



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), and National Emergency Management Agency (NEMA), on behalf of Hon Kieran McAnulty, Minister for Emergency Management:

Financial assistance to support Buller District Council's Infrastructure Recovery Programme

The following documents have been included in this release:

Title of paper: Financial assistance to support Buller District Council's Infrastructure Recovery Programme (GOV-22-SUB-0017 refers)

Title of minute: Financial assistance to support Buller District Council's Infrastructure Recovery Programme (GOV-22-MIN-0017 refers)

Title of minute: Report of the Cabinet Government Administration and Expenditure Review Committee: Period Ended 10 June 2022 (CAB-22-MIN-0229 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- Section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion; and
- Section 9(2)(j), to enable negotiations to be carried on without prejudice or disadvantage.

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~~In Confidence~~

Office of the Minister for Emergency Management
Cabinet Government Administration and Expenditure Review Committee

Financial assistance to support Buller District Council's Infrastructure Recovery Programme

Proposal

- 1 I seek your agreement to provide financial support of \$10.636 million to enable the Buller District Council (the Council) to undertake an infrastructure recovery programme following the July 2021 and February 2022 flood events.
- 2 This will allow completion of the infrastructure recovery programme being led by the Council and enabled by the National Emergency Management Agency (NEMA).

Relation to government priorities

- 3 This proposal supports the Government's response and recovery programme to the Buller District (the District), following severe flood events in July 2021 and February 2022.
- 4 The proposal also supports some of the desired outcomes of the National Adaptation Plan, notably to increase resilience of infrastructure and communities to climate driven hazards.

Executive summary

- 5 The July 2021 and February 2022 flood events caused significant damage and disruption to infrastructure assets of the Council.
- 6 Damage assessments and cost estimates to restore key infrastructure have now been completed by the Council, and a work programme developed, comprised of three workstreams:
 - repairs to essential infrastructure, including Westport port
 - dredging the Buller River channel
 - betterment projects for Three Waters infrastructure.
- 7 The Council's financial position, and the comparative scale of the flood damage, severely constrains its ability to fund the infrastructure recovery programme. A request has been made for additional financial support from the Crown of \$10.636 million to allow completion of all three workstreams.
- 8 The infrastructure recovery programme has been assessed by NEMA officials and deemed necessary, appropriate and deliverable.
- 9 The Department of Internal Affairs (DIA) commissioned an independent health check on the Council's financial position which highlighted the very limited ability for it to meet the costs of response and recovery including urgent

repairs to damaged infrastructure. Due to the financial hardship being experienced by the Council, DIA and NEMA officials have advised me that additional financial assistance from the Crown is needed to meet the costs of the proposed infrastructure recovery programme.

- 10 The proposed work programme is assessed as low risk under the Treasury's Risk Profile framework and, subject to financing, is scheduled for completion by late March 2023.
- 11 The requested funding falls outside policy settings for Crown financial support to local authorities during recovery, and therefore requires Cabinet approval.

Background

The Government is supporting the District to recover from significant and compounding flood events

- 12 In the wake of the July 2021 and February 2022 flood events in the District, and the significant impact of these events on the District's population, the Government has agreed to a range of financial and resource support measures.
- 13 The support measures provided to date are outlined in Appendix A. This includes a package of extraordinary financial assistance agreed by Cabinet in August 2021, known as '*Tranche 1 Funding*', to meet the Council's immediate operating shortfalls and to commence an initial recovery programme.
- 14 At the time the Tranche 1 support package was approved, Cabinet agreed to consider other measures that may be required for mid- to long-term recovery for the District at a later date [CAB-21-MIN-0332 refers].

Infrastructure damage assessments have now been completed and a Tranche 2 recovery programme developed

- 15 Damage to Council-owned infrastructure occurred during the flood events. A full damage assessment, and identification of the optimal programme of recovery work, has now been completed.
- 16 The Council has provided a final report to NEMA setting out the scope of the proposed infrastructure recovery programme and a request for additional funding support of \$10.636 million. This '*Tranche 2 Funding Request*' is the final package of support requested by the Council within the Emergency Management portfolio to complete their recovery from the flood events.

Infrastructure recovery is a key component of the District's wider recovery programme

- 17 Restoring functionality to critical infrastructure is vital for the District's economic and social recovery and sits alongside work being advanced by other agencies. This includes housing support being provided by the Ministry of Business, Innovation and Employment and the exploration of options to increase flood resilience in Westport being led by DIA.

- 18 NEMA will continue to work with other agencies on these related initiatives, which are outside the scope of this recovery 'Tranche 2' funding request.

Infrastructure recovery programme and 'Tranche 2' funding request

The Council is seeking additional financial support to deliver three concurrent infrastructure recovery workstreams

- 19 The Council has advised they are not able to meet their share of the costs of the infrastructure recovery programme under current policy settings and has requested financial assistance from Government.
- 20 The proposed infrastructure recovery programme and financial request is built around three workstreams:
- \$4.338 million for repairs to essential infrastructure, on a 'like for like' basis
 - \$4.716 million to dredge the Buller River channel and allow reopening of the port to shipping
 - \$1.582 million for betterment projects for Three Waters infrastructure.
- 21 From a practical perspective, the workstreams are interrelated and offer co-benefits. The recovery programme has been designed to restore community capacity for self-help and to be consistent with Government objectives for improved disaster resilience.
- 22 Work across all three workstreams is anticipated to be completed by late March 2023, subject to financing.

Due diligence, risk assessment, oversight and accountability have been considered and the recovery programme determined as 'low risk'

- 23 NEMA officials have worked closely with the Council as they developed their recovery programme. This has included advice on current policy and funding eligibility and due diligence to ensure the most cost-effective outcomes have been selected.
- 24 When assessed against the Treasury's Risk Profile Assessment, the programme is determined to be 'low risk'. This reflects the small scale of the work, engagement by NEMA officials with Council to develop the programme, NEMA's assurance processes and proposed governance arrangements.
- 25 Resources to carry out the work will be engaged in accordance with the Council's procurement policies. The individual projects within the infrastructure recovery programme are not complex, but some will likely require resources from outside the region¹.

¹ The Council has advised packages of work will likely be created to attract joint venture proposals from West Coast contractors and larger external contracting companies to address any capacity issues that may exist.

- 26 The Council has also made provision² within cost estimates to mitigate the risk of price rises and supply chain issues in the contracting sector.
- 27 Implementation of the recovery programme will be led at the local level by the Council. The requested funding covers the appointment of a programme manager to oversee and coordinate delivery.
- 28 Monitoring will be undertaken by the Buller Recovery Steering Group, or its successor. This governance structure comprises central government, local government and an iwi representative and provides a vehicle to raise any implementation issues. Financial assurance will be undertaken by NEMA using its existing reimbursement claims processes.

Workstream 1: Repairs to essential infrastructure ('like-for-like', 60/40 cost sharing)

- 29 The first workstream involves the restoration of Council-owned essential infrastructure. Details are outlined in Table 1 below.
- 30 Under current policy, the cost of eligible essential infrastructure repairs is shared between the Crown and local authority on a 60/40 basis, above a threshold³. The Crown's 60 percent contribution is made on a reimbursement basis and is limited to essential infrastructure assets (under defined policy parameters) and 'like-for-like' repairs (not improvements).
- 31 The proposed projects in this workstream have been assessed and are entitled to 60 percent reimbursement of eligible costs from NEMA under existing policy.
- 32 Under the Tranche 2 funding request, the Council is seeking additional support from Government, outside current policy, to meet the Council's 40 percent contribution. This will see the full repair costs, less the Council's threshold contribution and any insurance settlement received by the Council, being met by the Crown.

s9(2)(j)

² Cost contingency provision varies across the projects, averaging 12.2% overall.

³ The threshold per event which the local authority must first meet is 0.0075 percent of the net capital value of the city council, district council or unitary authority involved. In the case of Buller District Council, the threshold is \$0.174 million per event.

s9(2)(j)

34

s9(2)(j)



s9(2)(j)



Workstream 2: Dredging the Buller River channel

- 35 The Buller River shipping channel provides access to Westport Port. As a consequence of the floods, approximately 320,000 m³ of debris, gravel and silt needs to be removed to return the channel to serviceability for bulk carriers and other shipping.
- 36 To date approximately 100,000 m³ of river debris and silt has been removed by the Council-owned dredge ('Kawatiri') through funding under the Government's 'Shovel Ready' Infrastructure Projects scheme. This project is due to finish in June 2022.
- 37 The Council is seeking Government support to remove the remainder of the river debris. The estimated cost is outlined in Table 2.
- 38 The objective of this work is to restore the channel to pre-flood conditions. This will then position the Council to be able to undertake maintenance dredging as a BAU programme.

- 39 Work of this nature falls outside the scope of Crown financial assistance provided to local authorities for event recovery. That said, restoration of port functionality is critical to the economic health of the region. A co-benefit is that removal of river debris will help support flood risk management.

Table 2: Proposed dredging programme to restore the river channel and port access

Workstream 2: Dredging of the Buller River channel		
Dredging to remove river debris, gravel, and silt to restore the Buller River channel and shipping access to Westport port		
Current policy settings, as set out under the CDEM Guide		
Crown contribution	Not eligible	-
Local authority contribution	Full costs	\$4.716 million
Request for additional funding support from the local authority		
Total requested from Government under Tranche 2 for Workstream 2		\$4.716 million

Workstream 3: Betterment projects for Three Waters infrastructure

- 40 The final workstream concerns improvements to Three Waters infrastructure. The Council has indicated that there are some betterment opportunities that, if carried out at the same time as required repairs, will increase the resilience of some assets, and enable more timely response to future events. This proposed work on the Three Waters infrastructure is outlined below in Table 3.
- 41 Betterment relates to any rebuild or repair work that results in a change to the original infrastructure or asset over and above a 'like for like' repair. Standard recovery policies do not provide for Crown funding of intentional betterment.
- 42 Of the Workstream 1 projects, undertaking minor improvements to the Three Waters infrastructure at the same time as essential repairs are being made makes good sense. There are clear resource efficiencies and the District's vulnerability to future flood events is evident. This work is separate to the flood resilience work being led by DIA that will consider new flood protection initiatives as part of a longer-term resilience and flood protection package for the community.

Table 3: Proposed betterment projects linked to repairs to the Three Waters infrastructure

Workstream 3: Betterment projects for Three Waters infrastructure		
<i>Stormwater</i> – range of improvements, including to floodgates, drainage and data modelling and coordination		
<i>Wastewater</i> – range of improvements, including to pump station		
<i>Water Supply</i> – range of improvements to be identified and carried out in conjunction with repairs		
Current policy settings, as set out under the CDEM Guide		
Crown contribution	Not eligible	-

Local authority contribution	Full costs	\$1.582 million
Request for additional funding support from the local authority		
Total requested from Government under Tranche 2 for Workstream 3		\$1.582 million

Rationale for providing financial support for Tranche 2 infrastructure recovery

- 43 The basis for the Council's request for additional financial support is the compounding effect of its ongoing financial pressures and the need to manage response and recovery activities for concurrent floods.
- 44 Additional financial support, outside policy, is reserved for extraordinary circumstances such as following the Kaikōura earthquake. Consideration is given to the scale of the event's impacts and the local authority's capacity to recover. Any decision to act outside established policy needs to be balanced against unhelpful precedential effects that might undermine a local authority's incentives to meet its legislated emergency management responsibilities⁵.

Multiple, compounding flood events have exceeded local capacity to recover

- 45 The District has experienced two severe floods in short succession, resulting in significant impacts for the Council to manage. Heavy rainfall in July 2021 caused severe flooding, primarily of residential properties within central Westport. In February 2022, the District again experienced severe flooding. This flooding was more widespread, with rural communities throughout the District bearing the brunt of the damage.
- 46 The flood events were of a magnitude that overwhelmed Council and community resources and were beyond what can be reasonably expected from a local authority to address, given the relative scale of the events to the District's population and its socio-economic profile.
- 47 NEMA officials are of the view that the work proposed under the recovery programme is both necessary and urgent to restore and maintain the reliability and availability of the impacted infrastructure to pre-flood levels.
- 48 NEMA officials are also concerned that any deferment or delay of the infrastructure recovery programme risks adversely impacting the local community. The availability and reliability of assets/networks may be compromised or reduced and the region's social and economic recovery will be hampered. The latter is of particular concern in respect of Westport port and the Buller River channel, given its current inoperability for shipping services.

⁵ Government financial support is based on the expectation that local authorities will be primarily responsible for bearing the financial costs of the impact of an emergency in their geographical and functional areas of responsibility - *National Civil Defence Emergency Management Plan Order 2015, section 161(2)*.

49 The Council has indicated the work will commence as soon as funding is approved. Commencement of the infrastructure programme is expected to have a positive impact on the community, supporting economic opportunities and social recovery.

The Council's financial position is severely constrained

50 Having a small rating base and a community with a very high deprivation index, the Council cannot absorb the costs of the floods. The Council has s9(2)(g)(i) limited options to raise revenue or increase debt due to the socio-economic profile of its population.

51 DIA commissioned an independent 'financial health check' in 2021⁷ to assess the Council's financial position, capability and operating constraints as a result of the floods. Based on this report, and subsequent engagement by DIA and NEMA through the Buller Recovery Steering Group, officials consider the recovery programme cannot be completed, within reasonable timeframes, without the Crown meeting the full amount of assessed costs.

52 If additional financial support is not made available, anticipated outcomes are:

- work will remain outstanding, leaving the community with fragile and unreliable Three Waters services, flooding risk in Reefton, risk of environmental contamination at the closed Reefton landfill, and without a functioning port in Westport
- negative consequences for economic and social recovery, s9(2)(g)(i)
- compounding financial hardship for the Council, as the diversion of resources away from urgent and high priority BAU renewals and improvements will not be without short and long-term consequences
- unreasonable demands on the Council's small ratepayer base in a stressed community with high socio-economic deprivation⁸
- ongoing vulnerability to extreme weather events and an inability to fund necessary resilience work.

53 The Council is seeking to work closely with NEMA and to be a good partner in the recovery process. s9(2)(g)(i)

⁶ As at 30 June 2021, the Council's Annual Report noted cash and short term investments of around 20 million.

⁷ Buller District Council 'Health Check Report', Morrison Low, October 2021

⁸ Only 20 percent of the district's population have a personal income greater than \$50,000 p.a. and 42 percent have personal income less than \$20,000 p.a. There are only 7,463 rating units in a projected population of 9,600. A high percentage of households faced evacuation and flood damage as a consequence of the flooding events.

Future considerations

Tranche 2 is the final component of NEMA-led recovery support, but not the end of Government assistance to the region

- 54 This infrastructure work programme is the final component of recovery support being led by NEMA. Longer-term support programmes led by other agencies, including housing and flood resilience, are ongoing. These programmes look beyond recovery from recent events to the District's longer-term outlook and its transition to a more resilient future.
- 55 The Minister of Local Government has invited the West Coast Regional Council and Buller District Council to submit a business case for possible co-investment by the Crown in flood protection and longer-term resilience measures for Westport. This submission is due to be received by DIA at the end of June 2022 and will be considered further by Community Resilience Ministers. Until further measures are undertaken to reduce the underlying flood risk in Westport the community will remain vulnerable to future flood events.

The Buller District community faces a long journey to recover

- 56 It is important to note that the challenges brought by the flood events are not limited to the Council. This is a community that continues to face economic uncertainty, a range of financial hurdles, and substantial psycho-social pressures.

New Zealand is increasingly experiencing more frequent and more extreme weather events

- 57 The challenges being seen in the District are a window to the types of issues faced by councils with relatively small rating bases and high exposure to climate-related natural hazards. They illustrate the need to consider options across the hazard management spectrum: avoiding, controlling/mitigating, transferring and – in some cases – accepting risk. They also illustrate the need for the types of anticipatory tools and processes that are being developed through the National Adaptation Plan.
- 58 Westport has a long history of significant flood events and faced flood risk prior to the onset of climate change. Climate change will further exacerbate this flood risk, reinforcing the need for proactive planning to adapt and to reduce the underlying risk. This will require increased effort including investment in risk reduction and other adaptive responses from the public and private sectors, communities, and individuals.

The National Adaptation Plan provides a pathway to address climate-related natural hazards

- 59 The National Adaptation Plan, currently under development by the Ministry for the Environment in collaboration with other central government agencies, will set the direction priorities and actions government will take over the next six years to build climate resilience. This first National Adaptation Plan will set

the foundation for long term change and builds on our current risk management system where everyone has responsibilities to manage their own risks, as far as possible.

Vulnerable communities will continue to face challenges

- 60 Due to its small size and limited financial resources the Buller community has required significant support including funding from Central Government. The recommendation to provide additional support for infrastructure recovery has been carefully considered. Socio-economic inequality is a key element in disaster resilience and recovery, with vulnerable people often living in more hazard-exposed areas and with less access to insurance and social protection measures. There will remain instances where additional assistance will be sought from Central Government to support vulnerable communities recover from major disasters. Communications will highlight that additional NEMA support following significant and overwhelming disasters is not unprecedented and is based on careful consideration of the particular circumstances.

Financial Implications

- 61 This paper seeks new funding of \$10.636 million for 2022/23 only for Vote Prime Minister and Cabinet to provide additional financial assistance to the Buller District Council to undertake an infrastructure recovery programme of works following the impacts of the July 2021 and February 2022 flood events. This will be charged against the between-Budget contingency established as part of Budget 2022.
- 62 The new funding will provide for Crown expenses relating to reimbursement of invoices received from the Council in 2022/23, whether the associated works were undertaken by the Council in 2021/22 or 2022/23. In other words, it will cover both works already in progress as well as scheduled future works. The Council understands that it may not be reimbursed for works already in progress if Cabinet does not agree the recommendations in this briefing and that it would need to reprioritise funding intended for other high priority business as usual improvements and renewals to meet these costs.

Legislative Implications

- 63 There are no legislative implications arising from the proposals in this paper.

Treaty of Waitangi Implications

- 64 The Council will be engaging with iwi and Māori, and other stakeholders as they navigate infrastructure solutions. There is an iwi representative on the Buller Recovery Steering Group. The Steering Group has reviewed and endorsed the proposed scope of the infrastructure recovery programme. I expect that, as recovery proceeds, local Māori contributions will be recognised, resourced, and reflected at all levels of the recovery process.

Population Implications

- 65 The Council is small, servicing 9,600 people. The socio-economic profile of the Council's population shapes its financial resilience and flexibility.

66 The Buller District has high socio-economic deprivation, including the lowest median household income and the highest means tested benefit rate across the country.

Human rights

67 There are no legislative or regulatory implications that affect human rights.

Consultation

68 NEMA officials have worked closely with Council officers regarding project and work scope eligibility, cost estimates and funding arrangements. Several changes were made by the Council, and cost reductions identified, prior to the request being submitted to Government.

69 This paper was developed by the National Emergency Management Agency and reflects feedback from the Treasury, Ministry of Business, Innovation and Employment, Ministry for Primary Industries and Waka Kotahi. The Department of Internal Affairs, which is providing financial support to the Buller District Council, has been consulted and supports this paper and its recommendations. The Department of the Prime Minister and Cabinet (PAG) has been advised.

Communications

70 There is public and media interest in the District's recovery. I intend to develop a plan to inform communications with the local authority and the public.

Proactive release

71 I intend to proactively release the Cabinet paper consistent with Cabinet Office Circular CO (18) 4.

Recommendations

The Minister for Emergency Management recommends that the Committee:

- 1 **Note** the Buller District Council is leading the recovery from the July 2021 and February 2022 flood events within its district.
- 2 **Note** that in August 2021 Cabinet committed to considering measures that may be required for the mid to long term recovery of the Buller district [CAB-21-MIN-0332 refers].
- 3 **Note** the Council has now put forward a costed infrastructure recovery programme and funding request to Government (known as the 'Tranche 2' funding request).
- 4 **Note** the infrastructure recovery programme and funding request comprises three workstreams as follows:
 - 4.1 \$4.338 million for 'like-for-like' essential infrastructure repairs, to cover costs which would otherwise fall to the Council

- 4.2 \$4.716 million to dredge the Buller River, including access to the port
- 4.3 \$1.582 million for betterment work on Three Waters infrastructure, to be carried out in conjunction with related repair work.
- 5 **Note** NEMA officials consider the proposed infrastructure recovery programme to be necessary, appropriate and deliverable by end March 2023.
- 6 **Note** that the request for additional funding support, outside policy, is supported by DIA and NEMA officials due to the impact of compounding flood events on the District and the Council's constrained financial position.
- 7 **Note** this 'Tranche 2' package is the final component of recovery support being enabled by NEMA, although longer term support programmes led by other agencies, including for housing and flood protection, are ongoing.
- 8 **Agree** to provide financial assistance of \$10.636 million for 2022/23 only to enable the Buller District Council to undertake an infrastructure recovery programme of works following the July 2021 and February 2022 flood events.
- 9 **Agree** the additional funding may support work undertaken in 2021/22 for which claims for reimbursement will not be received until 2022/23.
- 10 **Approve** the following change to appropriations to give effect to the decision in recommendation 8 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Prime Minister and Cabinet Minister for Emergency Management	\$m – increase/(decrease)			
	2022/23	2023/24	2024/25	2025/26 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support MCA Non-Departmental Other Expense: Emergency Risk Reduction, Readiness, Response and Recovery	10.636	-	-	-
Total Operating	10.636	-	-	-

- 11 **Agree** that the proposed change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
- 12 **Agree** that the expenses incurred under recommendation 10 above be charged against the between-Budget contingency established as part of Budget 2022.
- 13 **Agree** that, subject to joint agreement by the Minister of Finance and Minister for Emergency Management following completion of the 2022/23 Department of the Prime Minister and Cabinet financial statements, any underspend in 2022/23 in the appropriated funding may be carried forward

to 2023/24 if the recovery programme supported through this decision is unavoidably delayed beyond June 2023.

- 14 **Agree** that any remaining funding following completion of the recovery programme is not to be applied to any other purpose.

Authorised for lodgement

Hon Kiri Allan
Minister for Emergency Management
Appendix A

Financial contributions (to date) following the July 2021 and February 2022 flood events in Buller District

Local authority contributions to response and recovery costs

<i>Costs incurred by the Council that have been identified to date</i>		
BDC	Council share of land transport funding following July event	\$0.213 million
BDC	2x Threshold Costs before 60/40 reimbursement is eligible on essential infrastructure repairs	\$0.348 million
BDC	Costs and wages associated with operating the Emergency Operations Centre during the July and February events	\$0.426 million
<i>Total costs borne by Buller District Council to date (estimate)</i>		<i>\$0.987 million</i>

Central Government contributions to response and recovery costs (to date)

Amounts are GST exclusive and are based on currently available figures and estimates.

Funding provided under existing policy settings

<i>Financial assistance provided under current policy settings or established arrangements</i>		
NEMA	Eligible welfare costs (100% cost reimbursement)* Eligible response costs (60% cost reimbursement above Council's threshold)* *Special provision was made for a \$1m advance payment. Actual figures are only available for the July 2021 event. Costs for February 2022 are pending.	\$0.256 million + \$0.284 million +
NEMA	Eligible essential infrastructure repair costs* (60% cost reimbursement above Council's threshold) *Based on proposed infrastructure recovery programme moving forward in full.	\$6.508 million
NZTA	Eligible roading costs Buller Special Purpose Road request* Buller Local Roads request* Waka Kotahi State Highway*	s9(2)(i)

	*Request will be assessed in accordance with Waka Kotahi Emergency Works Policy	
MoT	Westport Airport replacement and upgrade of runway lighting damaged in July event	\$0.130 million
<i>Total cost to Central Government of funding provided under existing policy settings</i>		s9(2)(j)

Additional Crown funding support (outside current policy)

<i>Discretionary financial assistance provided in support of July 2021 and February 2022 events</i>		
NEMA	Contributions to Mayoral Relief Funds (\$261,000 in July and \$87,000 in February)	\$0.348 million
NEMA	Advance payment of \$1 million* *to support cashflow ahead of reimbursement, of which \$0.54m has been drawn down to date	\$0.46 million
MPI	Taskforce Green (\$1m funding support across Tasman and Marlborough districts) *\$0.5m used in calculation of total financial assistance	\$0.5 million*
MPI	Rural Mayoral Relief (\$35,000 in July and \$140,000 in February)	\$0.175 million
DIA	Lotteries Grant (to extend Community Hub and Navigators to September 2022)	\$0.8 million
<i>The Temporary Accommodation Service (TAS) - housing initiative</i>		
MBIE	Funding for TAS' West Coast flooding response, which includes: <ul style="list-style-type: none"> the use of commercial and transportable accommodation options the procurement and placement of porta-cabins the relocation and connection of eight government-owned houses 	\$2.450 million (capital) \$2.556 million (operating)
MBIE	Funding for the development of a temporary accommodation village in Westport, which includes: <ul style="list-style-type: none"> site preparation and construction design, planning, consenting, and management 	\$15.447 million (capital) \$2.040 million (operating)
<i>Tranche 1 Funding, \$8m support package, agreed by Cabinet on 23 August 2021</i>		
NEMA	Community hub and Navigator services	\$1 million
NEMA	Immediate response and recovery costs	\$1.45 million
NEMA	Waste removal	\$1.5 million
NEMA	Temporary Accommodation Village infrastructure	\$0.65 million
DIA	Interim funding for core Council services requiring surge resourcing	\$3.25 million
DIA	Specialist advice on financial health of Council	\$0.15 million
<i>Additional measures, agreed by Cabinet 11 March 2022</i>		

NEMA	Reallocation of \$650,000 Tranche 1 underspend to waste removal and water infrastructure repair costs.	-
NEMA	Support for water infrastructure repair costs.	\$0.294 million
<i>Total cost to Central Government of additional support</i>		<i>\$33.07 million</i>

Proactively Released



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Financial Assistance to Support Buller District Council's Infrastructure Recovery Programme

Portfolio **Emergency Management**

On 9 June 2022, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that the Buller District Council (the Council) is leading the recovery from the July 2021 and February 2022 flood events within its district;
- 2 **noted** that in August 2021, Cabinet agreed to provide the Council with an additional \$8 million in 2021/22 to enable the Council to meet its immediate operating shortfalls and start a recovery programme, and noted that responsible Ministers intended to report back on any other measures that may be required for the mid to long term recovery of the Buller district [CAB-21-MIN-0332];
- 3 **noted** that the Council has now put forward a costed infrastructure recovery programme and funding request to government, known as the 'Tranche 2' funding request;
- 4 **noted** that the infrastructure recovery programme and funding request comprises three workstreams as follows:
 - 4.1 \$4.338 million for 'like-for-like' essential infrastructure repairs, to cover costs which would otherwise fall to the Council;
 - 4.2 \$4.716 million to dredge the Buller River, including access to the port;
 - 4.3 \$1.582 million for betterment work on Three Waters infrastructure, to be carried out in conjunction with related repair work;
- 5 **noted** that National Emergency Management Agency (NEMA) officials consider the proposed infrastructure recovery programme to be necessary, appropriate and deliverable by end March 2023;
- 6 **noted** that the request for additional funding support, outside policy, is supported by the Department of Internal Affairs and NEMA officials due to the impact of compounding flood events on the Buller District and the Council's constrained financial position;

- 7 **noted** that the ‘Tranche 2’ package is the final component of recovery support being enabled by NEMA, although longer term support programmes led by other agencies, including for housing and flood protection, are ongoing;
- 8 **agreed** to provide financial assistance of \$10.636 million for 2022/23 only to enable the Council to undertake an infrastructure recovery programme of works following the July 2021 and February 2022 flood events;
- 9 **agreed** that the additional funding above may support work undertaken in 2021/22 for which claims for reimbursement will not be received until 2022/23;
- 10 **approved** the following change to appropriations to give effect to the decision in paragraph 8 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Prime Minister and Cabinet Minister for Emergency Management	\$m – increase/(decrease)			2025/26 & Outyears
	2022/23	2023/24	2024/25	
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support MCA Non-Departmental Other Expense: <i>Emergency Risk Reduction, Readiness, Response and Recovery</i>	10.636	-	-	-
Total Operating	10.636	-	-	-

- 11 **agreed** that the change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 12 **agreed** that the expenses incurred under paragraph 10 above be charged against the between-Budget contingency established as part of Budget 2022;
- 13 **agreed** that, subject to joint agreement by the Minister of Finance and Minister for Emergency Management following completion of the 2022/23 Department of the Prime Minister and Cabinet financial statements, any underspend in 2022/23 in the appropriated funding may be carried forward to 2023/24 if the recovery programme supported through this decision is unavoidably delayed beyond June 2023;
- 14 **agreed** that any remaining funding following completion of the recovery programme is not to be applied to any other purpose.

Rebecca Davies
Committee Secretary

Present:
Hon David Parker (Chair)
Hon Michael Wood
Hon Kiri Allan
Dr Deborah Russell MP

Officials present from:
Office of the Prime Minister
Officials Committee for GOV



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Government Administration and Expenditure Review Committee: Period Ended 10 June 2022

On 13 June 2022, Cabinet made the following decisions on the work of the Cabinet Government Administration and Expenditure Review Committee for the period ended 10 June 2022:



GOV-22-MIN-0017 **Financial Assistance to Support Buller District Council's Infrastructure Recovery Programme** CONFIRMED
Portfolio: Emergency Management

Michael Webster
Secretary of the Cabinet

Proactively Released