



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 Kiri Allan, Minister for Emergency Management:

Update on the Buller District Council's use of funding for flooding recovery efforts

The following documents have been included in this release:

Title of paper: *Update on the Buller District Council's use of funding for flooding recovery efforts (CAB-21-SUB-0065 refers)*

Title of minute: *Buller District Council's Use of Funding for Flooding Recovery Efforts: Update (GOV-21-MIN-0065 refers)*

Title of minute: *Report of the Cabinet Government Administration and Expenditure Review Committee: Period Ended 17 December 2021 (CAB-21-MIN-0550 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 code:

- Section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials

Security classification – In Confidence

Office of the Minister for Emergency Management

Office of the Minister of Local Government

Office of the Associate Minister of Housing

Cabinet

Update on the Buller District Council's use of funding for flooding recovery efforts

Proposal

- 1 This paper provides an update on the Buller District Council's utilisation of the \$8 million financial assistance package to start a recovery programme of works, following the impact of the July 2021 flooding event.

Executive summary

- 2 On 23 August 2021, Cabinet agreed to provide an \$8 million financial assistance package in 2021/22 to enable the Buller District Council (the Council) to meet its immediate operating shortfalls and start a recovery programme of works following the impact of the July 2021 flooding event [CAB-21-MIN-0332 refers].
- 3 Cabinet noted that we intended to report back to Cabinet on any other measures that may be required from government for the mid- to long-term.
- 4 This paper provides an update on the Council's use of the \$8 million funding package to date, and a report back on the Department of Internal Affairs' health check of the Council's financial situation.
- 5 The National Emergency Management Agency (NEMA) and Department of Internal Affairs (DIA) have established a Buller Recovery Steering Group comprising central government, local government and iwi, and a Funding Agreement between the Crown and the Council has been developed. NEMA and DIA are supporting the Council, including with the utilisation of the \$8 million funding package that has been made available to date. Agencies are also helping the Council determine what they need to develop to support the next phase as the focus shifts from immediate recovery work to longer term resilience for Westport.
- 6 As of 6 December 2021, \$2,007,723 has been spent with the remaining \$5,992,2776 allocated to the projects as per the Vote Prime Minister and Cabinet and Vote Internal Affairs appropriations. Given the Council has drawn down a little over \$2million of the \$8 million appropriation, it is expected that the Council will be able to continue to draw down on the remaining funding for the rest of 2021 and into the start of 2022. There have been some delays in the Council establishing claims and invoicing systems for the recovery programme, however this has not impeded the recovery's progress. All claims made to date against the NEMA appropriation have been retrospective however paperwork has been finalised to enable the Council to make claims in advance of expenditure, to ensure consistent cash flow is available.
- 7 Any further mid-to long-term recovery activities, including infrastructure repairs, requiring financial support from central government, will be presented to Cabinet in

2022. More time is needed for the Council to fully develop their proposals, and for agencies to assess these proposals and provide robust advice to Cabinet on recommended next steps.

Background

The Buller District flood event of July 2021 has resulted in significant impacts for the Council to manage

- 8 Heavy rainfall from Thursday 15 July 2021 to Sunday 18 July 2021 caused severe flooding within Westport and across the Buller District. The Buller River recorded the largest river flow ever in New Zealand. The flow breached Westport's existing flood defences, with 826 properties and 2,065 people evacuated.
- 9 Seventy-one homes were severely damaged and have been deemed unsafe (red stickered), and 384 homes are uninhabitable and will need significant repairs (yellow stickered). Twenty-three percent of housing stock will need repair.
- 10 There was also damage and disruption to essential services and other community related assets of the Council.
- 11 The Council is leading the recovery to the severe flooding event within its district and because of its small rating base, it cannot easily absorb response and recovery costs associated with the floods.
- 12 At the time of the flooding the Government provided \$300,000 to the Buller District Mayoral Relief Fund. This was to support people in the community and cannot be used for Council costs.
- 13 \$1 million was advanced to the Council on 20 July 2021 to cover immediate welfare response costs, as per the policy under the Guide to the National Civil Defence Emergency Management Plan for Councils to seek 100% reimbursement of costs for welfare services. Current estimations of expenditure indicate approximately \$200,000 utilised from this advance. NEMA is working with the Council to finalise their claim and determine next steps with the remaining funding.
- 14 The Council previously advised it was in a severe financial situation and would exhaust its available funds by 20 August 2021 and therefore required further emergency funding to meet immediate operating shortfalls and to start a recovery programme of works.
- 15 Cabinet provided additional assistance of \$8 million in 2021/22 to enable the Council to meet its immediate operating shortfalls and start a recovery programme of works following the impact of the July 2021 flooding event.

Governance structure for Buller District recovery

- 16 NEMA and DIA have established the Buller Recovery Steering Group in consultation with the Council to oversee and monitor the Council's use of available funding, inform reporting to the Minister of Finance, Minister of Local Government, and Minister for Emergency Management, and to seek approval when claims are ready for submission.
- 17 The purpose of the Steering Group is to:

- a. provide effective guidance and oversight of the \$8 million Financial Assistance appropriated by Cabinet in August 2021 to support the Buller Recovery
 - b. identify and agree mid- to long-term recovery activities and the necessary funding that may be required in the district, and
 - c. provide advice to the Crown and elected Councils' members on relevant matters (as set out in the Steering Group Terms of Reference and the Funding Agreement that has been developed between the Crown and the Council).
- 18 The Steering Group members are:
- a. The Chief Executive and Deputy Chief Executive of the Buller District Council
 - b. The Mayor and Deputy Mayor of the Buller District Council
 - c. The Chief Executive of the West Coast Regional Council
 - d. Up to two elected representatives of the West Coast Regional Council
 - e. A representative of iwi
 - f. A representative of the Department of Internal Affairs
 - g. A representative of the National Emergency Management Agency
 - h. An independent Chair.
- 19 The Steering Group has created a positive forum for collaboration between the parties including closer alignment of roles and responsibilities in the recovery effort. The Steering Group has met fortnightly since mid-September and, since November, has been endorsing funding applications submitted for approval to NEMA and DIA. As the recovery effort is now well advanced the Steering Group has turned its attention to longer run resilience issues for Westport which will increasingly become its focus over the next six months.

Funding allocation

- 20 NEMA and DIA are supporting the Council through the utilisation of the drawdowns from the \$8 million funding package that has been made available to date. In addition, NEMA and DIA are also helping the Council determine what they need to develop to support the next phase of recovery work (proposals for infrastructure repairs and longer-term recovery).
- 21 The funding of \$8 million is intended to cover:
- a. \$1 million for a community hub and Navigator services for single point of contact for affected communities (Vote Prime Minister and Cabinet);
 - b. \$1.450 million for immediate response and recovery costs (Vote Prime Minister and Cabinet);
 - c. \$1.500 million for waste removal (Vote Prime Minister and Cabinet);

- d. \$650,000 for Temporary Accommodation Village infrastructure services (Vote Prime Minister and Cabinet);
- e. \$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 activities (Vote Internal Affairs);
- f. \$150,000 to purchase skilled advisory services to advise Ministers on the financial health of the Council and other assurance that may be required (Vote Internal Affairs).

Financial report

22 As of 6 December 2021, \$2,007,723 has been spent with the remaining \$5,992,277 having been allocated to funding categories as per the appropriations from the Vote Prime Minister and Cabinet and Vote Internal Affairs. As of 6 December 2021, the funding has been spent as follows:

Action	Examples of Recovery Activities	Allocated	YTD (GST Exclusive)
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.	\$1,000,000	\$577,791
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.	\$1,450,000	\$41,981
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.	\$1,500,000	\$711,564
Temporary accommodation infrastructure	The provision of infrastructure services to provide temporary accommodation for residents displaced by the floods.	\$650,000	\$0
Ongoing recovery activity and business-as-usual activity	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 activities.	\$3,250,000	\$586,387
Skilled advisory and assurance services	The commissioning of Morrison Low and Bruce Robertson to undertake an independent review of the financial management and position of Council. Costs of the Independent Chair of the Buller Recovery Steering group	\$150,000	\$90,000
Total		\$8,000,000	\$2,007,723

- 23 In addition to the \$2,007,723 the Steering Group has approved up to \$948,000 for flood recovery activities. This will be disbursed following submission of claims by the Council and eligibility assessments by NEMA and DIA of the evidence provided. It is intended that these claims will be processed, and eligible expenses approved, by the end of 2021. Note that DIA is currently considering a payment of \$642,037.91 from this approved amount for recovery and surge support staffing costs for the period from December 2021 to March 2022.
- 24 Following some initial delays in establishing Council invoicing and finance systems for recovery, NEMA and DIA representatives have provided support to the Council to establish the necessary in-house capability and capacity to administer the appropriations and enable delivery of the recovery programme. With the increased capability and capacity, claims against appropriations are now being presented fortnightly to the Steering Group for approval. .

Additional funding allocation for Temporary Accommodation Service

- 25 The Associate Minister of Housing (Public Housing) sought additional funding from Cabinet for the short-term response of the Temporary Accommodation Service (TAS) in September 2021. On Monday 13 September 2021, Cabinet approved \$5.006 million to support the provision of accommodation in the West Coast response. Up to 20% of properties may need assistance to restore homes to a liveable standard.
- 26 MBIE TAS received \$17.487 million in additional funding from Cabinet on 29 November 2021 [CAB-21-MIN-0507 refers]. This funding supports the establishment of a Temporary Accommodation Village (the Village) in Westport. In planning for the size and location of the Village, TAS considered the expected demand for temporary accommodation and the future resilience of the community in response to future events.

Progress report on recovery activities

Community Hub

- 27 The Community Hub is the central place of connection and information for all the flood affected residents.
- 28 On average approximately 300 people per month are visiting the Community hub where they can access the following services:
- a. Advice from the Residential Advisory Service (RAS) on queries around insurance
 - b. Financial assistance requests
 - c. Help completing Mayoral Relief Fund forms
 - d. Provision of food vouchers and care packages
 - e. Connection to government agencies where support is needed such as the Ministry of Social Development or MBIE TAS.

- 29 Various health providers like the Community and Public Health Organisation and service providers such as Te Putahitanga o Te Waipounamu and the local New Zealand Red Cross regularly visit the community hub as well in order to connect people with their services.

Navigators

- 30 Navigators contribute to the wellbeing of affected individuals, family/whanau by supporting the timely and coordinated access to the services they need to enable their recovery.
- 31 The Council contracted Poutini Waiora for the Navigator programme on 6 October 2021 and the contracts between the Host agencies and Poutini Waiora have been finalised.
- 32 Poutini Waiora and the host agencies are employing nine navigators in total and a Navigator Co-ordinator. The Navigators are based at the community hub and the hub staff ensure people are connected to a Navigator when required.

Flood waste removal

- 33 An extensive clean-up effort saw approximately 1,700 tonnes of flood waste removed from homes and stored at the Westport transfer station and the former Holcim cement works site at Cape Foulwind (temporary sites).
- 34 As of 7 December, it has been confirmed that all waste from both temporary sites has now been relocated to landfill.

Health check

- 35 DIA commissioned Bruce Robertson and Morrison Low to carry out an assessment of the Council's financial position and management. A summary Health Check Report and Infrastructure Health Check Report were completed in October 2021.
- 36 The Health Check Report provides reassurance that the Council is capably governed and managed. The Council is competent in the management of its finances and adherence to a Financial Strategy. The Council is well positioned to lead its communities' recovery effort and be an effective partner with the Government and its peer Councils.
- 37 This report notes that the Council cannot meet recovery costs (in addition to Buller's Long-Term Plan economic growth expenditure) because of the district's small rating population of 9,600 and average income of \$22,900 per annum.
- 38 The Council's cash flow situation is tight, but the Council has increased its Call Account to \$1.600 million. Given the Council have drawn down a little over \$2 million of the \$8 million appropriation, it is expected that the Council will be able to continue to draw down on the remainder for the rest of 2021, and into 2022, to fund the recovery programme.
- 39 The Infrastructure Health Check Report provided an assessment of the Council's core level of maturity:
- a. Management of three waters activities is appropriate for a small rural district council;

- b. Management of roading activity is suitable for a rural district council;
 - c. Management of other asset portfolios (housing for seniors, Westport airport and port, and solid waste) is adequate for the size and associated risk.
- 40 This report assessed the Council as being capable of undertaking the recovery programme as well as the business-as-usual capital programmes.

Advisory services

- 41 DIA are also funding the Independent Chair of the Buller Recovery Steering Group for an initial period of 4 – 5 months from their Departmental appropriation for advisory services. It is expected that as the Buller Recovery Steering Group transitions to a stronger focus on future resilience for Westport that the position of the Independent Chair may change, and this function could be paid for by the Council using unallocated Crown funding administered by DIA.

Ongoing reporting

- 42 An Aide Memoire was provided to the Minister for Emergency Management, Minister of Local Government and Minister of Finance on 11 November 2021, reporting on the financial use of the \$8 million, as required by Cabinet at the time of approving the \$8 million.
- 43 NEMA and DIA are working in consultation with the Council to develop regular financial and progress reporting on the recovery. A new reporting framework has been agreed with the Council and will form the basis of regular reporting to the Minister of Finance, Minister of Local Government and Minister for Emergency Management.

Further measures for infrastructure repair and longer-term recovery

- 44 Under the current National Civil Defence Emergency Management Plan (2015) existing policy provisions allow for central government to meet 60 per cent of the costs of the re-instatement of the Council's network infrastructure, principally its three waters assets.
- 45 The Council has indicated that it will struggle to meet its share of the infrastructure re-instatement costs. Also, it could make financial sense to consider options for betterment as part of this recovery process.
- 46 There are likely to be other unfunded costs from this event that the Council, and potentially the West Coast Regional Council, cannot readily meet. The Council have been working through and developing a picture of their mid- to long-term recovery needs and sent through initial information to NEMA on 22 October 2021. The Council has indicated it wishes to seek additional support for a range of mid- to long-term recovery purposes, including infrastructure services and recovery programme activities. This information is currently being assessed by several central government agencies and, in consultation with the Council, will be shared with the Buller Recovery Steering Group for their review and feedback before being presented to Cabinet in early 2022.

- 47 s9(2)(f)(iv)

a. s9(2)(f)(iv) [redacted]
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49 To date, \$586,387 has been paid from the Internal Affairs appropriation to cover the costs of the Council's flood recovery staffing, as well as to support surge functions such as finance which have been heavily impacted by the flood event. DIA has worked closely with the Council to confirm other recovery costs going forward including recovery team staffing and other surge support functions, such as planning and consenting, with contracts for staff ranging from 6 to 12 months. DIA are working closely with the Buller Recovery Steering Group to identify and agree assistance to support the recovery, including future options for flood resilience, which will also need to involve the Regional Council.

50 Any new measures for mid-to long-term recovery, including infrastructure repairs, requested by the Council will likely be presented to Cabinet in 2022. More time is needed for the Council to fully develop their proposals for mid- to long-term recovery, and for agencies to then assess these proposals and provide robust advice to Cabinet on recommended next steps.

Financial implications

51 There are no financial implications arising from this paper.

Legislative implications

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

Treaty of Waitangi implications

53 The Council, who received the support funding, has been engaging with iwi and Māori, and other stakeholders. We expect that, as recovery proceeds, local Māori contributions are recognised, resourced and reflected at all levels of the recovery process. This includes valuing the role Māori communities, marae, hapū, iwi and Māori organisations play within the Buller District and wider West Coast Region.

Population implications

54 There are no population implications of this paper.

Human rights

55 The funding package of \$8 million which has been provided to date is intended to ensure people in affected communities receive support in a time of need. There are no legislative or regulatory implications arising from this paper that affect human rights.

Consultation

56 This paper was developed by the National Emergency Management Agency, with support from the Department of Internal Affairs. The Ministry of Business, Innovation and Employment was consulted.

Proactive release

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

Recommendations

The Minister for Emergency Management, Minister of Local Government and Associate Minister of Housing recommend that Cabinet:

- 1 **note** the Buller District Council is leading the recovery to the severe flooding event within its district;
- 2 **note** that because of its small rating base the Buller District Council cannot easily absorb the response and recovery costs associated with the floods;
- 3 **note** that \$1 million was advanced to the Buller District Council on 20 July 2021 to cover immediate welfare response costs as per the policy under the Guide to the National Civil Defence Emergency Management Plan for Councils to seek 100% reimbursement of costs for welfare services. Current estimations of expenditure indicate approximately \$200,000 utilised from this advance. NEMA is working with the Council to finalise their claim and determine next steps with the remaining funding;
- 4 **note** the Buller District Council previously advised it was in a severe financial situation and would exhaust its available funds by 20 August 2021 and therefore required further emergency funding to meet immediate operating shortfalls and to start a recovery programme of works;
- 5 **note** that Cabinet provided additional assistance of \$8 million in 2021/22 to enable the Buller District Council to meet its immediate operating shortfalls and start a recovery programme of works following the impact of the July 2021 flooding event;
- 6 **note** that the funding is intended to cover:
 - 6.1 \$1 million for a community hub and Navigator services for single point of contact for affected communities
 - 6.2 \$1.450 million for immediate response and recovery costs
 - 6.3 \$1.500 million for waste removal
 - 6.4 \$650,000 for Temporary Accommodation infrastructure services
 - 6.5 \$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 activities
 - 6.6 \$150,000 to purchase skilled advisory services to advise Ministers on the financial health of the Buller District Council and other assurance that may be required;

7 **note** as of 6 December 2021, \$2,007,723 has been spent with the remaining \$5,992,277 allocated to funding categories as per the appropriations from Vote Prime Minister and Cabinet and Vote Internal Affairs;

8 **note** that the Buller District Council will continue to draw down on the remaining allocated funds for the remainder of the financial year;

9 s9(2)(f)(iv) [Redacted]

[Redacted]

[Redacted]

10 **note** that any new measures for mid-to long-term recovery, including infrastructure repairs, requested by the Council will likely be presented to Cabinet in 2022.

Authorised for lodgement

Hon Kiritapu Allan
Minister for Emergency Management

Hon Nanaia Mahuta
Minister of Local Government

Hon Poto Williams
Associate Minister of Housing

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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.

Buller District Council's Use of Funding for Flooding Recovery Efforts: Update

Portfolio **Local Government, Housing, Emergency Management**

On 16 December 2021, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that the Buller District Council (the Council) is leading the recovery to the severe flooding event within its district;
- 2 **noted** that because of its small rating base the Council cannot easily absorb the response and recovery costs associated with the floods;
- 3 **noted** that:
 - 3.1 on 20 July 2021, \$1.0 million was advanced to the Council to cover immediate welfare response costs as per the policy under the Guide to the National Civil Defence Emergency Management Plan for Councils to seek 100 percent reimbursement of costs for welfare services;
 - 3.2 current estimations of expenditure indicate approximately \$200,000 utilised from this advance;
 - 3.3 the National Emergency Management Agency (NEMA) is working with the Council to finalise their claim and determine next steps with the remaining funding;
- 4 **noted** that the Buller District Council previously advised it was in a severe financial situation and would exhaust its available funds by 20 August 2021 and therefore required further emergency funding to meet immediate operating shortfalls and to start a recovery programme of works;
- 5 **noted** that in August 2021, Cabinet approved additional assistance of \$8 million in 2021/22 to enable the Council to meet its immediate operating shortfalls and start a recovery programme of works [CAB-21-MIN-0332];

6 **noted** that the above funding is intended to cover:

- 6.1 \$1.000 million for a community hub and Navigator services for single point of contact for affected communities;
- 6.2 \$1.450 million for immediate response and recovery costs;
- 6.3 \$1.500 million for waste removal;
- 6.4 \$650,000 for Temporary Accommodation infrastructure services;
- 6.5 \$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 activities;
- 6.6 \$150,000 to purchase skilled advisory services to advise Ministers on the financial health of the Buller District Council and other assurance that may be required;

7 **noted** that as of 6 December 2021, \$2,007,723 has been spent with the remaining \$5,992,277 allocated to funding categories as per the appropriations from Vote Prime Minister and Cabinet and Vote Internal Affairs;

8 **noted** that the Council will continue to draw down on the remaining allocated funds for the remainder of the financial year;

9 s9(2)(f)(iv) [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

10 **noted** that any new measures for mid-to long-term recovery, including infrastructure repairs, requested by the Council will likely be presented to Cabinet in 2022.

Rebecca Davies
Committee Secretary

Present:
 Hon Grant Robertson (Chair)
 Hon Dr Megan Woods
 Hon Chris Hipkins
 Hon Nanaia Mahuta
 Hon Damien O'Connor
 Hon Stuart Nash
 Hon Peeni Henare
 Hon Michael Wood
 Hon Kiri Allan
 Hon Dr David Clark
 Hon Meka Whaitiri
 Deborah Russell, MP

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 17 December 2021

On 20 December 2021, Cabinet made the following decisions on the work of the Cabinet Government Administration and Expenditure Review Committee for the period ended 17 December 2021

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
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GOV-21-MIN-0065	Buller District Council’s Use of Funding for Flooding Recovery Efforts: Update Portfolios: Local Government / Housing / Emergency Management	CONFIRMED
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Michael Webster
Secretary of the Cabinet

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