated budget and funding timeframe. The Panel considered the CSRF share of costs was appropriate, but DOC's contribution should be confirmed before the deed is signed
- agreed that the refinement of the conceptual site model was critical to ensuring that the sampling regime was appropriate given the complexity of the suspected contaminants and likely receptors e.g., it should include river sediment sampling, air monitoring and appropriate asbestos-related methodologies.

81. The Panel therefore recommend funding for the Victoria Battery Mine Site Project subject to conditions for:

- a site-specific Risk Management Plan and a Communications Management Plan to be submitted to MfE during the Stage II process and prior to the deed being signed
- a special term (stage gate) for a detailed sampling and analysis plan to be submitted prior to the detailed site investigation being undertaken

82. When considering the Awaroa Godley Head project the Panel:

- were in agreement that the information provided was detailed, but not consistent with MfE's requirements for contaminated land investigations and for CSRF funding, that the project delivery and success could be undermined by decisions that were based on an insufficient initial investigation
- agreed that given the potential for high public interest in the project, the Ministry should be satisfied with DOC's proposed strategies for managing risk and public and media scrutiny to ensure
- were concerned about the uncertainties around the investigation and the proposed remedial strategies that the proposed approach was not the most practical or cost-effective and that more precise costings were necessary to provide greater certainty that financial issues will not arise, likewise that DOC's funding offer should be confirmed before committing CSRF funds
- agreed that there was a degree of uncertainty that could be resolved to ensure the project is effective, and that expert advice should be sought through a peer review to provide an independent evaluation of the most viable and cost-effective remedial strategy.

83. The Panel therefore recommend funding for the Awaroa Godley Head Project subject to conditions for:

- a site-specific Risk Management Plan and a Communications Management Plan to be submitted to the Ministry during the Stage II process and prior to the deed being signed
- for a peer review to be undertaken by a certified soil contamination specialist practitioner and the peer review report submitted to the Ministry during the Stage II process and prior to the deed being signed

- a special term (stage gate) for a revised RAP incorporating the peer review recommendations and subsequent revised costings to be submitted to the Ministry prior to any works being undertaken.

84. When considering the Tokatea Mine project the Panel:

- were in agreement that the application was eligible, and that the preliminary investigation had provided sufficient detail about the site's HAIL history and the potential risk to human health and the environment. There was consensus that the project was worthwhile and would be an opportunity to be strategically valuable, potentially providing solutions for other similar legacy mine sites in New Zealand
- felt that the governance structure proposed is appropriate for the scale of the project, and that the necessary partnerships and relevant stakeholders had been identified. The Panel considered there was an opportunity to partner with iwi to a larger extent, considering part of the project area is subject to a settlement claim
- agreed that site specific management plans would be necessary to address all the risks and issues the project faces. The safety of workers and the public, and potential scrutiny the project may endure, needs to be adequately addressed through robust risk management. That the proposed mitigation/management strategies should be critically evaluated for their impact on the completion and success of the project
- felt that until a site visit can be undertaken, it is unclear if the costs are sufficient and reasonable, or if the project tasks and activities are logical, realistic and achievable, within the estimated budget and funding timeframe. That a revised budget was necessary that considered the logistics and implications of the site's location, and that DOC's contribution is confirmed before the deed is signed.

85. The Panel therefore recommend funding for the Tokatea Mine Site Project subject to conditions for:

- a site visit is to be undertaken before submitting revised project costs to MfE during the Stage II process and prior to the deed being signed
- a site-specific Risk Management Plan and a Communications Management Plan to be submitted to MfE during the Stage II process and prior to the deed being signed
- a special term (stage gate) for a detailed sampling and analysis plan to be submitted prior to the detailed site investigation being undertaken.

86. When considering the Papamoa Hills Reserve project the Panel:

- agreed that the application does not align with the fund's assessment criteria, that there was no significant risk and the impact on human health and the environment was negligible, further demonstrated by the site's low rank on the Priority List
- were unclear who was liable for the contamination on the site. They considered there was potential that the council itself could have caused the contamination and/or did not undertake appropriate due diligence prior to purchasing the site
- were concerned that key project management information was missing, that the supporting technical information did not meet the standard for a contaminated land risk assessment, and that as such they could not conduct a thorough assessment
- the application was for a dig and dump exercise with no consideration for best practice or innovation

- agreed that if BOPRC can fund a \$400,000 project themselves, financial assistance from the CSRF is not critical to the project's success.
87. The Panel therefore recommend funding for the Papamoa Hills Reserve project is declined.
88. The Ministry has considered and agrees the Panel's recommendations. We consider the Panel undertook a robust assessment of the applications and appropriately scrutinised the applications in accordance with the CSRF process to ensure their recommendations meet the funding objectives. The Panels comments are provided in Appendix 2.
89. The Ministry considers the three projects being recommended for funding have presented the required capabilities and strategies for ensuring the proper use of public funds to investigate or implement viable solutions for reducing the risk to human health and the environment.
90. The Ministry agree funding should be declined for the Papamoa Hills Reserve Project based on it not meeting the funding criteria including the Ministry's standards.
91. Table 2 is an overview of the applications received and the Panel's recommendations.

Table 2: Overview of applications and funding recommendations

Project	Applicant	Project Phase	Total Project Costs	CSRF Funding Requested \$/%	Funding recommendations
Victoria Battery Mine	Waikato Regional Council (WRC)	2 – Site Investigation	\$413,008.00	\$194,254.00 47%	Approve funding subject to conditions
Awaroa Godley Head Reserve	Environment Canterbury (ECan)	4 – Site Remediation	\$969,977.79	\$449,738.89 46%	Approve funding subject to conditions
Tokatea Mine	Waikato Regional Council (WRC)	2 – Site Investigation	\$105,800.00	\$42,900.00 41%	Approve funding subject to conditions
Papamoa Hills Reserve	Bay of Plenty Regional Council (BOPRC)	3 – Remedial Planning 4 – Site Remediation	\$402,800.00	\$25,000.00 6%	Decline funding

92. If you approve funding for the three projects, the Ministry will address the Panel's concerns in the deed of funding as a special term (e.g., conditions precedent or stage gate). This approach is consistent with the CSRF process and is intended to ensure the Ministry can be satisfied there are adequate provisions to maximise the effectiveness of the project, prior to the signing of the deed or at a particular stage of the project where approval is necessary to proceed.

Risks and mitigations

93. If a project is not appropriately defined, budgeted, resourced, and delivered, it runs the risk of being unsuccessful, resulting in misappropriation of government funds. Therefore, if an application is approved that has not met the Ministry's requirements and the project is unsuccessful, the recipient and the Ministry run the risk of criticism from the public and the media for the improper use of public funds.
94. The CSRF's eligibility and assessment criteria are intended to ensure the Ministry can assess a project's viability and value to ensure the project will be completed to the standards required by the Ministry and to ensure there is accountability for the use of public
95. The principles underpinning the funding criteria ensure that only eligible applications progress to be assessed by the Panel and that the assessment process enables a robust evaluation of critical success factors, to be certain the recipient can deliver the agreed benefits and outcomes.
96. The assessment process enables the Panel to determine the extent to which and how well the project meets the assessment criteria so that the Ministry can be satisfied the applicant has demonstrated capabilities and formed the appropriate partnerships, to successfully investigate and remediate a contaminated site, and to properly manage the funding received.
97. The Panel evaluate whether the project objectives and goals are achievable and timely, if the costs are sufficient and reasonable for the activities proposed, and whether the risks, benefits, strategic values, and effectiveness of the project will contribute to the community values and aspirations for the site. The Panel assessment includes considering if the appropriate roles, groups, and processes have been identified. The contribution of critical and relevant capabilities determines if decisions will be made consistently and robustly, money will be spent responsibly, and that change and risks will be addressed and managed effectively, prior to a funding decision being made.
98. The Panel assessment ensures a project is successful and achieves its outcomes to a high standard. The investigation is required to meet the standards set out in the Ministry's Contaminated Land Management Guidelines, the project management strategy is required to meet industry best practice standards and the governance structure is required to be appropriately resourced with highly capable and experienced persons.
99. Eligible applications are scrutinized by experienced contaminated land personnel and industry experts who assess the merits of each application to determine the appropriate level of funding. The Panel only recommend funding for projects they consider have the capabilities and resources to be successful. Where eligible projects lack critical information or capabilities, they may be deferred to the next funding round to enable the applicant to resubmit a more comprehensive application.
100. The 2021/22 round 2 assessment panel has conducted a rigorous assessment of the applications against the CSRF funding criteria and made recommendations, which the Ministry endorses. Provided the Panel's concerns are addressed by imposing conditions in the Deeds as detailed in paragraphs 81, 83 and 85, the Ministry has a means of ensuring they are satisfied with the allocation of funding for the three projects recommended for funding.

Legal issues

101. No legal issues.

Financial implications

102. The total amount of unallocated funding is currently \$6.3M.

103. Appropriation of \$2.252M is currently available for the 2021/2022 financial year. If you accept the three projects for funding this will require \$686,892 from the Fund. There will be approximately \$1.568M available from the 2021/2022 financial year appropriation for any priority and emergency funding applications made outside this normal funding round.

Next Steps

104. Following your decision, we will:

- a. Advise unsuccessful applicants on the outcome of their respective funding applications, including feedback on their project.
- b. Enter negotiations with successful applicants to agree the final scope of their projects and address the conditions of funding.
- c. Publish the updated Priority List on the Ministry website pending your announcement of the successful applications.

105. It is normal for the Minister to publicly announce successful applications once they have entered a deed of funding. If the applicants are successful, the Ministry will provide a draft media release for this purpose. However, if no Ministerial announcement is made within six months, the successful applicants will be free to announce the funding themselves.

106. If you approve the three projects co-funded by DOC there is an opportunity for a combined media release with the Minister of Conservation.