



## Proactive Release

The following document has been proactively released by the Department of the Prime Minister and Cabinet (DPMC):

### **Contribution to Funding for Nelson City Council to Address Impacts from a Severe Weather Event that Occurred in August 2022**

The following documents have been included in this release:

**Title of paper:** Contribution to Funding for Nelson City Council to Address Impacts from a Severe Weather Event that Occurred in August 2022 (EWR-23-SUB-0076 refers)

**Title of minute:** Report of the Cabinet Extreme Weather Recovery Committee:  
Period Ended 1 September 2023 (CAB-23-MIN-0414 refers)

**Title of minute:** Contribution to Funding for Nelson City Council to Address Impacts from a Severe Weather Event that Occurred in August 2022 (EWR-23-MIN-0076 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)(a), to protect the privacy of individuals

Office of the Minister for Cyclone Recovery  
Cabinet Extreme Weather Recovery Committee

## **Contribution to funding for Nelson City Council to address impacts from a severe weather event that occurred in August 2022**

### **Proposal**

- 1 This paper seeks agreement for the Government to contribute to Nelson City's recovery costs following the August 2022 severe weather event.

### **Relation to government priorities**

- 2 This paper concerns the Government's priority of rebuilding after severe weather events with greater resilience for the communities affected. This paper also links to the Government's ongoing recovery response for regions impacted by the North Island Weather Events (NIWE).

### **Background**

- 3 In August 2022, the Tasman, Nelson and Marlborough regions were impacted by an extreme weather event. The worst affected residential areas were in the Nelson region, with significant damage to both public and private property.
- 4 Significant flooding occurred when the Matai River burst its banks, however, the more pronounced impacts were to residential hillside properties. There were over 300 landslips (including 18 on Nelson City Council land) that affected residences on private land.
- 5 As at August 2023, the number of red stickered properties in Nelson has reduced to 13 and the number of yellow stickered to 68. The yellow stickered properties are divided into two groups but in most cases, homeowners can only occupy their houses for either parts of a day or during daylight hours. Approximately 12 of the 68 yellow stickered properties cannot be occupied at all.
- 6 The Nelson City Council (the Council) has undertaken considerable analysis of the impacts of the extreme weather event and has a good understanding of the recovery activities required. The Nelson Mayor (the Mayor) also established the Storm Recovery Taskforce to drive recovery work.
- 7 The impacts to the Nelson region caused by the extreme weather in August 2022 are akin to those impacts in the North and East Coast regions of the North Island as a result of the Auckland Anniversary Weekend floods and Cyclone Gabrielle. On that basis, the Nelson Mayor has asked that with respect to Government funding to support recovery that the Council is treated in a manner that is consistent with NIWE affected Councils and regions.

- 8 I have received correspondence from the Mayor and I directed officials to meet with the Mayor to discuss (and seek information about) recovery funding requests that could be considered for funding from the National Resilience Plan. In doing I also asked officials to adopt a co-sharing approach to proposals and to consider consistency with the approaches to Government funding taken in NIWE regions.

**Priority areas for consideration**

- 9 The priorities that the Mayor and his Taskforce have put forward for consideration for Government funding are:

- 9.1 Support to families in financial hardship to be able to access the same assistance being provided to those in NIWE affected regions.

9.1.1 s9(2)(a)

[REDACTED]

The Council continues to provide rates relief to any/all homeowners who remain unable to return to their properties. However, some families are in similar situations (12 months after the event) as those in affected NIWE regions in terms of mortgage repayments and other costs.

At the time the Cabinet considered the Temporary Accommodation Assistance for those affected by NIWE, concern was expressed at the potential precedential nature of this arrangement. I propose instead that we acknowledge the issue some of the Nelson families have and that the Cyclone Recovery Unit (CRU) works with the Ministry of Social Development (MSD) to ensure these families are provided with assistance for their temporary accommodation costs.

- 9.2 The Government contributes 50 percent of the cost of property buyouts.

9.2.1 Properties proposed for buyout are in two categories. The first is buyout of properties affected by slips on council-owned land where the cost or viability of fixing the slips is considerably higher cost than buyout of the private properties affected.

9.2.2 The second category is private homes affected by slips on private land where there is no way for the homeowners to get resolution. This is because the EQC and insurance payments do not cover the costs of remedying the slips and those costs are considered cost prohibitive for homeowners.

9.2.3 There were approximately 18 severe slips on Council land affecting 33 private properties. Subsequent work has identified the costs of remediating two of the slips are cost prohibitive for the Council and it considers that it is more economical to buy

out the affected homeowners. This would, on current estimates, cover nine homeowners.

- 9.2.4 The Council estimates approximately five properties are affected by slips on private land and for which there is no reasonable solution. The request is for the Government to meet 50 percent of the cost of buy-out.
- 9.2.5 The total cost of buyouts of 14 properties is estimated at \$12 million with the Government portion being approximately \$6 million. The Council understands that final costs would be net of insurance and EQC payments and that it would become the owner (and responsible for the costs associated with that property, including demolition). The Council would work with the NIWE Councils to ensure consistency of policy when implementing the buyout.
- 9.3 The Government contributes 50 percent of the betterment of slips on Council land.
  - 9.3.1 The Council had 18 significant slips on its land affecting private residences. Work to date considers that 16 of these are able to be remediated to the standard prior to the event (and made more resilient to the impacts of events of a similar or worse scale).
  - 9.3.2 Total costs are estimated to be \$17 million. Of this, \$5 million is for reinstatement and the Council would pay 100 percent of this amount. The cost of building in resilience is estimated to be \$12 million. The Council requests that the Government contribute 50 percent of this cost (\$6 million), with the Council covering the remaining \$11 million.
- 9.4 The Government contributes toward the Tāhunanui Slump.
  - 9.4.1 The Tāhunanui Slump affects 220 properties. It is moving at around 10cm a year and has been doing so for a long period and is expected to continue to do so. It is expected to continue to do so. EQC employed Tonkin&Taylor to undertake measurements using specialised equipment which included measuring the movement of the water table.
  - 9.4.2 The Council believes the situation is manageable but is seeking support to continue monitoring annually. The Council is seeking \$30,000 a year from central Government.
- 10 The Mayor and his Taskforce also sought funding for significant upgrades of its storm water mechanisms for the Tāhunanui Hill and for the Matai River floodplain. The Council has determined that the state of the storm water systems played a significant part in the impact of the Storm event. The storm water upgrades are part of the Council's Long-Term Plan. Estimated upgrades

are in the order of \$20 million and the Council requests funding from the Government to enable these upgrades to occur.

- 11 Although the Nelson region event was not part of NIWE, I think it is important for our response to be consistent with the cost-sharing agreements we have negotiated with the worst affected NIWE regions.
- 12 I propose the following:
- 12.1 The CRU to work with MSD to provide financial assistance for temporary accommodation to families in Nelson that are in acute financial hardship as a result of the severe weather event in August 2022.
  - 12.2 50 percent share of the costs of buyout of 14 properties at an approximate cost of \$6 million.
  - 12.3 50 percent share of the betterment of 16 slips on Council owned land at a cost of \$6 million.
  - 12.4 Up to 10 years funding for monitoring the Tāhunanui Slump at \$30,000 a year, paid in a lump sum of \$300,000.
  - 12.5 Not contributing, at this time, to the funding of the replacement of storm water systems at \$20 million but noting this initiative could be represented for future National Resilience Plan (NRP) funding should the fund be extended.
- 13 This would mean funding from the NRP of \$12.3million and an unknown amount from MSD non-departmental funding.

#### **Financial Implications**

- 14 NRP funding of \$12.3 million and an undefined amount from MSD non-departmental funding.

#### **Legislative Implications**

- 15 There are no direct financial or legislative implications arising from this paper.

#### **Regulatory Impact Statement**

- 16 This paper does not require a Regulatory Impact Statement.

#### **Climate Implications of Policy Assessment**

- 17 This paper does not require a Climate Implications of Policy Assessment.

#### **Population Implications**

- 18 There are no specific populations implications arising from this paper.

## Human Rights

19 This paper does not have implications for human rights.

## Use of external Resources

20 No external resources were required for this work.

## Consultation

21 Treasury and MSD were informed of the contents of this proposal.

## Communications

22 The Mayor of Nelson City will be informed of decisions taken in this paper. I propose to release a short statement notifying publicly of this financial support and to coordinate this with the Mayor. The timing of this would depend on the timing of the Mayor seeking to gain agreement from his council for these arrangements.

## Proactive Release

23 I propose that this paper is proactively released within 30 working days, subject to redactions aligned with the Official Information Act, though information about the process established through this paper may be publicly communicated earlier.

## Recommendations

The Minister for Cyclone Recovery recommends that the Committee:

- 1 note that the impacts to the Nelson region caused by the extreme weather in August 2022 were severe.
- 2 agree that the Nelson region be treated in a manner that is consistent with NIWE affected regions for the purposes of Government contribution to recovery cost sharing.
- 3 agree that the Cyclone Recovery Unit works with MSD to provide temporary accommodation assistance to families in acute financial hardship as a result of the Nelson severe weather event in August 2022.
- 4 agree to funding \$6 million from the National Resilience Plan, for the buyout of 14 properties (representing a 50 percent share).
- 5 note buyouts will be net of insurance and EQC payments and that the Nelson City Council will ensure consistency of policy positions on implementation of buyouts with NIWE regions.

- 6 agree to funding \$6 million from the National Resilience Plan, for the betterment of 16 slips on Council owned land (representing a 50 percent share).
- 7 agree to funding a lump sum \$300,000 from the National Resilience Plan to monitor the Tāhunanui Slump, representing \$30,000 per year, for ten years.
- 8 direct the Cyclone Recovery Unit to oversee the implementation with the Nelson City Council and to work with the Treasury to access the \$12.3million from the National Resilience Plan funding.
- 9 agree to not contributing, at this time, to the funding of the replacement of storm water systems at \$20 million but noting this initiative could be represented for future National Resilience Plan funding should the fund be extended.

Authorised for lodgement.

Hon Grant Robertson  
Minister for Cyclone Recovery

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# 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 Extreme Weather Recovery Committee: Period Ended 1 September 2023

On 4 September 2023, Cabinet made the following decisions on the work of the Cabinet Extreme Weather Recovery Committee for the period ended 1 September 2023:

[REDACTED]	[REDACTED]	[REDACTED]
EWR-23-MIN-0076	<b>Contribution to Funding for Nelson City Council to Address Impacts from a Severe Weather Event that Occurred in August 2022</b> Portfolio: Cyclone Recovery	CONFIRMED
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Rachel Hayward  
Secretary of the Cabinet





# Cabinet Extreme Weather Recovery Committee

## Minute of Decision

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### Contribution to Funding for Nelson City Council to Address Impacts from a Severe Weather Event that Occurred in August 2022

Portfolio                      Cyclone Recovery

On 30 August 2023, the Cabinet Extreme Weather Recovery Committee, exercising its Power to Act in accordance with its terms of reference:

- 1        **noted** that the impacts to the Nelson region caused by the extreme weather in August 2022 were severe;
- 2        **agreed** that the Nelson region be treated in a manner that is consistent with North Island weather event (NIWE) affected regions for the purposes of government contributions to recovery cost sharing;
- 3        **agreed** that the Cyclone Recovery Unit work with the Ministry of Social Development to provide temporary accommodation assistance to families in acute financial hardship as a result of the Nelson severe weather event in August 2022;
- 4        **authorised** the Minister for Social Development and Employment and the Minister for Cyclone Recovery to make decisions as necessary to operationalise the assistance referred to in paragraph 3 above;
- 5        **agreed** to funding of up to \$6 million from the National Resilience Plan, for the buyout of 14 properties (representing a 50 percent share);
- 6        **noted** that buyouts will be net of insurance and EQC payments, and that the Nelson City Council will ensure consistency of policy positions on the implementation of buyouts with NIWE regions;
- 7        **agreed** to funding of \$6 million from the National Resilience Plan, for the betterment of 16 slips on Council owned land (representing a 50 percent share);
- 8        **agreed** to funding a lump sum of \$300,000 from the National Resilience Plan to monitor the Tāhunanui Slump, representing \$30,000 per annum, for ten years;
- 9        **noted** that costs associated with temporary accommodation assistance consequential to the policy decision in paragraph 3 above can be met from the existing relevant appropriation in Vote Social Development;

- 10 **authorised** the Minister for Cyclone Recovery, the Associate Minister of Finance (Hon Dr Megan Woods), and other appropriation Ministers as necessary, to agree the necessary changes to appropriations (including establishing new appropriations as necessary) and related matters to give effect to the above policy decisions;
- 11 **directed** the Cyclone Recovery Unit to oversee implementation, including the consistency of the Nelson City Council's categorisation approach with the NIWE regions and any other reporting requirements and, in conjunction with Treasury and other relevant agencies, to report back to joint Ministers in relation to actioning paragraph 10 above;
- 12 **agreed** to not contributing, at this time, to the funding of the replacement of storm water systems at \$20 million, but note that this initiative could be represented for future National Resilience Plan funding should the fund be extended.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Willie Jackson  
Hon David Parker  
Hon Kieran McAnulty  
Hon Barbara Edmonds  
Hon Willow-Jean Prime

**Officials present from:**

Office of the Prime Minister  
Officials Committee for EWR  
Cyclone Recovery Unit  
Chair, Taskforce

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