



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:

Additional Support for the Buller District Council's Recovery Efforts for the February 2022 Flooding Event

The following documents have been included in this release:

Title of paper: Additional Support for the Buller District Council's Recovery Efforts for the February 2022 Flooding Event (GOV-22-SUB-0007 refers)

Title of minute: Additional Support for the Buller District Council's Recovery Efforts for the February 2022 Flooding Event (GOV-22-MIN-0007 refers)

Title of minute: Report of the Cabinet Government Administration and Expenditure Review Committee: Period Ended 8 April 2022 (CAB-22-MIN-0126 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)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials.
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion.

~~Security classification In Confidence~~

Office of the Minister for Emergency Management

Cabinet Government Administration and Expenditure Review Committee

Additional support for the Buller District Council's recovery efforts for the February 2022 flooding event

Proposal

- 1 This paper seeks approval to extend the existing funding of \$4.6 million within Vote Prime Minister and Cabinet, allocated to the Buller District Council (the Council) following the 2021 floods and agreement to fund the Council's 40 per cent share of infrastructure repair costs, to cover the impact of the February 2022 floods to enable the continuation of urgent recovery works.

Executive Summary

- 2 In July 2021, severe weather on the West Coast led to widespread flooding in Buller District. Following a \$1 million advance payment to support welfare costs during the response, Cabinet also approved an \$8 million financial assistance package in 2021/22 to enable the Council to meet its immediate operating shortfalls and start a recovery programme of works [CAB-21-MIN-0332 refers].
- 3 The \$8 million one-off support package comprises:
 - \$4.6 million, administered under Vote Prime Minister and Cabinet (PMC), for a community hub, immediate response and recovery costs, waste removal and temporary accommodation village infrastructure services. Of this, \$0.650 million allocated to waste removal remains unspent.
 - A total of \$3.4 million, administered under Vote Internal Affairs, for interim funding support and advisory services for the Council. Of this, I understand all funding has been committed.
- 4 Following further extreme weather in February 2022, the Council has identified that immediate financial support is required for waste removal and for infrastructure repair. The total cost of waste removal and Council's contribution to the Westport Water Supply repairs, following the February event, is \$0.944 million.
- 5 In response I seek Cabinet agreement to:
 - 5.1 apply the \$0.650 million underspend from within the \$4.6 million funding allocation to waste removal and water supply costs resulting from the February 2022 event; and,

- 5.2 apply \$0.294 million in uncommitted funding from within Vote PMC *Emergency Management Leadership and Support Multi-Category Appropriation (MCA)*, expenditure to cover the balance of the shortfall in the Council's 40 per cent share of infrastructure repair costs to repair the Westport Water Supply.
- 6 Application of this funding to a second flood event remains within the scope of the Vote PMC *Emergency Management Leadership and Support MCA*, and within the scope of the *Emergency Risk Reduction, Readiness, Response and Recovery non-departmental other expenses category*.

Background

Buller District has experienced two severe floods in short succession, resulting in significant impacts for the Council to manage

- 7 Heavy rainfall in July 2021 caused severe flooding, primarily of residential properties within central Westport. In February 2022, the Buller District again experienced severe flooding. This flooding was more widespread, with rural communities throughout the Buller District bearing the brunt of the damage.
- 8 Overall, this meant that while there were fewer evacuations and red or yellow stickered properties, following the February 2022 floods, infrastructure damage was greater and more widespread than the July 2021 floods. Significant damage occurred to the Westport Water Supply and other existing three waters infrastructure.
- 9 Following both floods, the Council sought Government support. The basis for its request is the compounding effect of its ongoing financial pressures and the need to manage response and recovery activities for concurrent floods.
- 10 On 20 July 2021, the Council received an advance of \$1 million to support immediate welfare costs and on 23 August 2021, Cabinet approved an \$8 million one-off support package to enable the Council to meet its immediate operating shortfalls and start a recovery programme of works, comprising:
- \$1 million for a community hub and Navigator services for single point of contact for affected communities;
 - \$1.450 million for immediate response and recovery costs;
 - \$1.500 million for waste removal;
 - \$650,000 for Temporary Accommodation Village infrastructure services;
 - \$3.250 million for further interim funding to the Council to ensure it can both continue and ramp up the recovery process, while providing for its ongoing business as usual (BAU) activities; and,

- \$150,000 to purchase skilled advisory services to advise Ministers on the financial health of the Council and other assurance that may be required [CAB-21-MIN-0332 refers].

11 Since the floods, NEMA and DIA have been supporting the Council in the wider governance structure of its recovery efforts. This includes establishing a Buller Recovery Steering Group comprising central government, local government and iwi and contributing significant capability-building resources to the Council, to supplement the one-off funding package.

There is urgent waste removal, water infrastructure repair costs and additional surge resources required following the February 2022 flood

- 12 Following the July 2021 floods, a significant amount of flood affected domestic waste from Westport and its surrounds was stored at temporary transfer sites, before being transported and disposed to landfill. To date, it is estimated that 2,120 tonnes of household waste have been disposed of, with a small amount remaining. It is estimated the waste removal costs for the July 2021 floods will total approximately \$0.850 million, leaving \$0.650 million unspent.
- 13 As of 11 March 2022, the Council has either spent or allocated¹ \$3.950 million of the \$4.6 million or 86 per cent of the eligible funding for the July 2021 flooding within Vote PMC as follows:

Action	Examples of Recovery Activities	Allocated (millions)	Forecast Expenditure (GST Exclusive) (millions)
Community hub, navigators and operational costs	The setting up and operation of the community hub to coordinate advice and assistance. Insurance reps, Temporary Accommodation Support, applications for Mayoral Relief Funds, Navigator support, Homebuilders, Age Concern, Public Health, MPI and Red Cross etc.	\$1.000	\$1.000
Immediate response and recovery costs	Setting up recovery systems, operating costs, community events and specialist services. Covering response costs that are not covered by existing policies.	\$1.450	\$1.450
Waste Removal	The collection of flood affected domestic waste from Westport and surrounds, its storage at temporary sites, and its transport and disposal to landfill.	\$1.500	\$0.850
Temporary accommodation infrastructure	The provision of infrastructure services to provide temporary accommodation for residents displaced by the floods.	\$0.650	\$0.650
Total		\$4.600	\$3.950

¹ Note that this is expenditure which has occurred, or for which plans are in place, but has not yet been assessed for eligibility by the Financial Assurance Team in NEMA.

- 14 Due to the wider geographical impacts of the February 2022 floods, the Council estimates it will cost \$0.270 million to remove waste resulting from these floods.
- 15 In addition to the waste removal issue, the Council confirmed the Westport Water supply lost its raw water source following the February 2022 floods. This essential water system services approximately 4,500 people. A significant land slip in the main source of the raw water, combined with multiple smaller slips, was confirmed as causing the poor water quality. There remains an ongoing risk of a severe water shortage.
- 16 NEMA officials continue to work with Council staff to identify solutions to fully restore the water supply to the pre-flooding standard. This has primarily focused on progressing emergency works to maintain the ongoing operation of the water supply system, while repairs are carried out. The Council estimates it will cost \$1.685 million to repair the existing infrastructure on a “like-for-like” basis, to the pre-flooding standard.
- 17 The February 2022 flood event has placed additional burden on Council staff to deliver core services. Surge support for infrastructure personnel has been requested and approved through the DIA appropriation and additional support for financial management personnel will be considered. DIA and NEMA are working with the Council to support its ability to assess and manage infrastructure repairs and continue to deliver the recovery programme. The DIA appropriation is already sufficiently broad in scope to cover the February 2022 event.

The Council cannot fund the urgent waste removal and water infrastructure repair costs

- 18 The Civil Defence Emergency Management Act 2002 provides permanent legislative authority (PLA) for payment to a local authority to meet the costs it incurred in connection with an emergency. To be payable under the PLA, these costs must meet the criteria in the relevant Government policy.²
- 19 Arrangements for government financial support provided to local authorities for emergencies are determined by Cabinet, with the current policy arrangements being set out in the National Civil Defence Emergency Management Plan (2015) and The Guide to the National Civil Defence Emergency Management Plan.
- 20 This policy provides that the Government contributes 60 per cent of the cost of the repair of eligible essential infrastructure assets owned by councils, and councils contribute 40 per cent of the costs. In general, a council’s share of the cost is usually made up of their insurance settlement, with the council meeting any funding shortfall themselves.

² Civil Defence Emergency Management Act 2002, s 115A.

- 21 To date, the Buller District Council has not yet finalised either its 2021 or 2022 insurance settlements related to the respective floods and advised it may be up to a month before the 2021 settlement is finalised. Without the certainty of insurance settlements, the Council is unable to meet its 40 per cent share of the Westport Water Supply re-instatement costs totalling \$0.674 million, or any future recovery related infrastructure repairs.
- 22 Having a small rating base and relatively high deprivation index, the Council cannot easily absorb the costs of the floods which has interrupted its BAU activities. The Council has insufficient strength in its balance sheet, nor other adequate funding streams, to meet the associated costs of response and recovery while continuing to deliver its BAU activities.
- 23 Given the Council's current financial position, the requirement to meet its 40 per cent share of eligible infrastructure costs would substantially divert funding and resources from agreed BAU work focussed on improving existing systems and networks. This would result in further financial hardship as the Council works to catch up on deferred works going forward.

Proposed that funding provided for 2021 floods be able to be used for 2022 floods

- 24 Immediate funding of \$0.944 million is sought by the Council, comprising \$0.270 million for waste removal and \$0.674 million for a cash shortfall for the Council's 40 per cent share of costs of urgent repairs to Westport's water supply infrastructure following the February 2022 floods.
- 25 The Council has confirmed there is an underspend of approximately \$0.650 million from within the existing \$4.6 million funding allocation, related to lower than anticipated costs of waste removal following the 2021 floods.
- 26 I seek Cabinet agreement to extend the purpose of the funding for the July 2021 floods to also support the February 2022 floods. This will enable the \$0.944 million to be met from the \$0.650 million underspend in funding approved by Council following the July 2021 floods and \$0.294 million from other forecast 2021/22 underspends in the existing *Emergency Management Leadership and Support MCA* in Vote PMC.

Other support being considered to address longer-term resilience for the Buller District

- 27 Agencies are assisting the Council to determine what support is required as the focus shifts from immediate recovery work to permanent repairs and longer-term resilience for the Buller District.
- 28 NEMA and DIA officials have been advised there are additional infrastructure related costs from the two events that the Council, and potentially the West Coast Regional Council, cannot readily meet. s9(2)(g)(i)
- [REDACTED]
- [REDACTED]

29

s9(2)(f)(iv)



30

NEMA officials are working with the Council to confirm like-for-like repair work scope, betterment opportunities and cost estimates for the remainder of the significant three waters and other infrastructure recovery projects resulting from the floods. s9(2)(f)(iv)



31

The focus of the Buller Recovery Steering Group includes future resilience options, including testing and exploring options for co-investment in flood risk management as well as possible planning and regulatory changes.

32

s9(2)(f)(iv)



Financial Implications

33 There are no financial implications for the Crown as the expenditure proposed in this briefing will be met from existing appropriation in Vote Prime Minister and Cabinet.

Legislative Implications

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

Treaty of Waitangi implications

35 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. I expect that, as recovery proceeds, local Māori contributions are recognised, resourced and reflected at all levels of the recovery process.

Population Implications

36 The Council is small, servicing 10,000 people over 8,574km², of which 87 per cent is Department of Conservation land and not rateable.

- 37 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

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

Consultation

- 39 This paper was developed in urgency by NEMA, with support from DIA and the Council, and feedback from The Treasury and DPMC. Given the timeframe for preparing this paper, it has not been possible to undertake wider consultation with, iwi and Māori, and other stakeholders.

Communications

- 40 The Minister for Emergency Management will work with agencies to inform communications with local authorities and the public.

Proactive release

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

Recommendations

The Minister for Emergency Management recommends that Cabinet:

1. **note** the Buller District Council is leading the recovery of the July 2021 and February 2022 severe flooding events within its district and because of its small rating base, cannot easily absorb the response and recovery costs;
2. **note** that following the July 2021 floods and given the Buller District Council's financial situation, Cabinet agreed to:
 - 2.1 advance \$1 million to the Buller District Council to cover immediate welfare response costs and,
 - 2.2 provide one-off funding of \$8 million in 2021/22 (divided between Vote Prime Minister and Cabinet (\$4.6 million) and Vote Internal Affairs (\$3.5 million)) to the Buller District Council to meet immediate operating shortfalls and to start recovery programmes [CAB-21-MIN-0332];
3. **note** that the \$4.6 million within Vote Prime Minister and Cabinet included \$1.500 million for waste removal
4. **note** that as at 11 March 2022, there is an expected underspend of approximately \$0.650 million for waste removal;

5. **note** that the Buller District Council has identified it requires \$0.270 million to cover waste removal costs following the February 2022 floods;
6. **note** that significant infrastructure damage occurred to the Westport Water Supply following the February 2022 floods;
7. **note** that the Buller District Council has identified it cannot meet its 40 per cent share of infrastructure costs to repair the Westport Water Supply following the February 2022 floods that it is responsible for meeting under Government policy to be eligible for payment under the PLA;
8. **note** that it is within the scope of the existing appropriation category to apply the expected underspend for waste removal funding from the July 2021 floods to the February 2022 floods waste removal costs and the Council's 40 per cent share of infrastructure repair costs;
9. **agree** to fund the Buller District Council's 40 per cent share of infrastructure repair costs to repair infrastructure damage to the Westport Water Supply following the February 2022 floods;
10. **agree** to use the expected underspend of approximately \$0.650 million for the waste removal funding allocated to the July 2021 floods to also cover:
 - 10.1 \$0.270 million for urgent waste removal related to the February 2022 floods; and,
 - 10.2 \$0.380 million to contribute to part of the Council's shortfall in meeting the 40 per cent share of urgent infrastructure repair costs to repair the Westport Water Supply;
11. **note** that notwithstanding recommendation 10 above; the Buller District Council requires an additional \$0.294 million in funding to cover the balance of its 40 per cent share of infrastructure repair costs to repair the Westport Water Supply;
12. **agree** to fund from Vote Prime Minister and Cabinet *Emergency Management Leadership and Support MCA* expenditure of \$0.294 million to cover the balance of the shortfall in the Buller District Council's 40 per cent share of infrastructure repair costs to repair the Westport Water Supply;

13. s9(2)(f)(iv)



14. s9(2)(f)(iv)



Authorised for lodgement

Hon Kiri Allan
Minister for Emergency Management

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.

Additional Support for the Buller District Council's Recovery Efforts for the February 2022 Flooding Event

Portfolio **Emergency Management**

On 7 April 2022, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that the Buller District Council is leading the recovery of the July 2021 and February 2022 severe flooding events within its district and, because of its small rating base, cannot easily absorb the response and recovery costs;
 - 2 **noted** that in August 2021, Cabinet:
 - 2.1 noted that Buller District Council was leading the recovery from the July 2021 severe floods and that, because of its small rating base, is in a severe financial situation and cannot absorb the response and recovery costs;
 - 2.2 noted that on 20 July 2021, \$1.0 million was advanced to the Buller District Council to cover immediate welfare response costs;
 - 2.3 agreed to provide one-off funding of \$8 million in 2021/22 (divided between Vote Prime Minister and Cabinet (\$4.6 million) and Vote Internal Affairs (\$3.5 million)) to the Buller District Council to meet immediate operating shortfalls and to start recovery programmes;
- [CAB-21-MIN-0332]
- 3 **noted** that the \$4.6 million within Vote Prime Minister and Cabinet noted above included \$1.500 million for waste removal;
 - 4 **noted** that, as at 11 March 2022, there is an expected underspend of approximately \$0.650 million for waste removal;
 - 5 **noted** that the Buller District Council has identified it requires \$0.270 million to cover waste removal costs following the February 2022 floods;
 - 6 **noted** that significant infrastructure damage occurred to the Westport Water Supply following the February 2022 floods;

7 **noted** that the Buller District Council has identified that it cannot meet its 40 per cent share of infrastructure costs to repair the Westport Water Supply following the February 2022 floods that it is responsible for meeting under Government policy to be eligible for payment under the permanent legislative authority;

8 **noted** that it is within the scope of the existing appropriation category to apply the expected underspend for waste removal funding from the July 2021 floods to the February 2022 floods waste removal costs and the Council’s 40 per cent share of infrastructure repair costs;

9 **agreed** to fund the Buller District Council’s 40 per cent share of infrastructure repair costs to repair infrastructure damage to the Westport Water Supply following the February 2022 floods;

10 **agreed** to use the expected underspend of approximately \$0.650 million for the waste removal funding allocated to the July 2021 floods to also cover:

10.1 \$0.270 million for urgent waste removal related to the February 2022 floods;

10.2 \$0.380 million to contribute to part of the Council’s shortfall in meeting the 40 per cent share of urgent infrastructure repair costs to repair the Westport Water Supply;

11 **noted** that, notwithstanding paragraph 10 above; the Buller District Council requires an additional \$0.294 million in funding to cover the balance of its 40 per cent share of infrastructure repair costs to repair the Westport Water Supply;

12 **agreed** to fund, from Vote Prime Minister and Cabinet *Emergency Management Leadership and Support MCA*, expenditure of \$0.294 million to cover the balance of the shortfall in the Buller District Council’s 40 per cent share of infrastructure repair costs to repair the Westport Water Supply;

13 s9(2)(f)(iv)

14 s9(2)(f)(iv)

Rachel Clarke
Committee Secretary

Present:
Hon Grant Robertson (Chair)
Hon Chris Hipkins
Hon Peeni Henare
Hon Jan Tinetti
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark

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



Cabinet

Minute of Decision

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Report of the Cabinet Government Administration and Expenditure Review Committee: Period Ended 8 April 2022



GOV-22-MIN-0007

Additional Support for the Buller District Council's Recovery Efforts for the February 2022 Flooding Event
Portfolio: Emergency Management

CONFIRMED

Michael Webster
Secretary of the Cabinet