



Proactive Release

The following document has been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Hon Mark Mitchell, Minister for Emergency Management and Recovery:

Funding to Enable Urgent Sediment and Debris Removal in Tairāwhiti and Hawke's Bay to Continue

The following documents have been included in this release:

Title of paper: Funding to Enable Urgent Sediment and Debris Removal in Tairāwhiti and Hawke's Bay to Continue (CAB-24-SUB-0022 refers)

Title of minute: Funding to Enable Urgent Sediment and Debris Removal in Tairāwhiti and Hawke's Bay to Continue (CAB-24-MIN-0022 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.

~~[BUDGET SENSITIVE]~~

Office of the Minister for Emergency Management and Recovery

Cabinet

FUNDING TO ENABLE URGENT SEDIMENT AND DEBRIS REMOVAL IN TAIRĀWHITI AND HAWKE'S BAY TO CONTINUE

Proposal

- 1 This paper seeks agreement to fund \$63.6m from the National Resilience Plan (NRP) for urgent short-term work to treat sediment and debris resulting from Cyclones Hale and Gabrielle that poses an ongoing risk to life, infrastructure, and businesses.

Executive Summary

- 2 Cyclones Hale and Gabrielle and resulting floods left a significant amount of woody debris in the Tairāwhiti landscape that presents an ongoing risk to health and safety and current and future core infrastructure. Hawke's Bay experienced significant quantities of sediment and other debris (posts, wire, matting, cloth, hazardous materials) deposited on residential and commercial properties. The quantum of funding already provided to these regions is insufficient to complete the clean-up.
- 3 The Tairāwhiti and Hawke's Bay regions have received \$60.2m and \$172.2m respectively for the removal and treatment of sediment and debris. In late 2023 both regions sought further funding to continue the removal and treatment of woody debris (\$123.6m for Tairāwhiti over four years) and sediment and debris (\$60m in Hawke's Bay, including Wairoa)
- 4 The Gisborne District Council expects its current funding to run out in mid-February 2024, and is seeking \$23.6m in the current financial year to allow urgent work to continue.
- 5 Hawke's Bay councils have advised that all funds are now exhausted, the last two contractors ceased operations in the third week of January, and they are seeking \$40m in the current financial year.
- 6 I am advised that the NRP is the only potential funding stream that may be available for further investment in recovery at this time. The NRP was established to support medium- and long-term infrastructure resilience and to fund cyclone recovery costs.
- 7 This paper seeks an urgent funding decision to allow removal work to continue through to 30 June 2024 while weather conditions allow. I am not seeking approval in this paper for funding beyond the end of this financial year.
- 8 The total value of my recommendations for proposals to be considered for urgent funding from the NRP is \$63.6m.

Background

- 9 The North Island Weather Events (NIWE) caused extensive damage to land, property and businesses. The Government has provided funding to support regions affected by the NIWE to recover. The total funding allocated to date is \$4.708.6 billion which includes NRP funding of \$2.681.8 billion for the future of severely affected locations (FOSAL) property categorisations, state highway recovery and resilience work, KiwiRail, local roading recovery and bailey bridges. The Government also provided a total package of \$2.240 billion to support businesses in the affected regions.
- 10 NIWE affected regions continue to identify costs they have assessed as beyond their capacity to fund, including the removal of woody debris in Tairāwhiti and further sediment and debris removal in Hawke's Bay, including Wairoa.
- 11 The cyclones left a significant amount of woody debris in the Tairāwhiti landscape that presents an ongoing risk to health and safety and current and future core infrastructure.
- 12 Hawke's Bay experienced significant quantities of sediment and other debris (posts, wire, matting, cloth, hazardous materials) deposited on residential and commercial properties. s9(2)(g)(i) [REDACTED] the quantum of funding already provided to both regions is insufficient to complete the clean-up.
- 13 The NRP is the only potential funding stream that may be available for further investment in recovery at this time. The NRP was established to support medium- and long-term infrastructure resilience. The priorities are to restore infrastructure connectivity where this has been disrupted by NIWE, address ongoing infrastructure resilience challenges, and address and get ahead of the infrastructure deficit. Its scope is limited to fund resilience infrastructure in road, rail, local government infrastructure, telecommunications and transmission, and costs associated with adaptation challenges, including FOSAL category 3 and category 2 costs as agreed by the Crown.

Tairāwhiti Woody Debris

- 14 Cyclone's Hale and Gabrielle generated an estimated 800,000 tonnes of woody debris across the Tairāwhiti landscape, threatening people, property, and infrastructure. The Gisborne District Council (GDC) has removed 164,984 tonnes as of mid-January 2024.
- 15 The Council has identified a further 1.5 million m³ of high-risk woody debris across priority catchments and beaches to be cleared over a 4-year period (including the remainder of 2023/24). Some of this debris poses an ongoing risk to safety and to core infrastructure should it be remobilised in a future weather event.
- 16 The region has received \$60.2m from Government to date for sediment and debris processing and removal. This funding is due to run out in mid-February. Contracts are in place with local providers and current ground conditions are optimal for

carrying out this work. GDC is seeking \$23.6m in the current financial year to allow urgent work to continue.

- 17 A request for \$18m was first raised with the Government in September 2023. Since then, a further shortfall of \$5.6m has been identified due to oversubscription of the Commercial Grant category of the Sediment and Debris Management Package for Tairāwhiti businesses. The clean up on commercial property is based on private owners contributing 50% of costs. This shortfall relates to 32,000 hectares of mixed commercial farming, leaving these properties in some cases unable to fully operate and affected land unable to be used.
- 18 GDC has completed aerial surveys this month and has prioritised woody debris according to criticality and priority. The highest priority debris presents risk to life, town water infrastructure, bridges and other critical infrastructure and townships. This highest priority debris is expected to take up to two years to process.
- 19 I am seeking cabinet approval for \$23.6m in urgent funding to allow this important work to continue through to 30 June 2024. This will allow the GDC to take advantage of the firmer ground conditions during summer and autumn to remove more of the highest risk debris and avoid additional costs incurred due to the need to wind up operations and re-start at a later date. s9(2)(f)(iv)

[Redacted]

20 s9(2)(f)(iv)

[Redacted]

- 21 As contractors are already engaged and have resources available work can scale up as soon as funding is sourced.

Hawke's Bay Sediment and Debris Removal

- 22 Cyclone Gabrielle and the associated floods deposited a substantial amount of sediment and debris across Hawke's Bay. The Hawke's Bay Sediment Taskforce facilitated by the Hawke's Bay Regional Council and Hastings District Council have been clearing sites throughout the region, s9(2)(g)(i) [Redacted]. The councils have prioritised clearing the most productive land that will best support the recovery of the Hawke's Bay economy, areas where windborne silt is causing a risk to public health and debris that poses a fire risk, particularly over summer.
- 23 To date the Taskforce has cleared approximately 2,579,816 tonnes of sediment and debris (10 percent), and an additional 140,405 tonnes of woody debris - around 1.4 million m³ collected in total.

- 24 Hawke's Bay is seeking funding to clear the remaining 1.2 million m³ of areas identified over a 2-year period, inclusive of the remainder of 2023/24. This work would be delivered by local contractors, with \$40m required until June 2024, and a further \$20m required early in 2024/25. The Hawke's Bay Regional Recovery Agency estimates 1,050 jobs would be created with the clearance of the highest priority land.
- 25 Government has provided \$172.2m to date. In November 2023, when the last instalment of Government financial support was provided, this was provided on the condition that any further funding required a cost sharing agreement be agreed with the local council and/or other parties.
- 26 Hawke's Bay councils advise that they cannot provide a financial contribution, but have provided considerable staff resource, systems, and administrative support, as well as land for silt deposit sites, and they have seen considerable impact on their landfills.
- 27 Funding ran out in mid-January 2023 and work is now paused.
- 28 I am seeking Cabinet approval for \$40m in urgent funding to allow this important work to continue through to 30 June 2024. This includes \$3m for debris removal in Wairoa. Consideration of subsequent funding could be considered against the third tranche of the National Resilience Fund if applications are invited.
- 29 While the work is currently paused, the Hawke's Bay Regional Recovery Agency expects work to be able to recommence quickly should funding be approved.

Funding Required

- 30 Gisborne District Council and the Hawke's Bay Regional Recovery Agency have identified the removal of sediment and debris as an urgent priority due to the ongoing risks to life, infrastructure and to economic recovery. They have advised they have no ability to self-fund or partially self-fund this work.
- 31 The National Resilience Plan has been identified as the only potential funding stream that may be available for further investment in recovery at this time. To date, \$2.697b has been allocated through Phases One and Two of the NRP, leaving \$3.303b remaining.
- 32 The Treasury supports the funding proposal for Tairāwhiti. However, The Treasury does not support the allocation of an additional \$40m for silt and debris removal in the Hawke's Bay because there is no cost share element involved, and this was a condition for future funding which was made by the previous Minister of Finance.
- 33 Should consideration of further funding beyond this financial year be considered under the NRP I would anticipate additional cost share and monitoring requirements would be appropriate.

Consultation

- 34 I have consulted with:

- 34.1. the Ministry of Primary Industries
- 34.2. the Department Internal Affairs
- 34.3. the Department of Prime Minister and Cabinet
- 34.4. and the Treasury.

Cost-of-living Implications

35 The proposals within this paper will have a positive impact on the cost of living for those impacted by the NIWE, as progressing recovery works such as the removal of debris and silt at pace will provide homeowners with greater economic certainty, including the ability to settle insurance claims and buy outs and make decisions about the affordability of future housing options.

Financial Implications

- 36 This paper seeks agreement for new funding of \$63.6m from the National Resilience Plan (NRP) for urgent short-term work to treat sediment and debris resulting from Cyclones Hale and Gabrielle that poses an ongoing risk to life, infrastructure and businesses.
- 37 This paper seeks agreement to the Minister of Finance, the Minister for Local Government and the Minister for Emergency Management and Recovery jointly taking decisions on appropriation and fiscal management treatment of the above funding. To support this Officials will prepare further advice about which Vote is best placed to administer this funding and whether the funding should be a charge against the National Resilience Plan.

Legislative Implications

38 There are no legislative implications arising from this paper.

Human Rights

39 The proposals in this paper raise no human rights considerations.

Use of External Resources

40 No external resources were used in the development of this paper.

Publicity

41 If funding is approved this could be announced on 14 February in line with activities to mark the anniversary of Cyclone Gabrielle. Local councils receiving funding are likely to produce their own publicity materials.

Proactive Release

42 I intend to proactively release this paper and its associated minute within the standard 30 business days from the decision being made by Cabinet.

Recommendations

The Minister for Emergency Management and Recovery recommends that the Committee:

- 1 **note** that the Gisborne District Council and Hawke's Bay Regional Recovery Agency have urgently sought funding for sediment and woody debris removal to continue, and that the National Resilience Plan (NRP) is the only available funding pathway for this to occur either in advance of the NRP decision process or in the timeframe set for that process.
- 2 **agree** to fund \$23.6 million to the Gisborne District Council to allow urgent work to continue for the processing and removal of woody debris in Tairāwhiti.
- 3 **agree** to fund \$40.0 million to Hawkes Bay Regional Council to allow urgent work to continue for the sediment and debris in Hawke's Bay region.
- 4 **authorise** the Minister of Finance, the Minister for Local Government and the Minister for Emergency Management and Recovery to agree the necessary changes to appropriations to give effect to the policy decision in recommendation 2 and 3 above.
- 5 **agree** that expenses associated with the decision described in recommendations 2 and 3 will be managed against the National Resilience Plan.

Authorised for lodgement

Hon Mark Mitchell

Date:



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.

Funding to Enable Urgent Sediment and Debris Removal in Tairāwhiti and Hawke’s Bay to Continue

Portfolio Emergency Management and Recovery

On 7 February 2024, Cabinet:

- 1 **noted** that:
 - 1.1 the Gisborne District Council and Hawke’s Bay Regional Recovery Agency have urgently sought funding for sediment and woody debris removal to continue;
 - 1.2 the National Resilience Plan (NRP) is the only available funding pathway for this to occur either in advance of the NRP decision process or in the timeframe set for that process;
- 2 **agreed** to fund \$23.6 million to the Gisborne District Council to allow urgent work to continue for the processing and removal of woody debris in Tairāwhiti;
- 3 **agreed** to fund \$40.0 million to Hawke’s Bay Regional Council to allow urgent work to continue to address sediment and debris in the Hawke’s Bay region;
- 4 **authorised** the Minister of Finance, the Minister of Local Government and the Minister for Emergency Management and Recovery to agree the necessary changes to appropriations to give effect to the decisions in paragraphs 2 and 3 above;
- 5 **agreed** that expenses associated with the decision described in paragraphs 2 and 3 will be managed against the National Resilience Plan;

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

[Redacted]

[Redacted]

[Redacted]

Rachel Hayward
Secretary of the Cabinet