



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet:

Overview of the Future of Severely Affected Locations Policy and Implementation

Overview: Funding Allocation and Sources for Cyclone Recovery

The following documents have been included in this release:

Title of briefing: Overview of the Future of Severely Affected Locations Policy and Implementation (DPMC-2023/24-457 refers)

Title of briefing: Overview: Funding Allocation and Sources for Cyclone Recovery (DPMC-2023/24-470 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)(a), to protect the privacy of individuals
- 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
- section 9(2)(g)(ii), to prevent improper pressure or harassment
- section 9(2)(j), to enable negotiations to be carried on without prejudice or disadvantage



Coversheet

Overview of the Future of Severely Affected Locations Policy and Implementation

Date:	27/11/2023	Report No:	DPMC-2023/24-457
		Security Level:	_____
		Priority level:	Medium

	Action sought	Deadline
Hon Mark Mitchell Minister for Emergency Management and Recovery	note the information in this briefing	N/A

Name	Position	Telephone		1 st Contact
Katrina Casey	Chief Executive, Cyclone Recovery	9(2)(g)(ii)	9(2)(g)(ii)	✓
9(2)(g)(ii)	Executive Director, Strategic Policy and Legislation	9(2)(g)(ii)	9(2)(g)(ii)	

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Appendix: Yes

Briefing

Overview of the Future of Severely Affected Locations Policy and Implementation

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	27/11/2023	Security Level	IN-CONFIDENCE
------	------------	----------------	---------------

Purpose

1. This briefing provides you with an overview of the Future of Severely Affected Locations (FOSAL) policy approach and an update on implementation progress.

Executive Summary


2. The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the North Island Weather Events (NIWE). It is intended to reduce intolerable risk to people from extreme weather related natural hazards by mitigating risk where possible, and moving people out of harm's way where those risks cannot be mitigated.
3. Regional councils and unitary authorities are responsible for categorising land based on the underlying risk of flooding and landslides from severe weather events and delivering the appropriate policy responses. This includes risk mitigation projects and, where necessary, voluntary residential property buy-outs. Central Government's role is to set the high-level framework, provide funding support to councils and co-ordinate implementation. The Cyclone Recovery Unit (CRU) coordinates the Government's responsibilities, including trouble shooting, monitoring, and reporting on delivery and Crown expenditure.
4. Alongside the locally led FOSAL approach, the Government has established a parallel pathway to address severely affected whenua Māori and marae. This pathway recognises the distinct challenges that arise with whenua Māori, including relatively complex governance and compliance requirements, and multiple or fragmented ownership. The pathway also affirms the Crown's duties toward the protection of whenua Māori and associated values and practices.
5. FOSAL implementation is underway in the three regions most affected by the NIWE – Hawke's Bay, Tairāwhiti and Auckland. The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these three regions. The first buyout offers are now being made by some councils and we expect some to be finalised before the end of the year.

6. Agreed risk mitigation projects are in various stages of readiness to progress, although given the scale and complexity involved, completion of all these projects will take several years. The funding support packages for severely affected whenua Māori, which are subject to Ministerial approval, will be implemented later than the start of the council led buyouts, as further policy, investigation, and procedural work is undertaken.
7. Other councils in regions outside of the three most affected regions are also considering FOSAL policy responses but are further back in the process. The scale is much smaller in these regions (we anticipate that only a small number of buyouts and risk mitigation projects will be required) but the overall impact and corresponding need for Crown funding is still to be determined.
8. As the implementation of FOSAL gathers momentum, we anticipate a range of issues will emerge that may require some degree of intervention from central Government. These may include:
- Councils seeking to access funding rapidly to get risk mitigation projects underway.
 - Cost-sharing agreements needing to be revisited to accommodate changing property categorisation numbers.
 - Perceived inequities in the scope, terms, and timing of property buyouts between different regions.
 - Property buyouts leading to disputes and legal challenges.
 - Long timeframes to complete risk mitigation projects.
 - Councils seeking regulatory options to speed up consenting processes.
 - Ongoing uncertainty about solutions and funding needs in other NIWE-affected regions.

Recommendations

We recommend you:

1. **note** the contents of this briefing.

 Katrina Casey Chief Executive Cyclone Recovery
27/11/2023

Hon Mark Mitchell Minister for Emergency Management and Recovery
..../..../2023

Development of the FOSAL approach

1. In April 2023, the Extreme Weather Events Cabinet Committee (EWR) considered advice on a principles-based framework for decisions that need to be made to support communities and property owners to repair, rebuild or move [EWR-23-MIN-0030 refers].
2. FOSAL policy development has been co-ordinated by the CRU and jointly led by the Treasury and the Ministry for the Environment (MfE). Lead responsibility for co-ordinating the Crown's role in implementation was assigned to the Chief Executive, Cyclone Recovery in August 2023.
3. EWR agreed to three overall objectives for the approach:
 - Provide people with as much certainty as possible about their situation, so that they can move forward with their lives.
 - To the extent practicable, get the 'right' solution in the right place – this will mean different solutions in different locations.
 - Avoid significant financial hardship – rather than avoiding any financial loss for those affected.
4. EWR also agreed to a set of principles that would underpin any interventions in affected areas:
 - Maintain incentives on individuals, communities, local government, and insurers to manage risks.
 - Any support is appropriate and proportionate to enable individuals and communities in severely affected locations to recover from recent extreme weather and satisfactorily adapt to current and future risks.
 - Seek opportunities to reduce long-term risk from natural hazards.
 - Risk and options assessments and risk management to be locally led and centrally supported.
 - Manage risk to tolerable levels rather than eliminating it.
 - Set any central Government support at a level that can be sustainably offered in response to future events.
 - Ensure that Treaty obligations and the rights and interests of Iwi / Māori are central.
 - Target those worst affected and with the least means to recover.
5. To determine the appropriate responses required in different locations, the Treasury and MfE, supported by the Cyclone Recovery Taskforce, worked with councils through April and May to develop a framework for categorising residential properties. The final categorisation framework is shown in figure 1.

Figure 1: FOSAL Categorisation framework

Categorisation is the process of councils placing properties or groups of properties into classes of policy response (Category 1, 2 or 3), based on the ability to mitigate intolerable levels of risk as revealed by NIWE:

Category	1	2P	2C	2A	3
Description	Repair to previous state is all that is required to manage future severe weather event risk.	Property level interventions are needed to manage future severe weather event risk, possibly in tandem with community level interventions.	Community level interventions are needed for managing future severe weather event risk.	Significant further assessment is required to assess a property, as well as engagement with property owner.	Future severe weather event risk cannot be sufficiently mitigated. Some land uses may remain acceptable, but residential use carries an intolerable risk of injury or death.
Actions	Flood or landslide damage to repair, but no need for community or property level interventions.	Property specific measures are necessary, for example improved drainage, raising houses. Benefits accrue to property owners.	Local government could repair and enhance flood protection schemes to adequately manage the risk of future flooding events. Cost is shared by the community.	Interventions may be required or possible, but further information is needed. These may subsequently move between "2" categories or to categories 1 or 3.	In the face of enhanced climate risk to the property there is an unacceptable risk of future flooding or risk from land instability.

6. Responsibility for categorisation of properties sits with councils because they have the statutory responsibility for land use decisions. Councils are also responsible for delivering the resulting policy response.
7. In May 2023, EWR agreed to a policy approach for the different property classifications [EWR-23-MIN-0044 refers]. As the least affected and relatively lower risk areas, Category 1 properties do not require any policy response. Property owners are in the process of working with their insurers to repair any damage resulting from NIWE and moving on with their lives.
8. For Category 2 or 3 areas, there is a significant risk to life for residents from future flooding or landslides. The exact risk thresholds used differ between councils, but broadly the threshold for Category 2 and 3 is that these areas face an intolerable risk to life from future extreme weather events.
9. While the level of risk for Category 2 and 3 is similar, the response is different. The key difference is that for Category 2 properties, there is a viable solution to reduce risk to a tolerable level, while for Category 3, there is no viable solution that could reduce this risk.
10. For Category 2, risk mitigations may be at an individual property (2P) level (e.g., raising houses or improving drainage) or at a community (2C) level (e.g., building improved stopbanks). Councils also identified properties as Category 2A, for areas that required further assessment before making a final categorisation.
11. For Category 3, as there is no viable way to reduce risk, the policy response is for local councils to offer to buy the affected properties from individual owners, to ensure that the land can no longer be used for residential purposes. Councils are responsible for establishing the detailed approach, conditions, and timeframes for buyouts, but in all cases,

buyouts are made on a voluntary basis. Councils will take ownership of the property if the offers are accepted.

12. The FOSAL approach has been primarily focused on Hawke's Bay, Tairāwhiti and Auckland, as the three most affected regions. However, other NIWE affected regions are also able to consider FOSAL responses and may be eligible for Crown financial support.
13. The CRU's role is to lead and co-ordinate central Government implementation, including the administration of agreed funding support for buyouts and risk mitigation projects. This also includes responsibility for ensuring legal requirements on the expenditure of Crown funding are met, monitoring delivery, and reporting to the Government on delivery progress, associated issues and Crown expenditure.

A parallel approach has been developed for whenua Māori

14. A parallel approach has been developed for severely affected land that is whenua Māori (primarily Māori freehold and customary land, as defined by the Te Ture Whenua Māori Act 1993), and severely affected marae. It involves relocating people residing on Category 3 whenua Māori out of harm's way; retiring that whenua from future residential use; and contributing to the relocation of severely affected marae to mitigate risks to persons staying on site. Māori will retain ownership of whenua Māori.
15. This pathway was developed in recognition of the fact that the voluntary buyout approach may not be appropriate for whenua Māori, due to the relative paucity of whenua left in Māori ownership, the complexities of Māori land ownership and governance, and the distinct statutory requirements governing Māori freehold land.
16. In contrast to the FOSAL approach for general property owners, the whenua Māori and marae pathway is led by central Government. The reasons for this include historically poor experiences, low levels of trust Māori have of local authorities; and the overarching view that central Government (the Crown) has direct Treaty of Waitangi responsibilities towards protection of whenua Māori, and partnership relationships with hapū and iwi that cannot be delegated to local government. As much as possible, the whenua Māori pathway is intended to run in parallel with the regular FOSAL approach led by councils.
17. Further details on the pathway are provided in paragraphs 73-93 *Whenua Māori and marae pathway – policy and implementation*.

Cost-sharing with local government

Cost-sharing agreements have been reached with the three most affected regions

18. Following the development of the FOSAL policy approach, the Crown entered into negotiations with councils in the most affected regions (Hawke's Bay, Tairāwhiti and Auckland) to determine cost-sharing arrangements between central and local government (negotiations were led by the Treasury, with Sir Brian Roche, Chair of the Cyclone Recovery Taskforce, playing a key role).

19. Negotiations focused on what proportion of the costs the Crown would contribute for Category 3 buyouts and Category 2 risk mitigation projects. Crown funding contributions were also offered for regional transport projects, to help ensure that councils were not left in undue financial hardship because of their recovery costs.
20. To manage expectations and help to ensure that future funding would be more sustainable, the Crown’s negotiating position was based on a 50:50 cost share between central and local government for property buyouts. Throughout the negotiations, the Crown’s negotiating team was conscious of the potential precedent being set for future extreme weather events and the level of financial support that would be provided from the Crown.
21. The Crown agreed cost-sharing packages with Hawke’s Bay councils¹ on 31 July, with the Gisborne District Council (GDC) on 24 August and the Auckland Council on 24 August. After public consultation, and further negotiations on the terms of the packages, the final details were confirmed through Funding Agreements between the Crown and councils, signed on 6 October with Auckland and Tairāwhiti and with the Hawke’s Bay councils on 10 October.
22. The cost-sharing agreements consist of:
 - A 50 percent Crown share (less any insurance and EQC proceeds) of the cost of voluntary Category 3 buyouts.
 - A contribution towards risk mitigation projects for Category 2 properties.
 - A contribution toward regional transport projects, to reduce cost pressures on councils.
 - A concessional financing arrangement for the GDC. The Council is receiving a \$30 million, 10-year loan from the local government Funding Authority, with the Crown covering the interest costs of the loan (approximately \$17 million).
23. The total amount of funding support agreed for councils is summarised in table 1.

Table 1: Agreed funding for FOSAL cost-sharing

Region	Cat 3 buyouts	Cat 2 projects	Transport projects	Other support	Total
Hawke’s Bay	\$67.5m	\$203.5m	\$252.6m		\$523.6m
Tairāwhiti	\$15m	\$64m	\$125m	Concessional financing – representing \$17.0m value to council	\$221m
Auckland	\$387m	\$380m	\$110m		\$877m
Total	\$469.5m	\$647.5m	\$487.6m	\$17.0m	\$1,621.6m

¹ Councils include Hastings District, Napier City, Wairoa District, Central Hawke’s Bay District and Hawke’s Bay Regional Councils.

24. After reaching agreement with the Crown, councils consulted their respective ratepayers on whether to accept the agreements during September and October. The Auckland Council and the Hawke's Bay councils confirmed acceptance of the Crown offer by early October. The GDC confirmed acceptance on 1 November.

Cost-sharing has been formalised through Funding Agreements with the Crown

25. Contractual arrangements have been made to formalise and give effect to cost-sharing agreements. The three regions have signed individual Umbrella Funding Agreements with the Crown, which set out the terms and conditions under which councils will receive Crown funding.

26. Funding Agreements include details of the methodology used to categorise properties and the methodology for conducting buyouts. These methodologies have been developed independently by councils. Provision of funding is conditional on councils carrying out buyouts in accordance with the approach set out in these documents.

27. Funding Agreements also include lists of Category 2 and local transport projects for which funding has been allocated. While the funding has been secured for these projects, councils still need to complete delivery plans for each project (or group of smaller projects) to ensure that they can be successfully delivered and will provide the expected benefits. Councils will enter into individual project level agreements that sit underneath the Umbrella Agreement, setting out project milestones and funding profiles.

28. At the time of signing the Funding Agreements, councils were still developing their categorisation and buyout methodologies and project lists. These remain in draft until councils provide final versions. Finalising these documents is a condition of Crown funding – no funding will be provided until these final documents have been provided. We will advise you as these are received or if we have any concerns about their delivery.

29. Since the Agreements were signed, we have already been advised that Category 2A properties in some areas are being recategorised as Category 3 as viable risk mitigation solutions cannot be delivered. This will have implications for the cost-sharing arrangements between councils and the Crown and could require some renegotiation of terms and potentially additional funding.

30. 9(2)(g)(i)
[Redacted text block]

FOSAL implementation in Hawke’s Bay, Tairāwhiti and Auckland

Hawke’s Bay

31. Following the Government’s release of the initial FOSAL risk categories in early May, the Hawke’s Bay Regional Council (HBRC) developed a process and a technical framework to identify the future risk to life at affected properties.
32. On 1 June, the first maps showing which areas had been provisionally placed into each category were publicly released, covering thousands of homes. Those maps continue to be updated as the Council and its engineers undertake more detailed property specific assessments.
33. Early estimates identified 236 properties in Category 3, including s 9(2)(a) properties and s 9(2)(a) , and 2,526 properties in Category 2. Letters/emails were sent to those property owners advising of the initial categorisation.
34. The HBRC is leading land categorisation decisions on behalf of the four Hawke’s Bay councils. It has relied on a wide range of data, including high-resolution imagery taken by plane after the cyclone, information from stickered house assessments (provided by individual councils), insurance information, data and pictures collected by trawling social media, as well as site visits. The HBRC also has its own extensive data on flood risks and catchments. Property owners can provide further information to support a categorisation change or review.
35. The initial maps released on 1 June were produced by the HBRC in a matter of weeks, and more detailed assessments were required for Category 2A areas. This has meant the number of properties in Category 3 has been growing since June – from 236 homes on 1 June to 287 by early October.
36. Of these 287, only 140 have residential dwellings on them. The remainder would only be eligible for a buyout under special circumstances (see details of the Hawke’s Bay buyout policy in paragraph 43).

Community consultation and confirmation of categorisation

37. The initial categorisations identified that of the four councils, Category 3 residential properties were in two council areas. From mid-June to early September, the Hastings District and Napier City Councils undertook public consultation with provisional Category 3 communities, explaining the categorisations settings and the upcoming work to refine the initial categorisation of properties. Community meetings were held across Hawke’s Bay to assist property owners to make submissions by 7 September.
38. From early September until early October the HBRC considered submissions from Category 3 property owners. Councils also consulted ratepayers on whether to accept the Crown’s cost-sharing package for Hawke’s Bay.
39. On 4 October, 287 properties across Hastings and Napier were confirmed as Category 3, marking a significant milestone in the HBRC’s land categorisation process. This

confirmation allows for buyouts of Category 3 residential properties across Hawke’s Bay to commence. Updated numbers of properties categorised as provisional Category 2P, 2C, 2A or confirmed Category 3 across the Hawke’s Bay region are as follows.

Table 2: FOSAL categorisation numbers for Hawke’s Bay as at 3 October 2023

Council	Cat 2P	Cat 2C	Cat 2A	Cat 3	Total
Hastings	1	149	88	265	503
Napier	-	-	-	22	22
Central Hawke’s Bay	8	-	127	-	135
Wairoa	-	-	667	-	667
Total	9	149	882	287	1,327

40. Since the numbers in table 2 were confirmed, the HBRC has informed the CRU that one location provisionally identified as 2A (s 9(2)(a) [redacted] – which has 37 affected properties) is now likely to be reclassified as Category 3, as the intended risk mitigation solution is not viable. The CRU is engaging with the Council to determine the impact of this decision on the cost-share agreements and potentially funding.

Buyout process

41. On 9 October, the Hastings District and Napier City Councils sent letters to the 287 Category 3 general title property owners, informing them of next steps – including detail about the buyout process and a guide for residents to help navigate the process.
42. A council-led voluntary buyout office has been operating since 24 October to support Category 3 property owners who want to consider an offer. Councils are now meeting with property owners to discuss the specific details of an offer. Once these preliminary meetings have been held and owners have indicated they want to progress, the property’s insurance status will be confirmed, a valuation will be completed, and a formal offer will be made. Councils have submitted a payment request of \$1.7 million for six buyouts, (four in Hastings and two in Napier), that they anticipate will be completed by 22 December 2023.
43. The key elements of the Hawke’s Bay voluntary buyout policy are:
- It applies to residential property, or mixed-use property on Category 3 land, that had a dwelling prior to Cyclone Gabrielle.
 - Residential land without a dwelling is excluded, except at the discretion of councils in special circumstances (such as where a resource consent is in place and there is evidence of a genuine intention to begin building a dwelling).
 - Two offers are available – a purchase offer where ownership of the property is transferred to the council; or a relocation offer for mixed-use property (>2ha) where

the council purchases the dwelling, but property owners retain the land (a covenant will be registered on the title to prevent future residential activity).

- The council will base its offer on a 100 percent valuation of the property as at 13 February 2023, and it is uncapped.
- There is no distinction in the offer applied to insured or uninsured property.
- Councils will provide property owners up to \$5,000 for an independent valuation, and \$5,000 for legal costs.
- Property owners may request a review of their case from the council's Chief Executive, but no further local dispute process is being provided as the offer is voluntary.
- Buyout offers will remain open for three months after it is first made to the property owner (although extending this period is possible if progress is being made towards a final agreement).

44. The dispute process provided for in the buyout policy only applies to the terms of the buyout that the Hastings District or the Napier City Council is offering (such as the valuation amount or terms of the offer). It does not consider disputes about categorisation. Decisions about which category a property falls into are made by the HBRC, on behalf of all the Hawke's Bay councils. It is unclear how separate dispute processes may align or be coordinated between councils and the CRU is following up on this as details emerge.

Tairāwhiti

45. The GDC released provisional FOSAL Category 2 and 3 maps on 9 June. Early estimates identified 18 Category 3 and 1818 Category 2 properties.² Letters/emails were sent all Category 2 and 3 property owners advising of the initial categorisation.
46. Council led community hui were held across the region to explain the categorisation settings and the upcoming work to refine the initial categorisation of properties.
47. As at 1 November, 51 properties are provisionally Category 3, including s 9(2)(a) properties and s 9(2)(a), with a further 770 homes in Category 2A, requiring some form of property or community level flood protection intervention to make them safe to live in.
48. The Crown and the GDC cost-sharing agreement was announced on 24 August. Based on this package, the GDC consulted its community from 2 to 16 October on whether to establish a new activity to purchase Category 3 properties, and whether to accept the Crown's cost share package.

Buyout process

49. The GDC considered the results of community consultation on 1 November and has confirmed that it will accept the cost share package and the approach that it will take to buyouts. The GDC is writing to all Category 3 property owners to set out next steps now

² Most of these properties were identified as Category 2A, requiring further assessment.

that this decision has been made. The most recent information from the GDC is that it will start making formal buyout offers from the end of January 2024.

50. The GDC has not yet provided the Crown with its final buyout methodology. However, the policy agreed by the council on November 1 includes the following settings:
- Residential property, or mixed-use property on Category 3 land, that had a dwelling prior to Cyclone Gabrielle is eligible.
 - Properties larger than 1 hectare will be treated as mixed-use and only offered a relocation offer rather than outright purchase, properties smaller than 1 hectare may receive a relocation or purchase offer.
 - Offers will be for 100 percent of the property value, based on an individual market valuation as at 12 February 2023, and it is uncapped.
 - There is no distinction in the offer applied to insured or uninsured property.
 - Property owners are eligible for up to \$1,500 for legal costs (other costs such as an independent valuation are not included).
 - Property owners may request a review of their case from the council’s Chief Executive, but no further local dispute process is being provided as the offer is voluntary.
 - The council will specify the expiry date for an offer, which will be no later than 31 March 2025.

Auckland

51. In May, the Auckland Council estimated that there would be approximately 700 Category 3 properties, based on the number of red stickered properties following rapid building assessments. This included areas severely affected by landslides in Muriwai, Piha and Karekare, along with flood affected properties across the Auckland isthmus.

Categorisation process

52. On 14 June, the Auckland Council began engaging with affected property owners to progress a risk assessment process that enabled each property to be categorised.
53. Approximately 7,000 property owners were contacted via email or letter during June and invited to provide further information about their property online. The letter explained that their property may be Category 2 or 3 and therefore considered high-risk, needing further assessment. These 7,000 properties were either red, yellow, or white stickered properties. Approximately a quarter of property owners contacted responded. It is unclear how many whenua Māori properties are severely affected, though officials have identified a set of s 9(2)(a) Māori land blocks within what the Council has determined to be the region’s 13 “high risk localities”.
54. The Council contracted ten geotechnical suppliers, using over 100 specialist engineers and consultants to complete the assessments. Individual properties were then given an initial FOSAL categorisation based on the available data and information. For properties in

landslide affected areas, the Council contracted a comprehensive geotechnical study of Muriwai, Piha and Karekare as the basis for risk categorisation decisions.

55. Property owners that responded to the Council had their properties reviewed through desktop assessments. These assessments involved information collection from property files, photographs, published geological information and LiDAR data to calculate slope angles. For properties deemed Category 2 or 3 following this desktop assessment, an onsite assessment was scheduled with the property owner to determine a final categorisation.
56. By late October, the Council received more than 2100 responses from property owners – and had completed more than 1300 desktop assessments and 900 site visits.
57. The Council has provided 321 property owners with final categorisation decisions and confirmed Category 3 property owners have been invited to begin buyout conversations with the Council.
58. Further confirmation of final categorisation decisions are now expected on a consistent basis, although the assessment process will not be complete until March 2024. At this stage, the estimate of 700 Category 3 properties is still the most up to date figure.
59. Approximately 20-40 Category 3 properties are Kāinga Ora owned properties. The Council has confirmed that these houses (and any Crown owned land) will not be included in the buyout scheme. Under the locally led approach, the Council has determined the buyout parameters that it considers appropriate and consistent with the principles and intent of the policy process. It has made these decisions without Crown direction of any kind. The 9(2)(g)(i)

Buyout process

60. Consultation with ratepayers on whether they supported the cost-share deal with the Crown started on 14 September, concluding with the Auckland Council Governing Body agreeing to accept the Crown's offer on October 6.
61. The Council publicly released its buyout methodology on 2 November. The first sale-and-purchase agreements will likely be made to landslide affected properties in Muriwai and several flood-affected properties in West Auckland.
62. The key elements of the Council's buyout policy are:
 - It applies to residential property, with a dwelling, that is identified as Category 3.
 - Only the residential portion of a mixed-use property will be eligible (the Council will negotiate this).
 - The buyout price will be based on the market value of the property as at 26 January 2023, to be determined either by a registered valuer, or via a desktop valuation.
 - The Council will deduct a "homeowner contribution" from the buyout price:
 - 5 percent for insured property

- 20 percent for any uninsured property (although the Council can, at its discretion, reduce this contribution).
 - The Council will provide a contribution to legal and advisory costs of up to \$5,000. It will establish a dispute resolution process for both categorisation and valuation decisions.
 - Once an offer is made, property owners will have one month to elect whether to accept it (although this would be extended if the dispute resolution process is activated).
63. On November 2, the Council announced that a “feasible and affordable” test will apply to Category 2P mitigations – if the cost of mitigation is up to 25 percent of the property’s value, it will be eligible for 2P funding. Further details are still to be provided, but the implication of this test is that if the cost is greater than 25 percent, a buyout would need to be considered. Auckland Council is seeking to amend the terms of their funding agreement, to enable funding for Category 3 buyouts to be used for Category 2P mitigations.
64. Summaries of the nature and status of FOSAL implementation in each of the three most affected regions are provided in appendix 1.

Other NIWE-affected regions

65. With affected homeowners overwhelmingly concentrated in Hawke’s Bay, Tairāwhiti and Auckland, the focus has been on these areas. However, there is a relatively smaller number of property owners in other NIWE-affected regions³ who experienced similar levels of damage.
66. Some of the other NIWE-affected councils are considering FOSAL categorisation and policy responses. Progress on property-by-property risk assessment is more advanced in some regions than others, but we anticipate that all councils will finalise any categorisation decisions by no later than the end of February 2024.
67. The CRU engages regularly with other councils to discuss their approaches and intentions. Many councils have expressed some hesitancy about how and whether FOSAL should apply in their areas. Concerns raised with the CRU include:
- Expectation about locally led responses that a buyout process could raise in their communities.
 - Risks of not identifying, or miscategorising properties.
 - Complications engaging with and/or offering buyouts for unconsented and uninsured properties.
 - Practical considerations about reducing landslide risks to individual or small groups of properties, where the risks are from neighbouring private, or Crown owned land.

³ Other affected councils include those in Northland, Waikato, Bay of Plenty, Manawatū-Whanganui, and Wellington (Wairarapa)

- Equity concerns about properties affected by other, non-NIWE weather events, or at risk from future natural hazards (including coastal erosion) but that were not severely affected by NIWE.
 - Financial implications for councils that have existing financial pressures, debt constraints and low rating bases.
68. We expect that at least two, and possibly up to four councils may pursue Category 3 buyout offers. A greater number will seek financial support for Category 2 risk mitigation projects:
- The Masterton District Council is considering offering buyouts to between s 9(2)(a) property owners affected by Cyclone Gabrielle flooding in Tinui. The Council estimates that this would cost approximately \$5 million (with the Crown's share \$2.5 million), although this number is still subject to change if other mitigation solutions are feasible (for example, lifting and moving houses within an affected piece of land). The Council is undertaking a two-week public consultation period, which began on 20 November, on whether it should adopt a buyout scheme.
 - The Tauranga City Council is assessing up to s 9(2)(a) above and below a landslide that damaged homes during the Auckland Anniversary Floods. The Council expects that two to three properties may require buyouts, where there is no viable engineering solution to reduce the ongoing landslide risk (this includes one property that was severely damaged and has since been demolished). It is not expecting to have engineering assessment work finalised until late this year or early 2024.
 - The Waikato District Council is considering options for up to 5 properties in Port Waikato at risk from future landslides. The Council is assessing whether there are viable property level solutions to minimise risk and avoid the need for buyouts.
 - The Thames-Coromandel District Council has indicated that it is not expecting to make any buyout offers at this stage, although it is considering alternative risk mitigation options for less than 10 properties it considers may be facing an intolerable risk from landslides. Some of these properties face risks that involve neighbouring Department of Conservation (DoC) land, although the origin and nature of landslide risks is not always clear without commissioning geotechnical assessments. The CRU is involved in ongoing conversations with DoC and the Council about conducting these assessments, to inform which would inform potential remediation solutions.
 - At this stage, none of the three district councils in Northland have indicated that they are intending to progress with categorisation and buyouts, although they have not ruled it out completely. The CRU has been in regular discussions with the councils, and we will continue to work with them. We will advise you if we have any further updates.
69. Councils were informed by the previous Minister for Cyclone Recovery on 25 September that – should they identify any Category 3 buyouts – the Crown would share the cost on the same basis as agreed with other regions, i.e., 50 percent of the net cost less insurance and

EQC payments. It is not envisaged that the total cost would be more than \$10 million across all other affected regions.

70. Should any of these other councils choose to categorise properties and offer any Category 3 buyouts to property owners, councils will write to you to seek a funding contribution from the Crown. This contribution would be funded from the National Resilience Plan (NRP), the same source as previously agreed cost-sharing funding for the three most affected regions. There is currently no specified funding amount set aside for this purpose.
71. Subject to your agreement, the CRU would then work with the relevant council(s) to confirm the amount and the relevant terms of a Crown offer. This would be formalised through the development of a binding Funding Agreement between the council(s) and the Crown.
72. Central Government has also advised councils of the funding pathways available to them for Category 2 risk mitigation projects – either the Local Government Flood Resilience Co-investment Fund, or the next phase of NRP funding. None of the potential responses listed above have been formally identified for funding from either pathway.

Whenua Māori and marae pathway – policy and implementation

73. The whenua Māori and marae pathway is a flexible approach that involves the Crown engaging directly with Category 3 Māori property interests and their local communities, to determine appropriate case-by-case solutions, including fair and reasonable funding support from the Crown.
74. This pathway is an unprecedented public policy approach, and further policy and operational development work needs to be undertaken, in consultation with relevant agencies. We expect to provide Ministers with further advice on the detailed design to give effect to policy decisions, and to seek agreement to any further policy decisions that may be needed, in early 2024.

Engagement with affected land interests is ongoing

75. Whenua Māori engagement across the three most significantly impacted regions (Auckland, Hawke's Bay & Tairāwhiti) is ongoing and is progressing at different stages. It is running in parallel to the council-led engagement with property owners through the general FOSAL pathway, though the development of support packages will require more policy and scoping to be completed.
76. Within the whenua Māori pathway, the current focus is on building relationships with owners, trustees, and residents to better understand the level of impact to their whenua, including residential dwellings and marae. This is necessary to work towards enabling whānau to relocate to safe places, taking into account the Crown's Treaty and legal obligations.
77. As councils complete assessments and categorise properties within their districts, the CRU is identifying and engaging with impacted landowners' representatives, trustees (where they exist) and residents. This engagement has informed the policy work and advice to Ministers to date; and is supporting Treasury's forecasting of funding and affordability.

78. Indicative numbers of properties and marae are shown in table 3.

Table 3: Estimated number of properties in scope of the whenua Māori and marae pathway

Region	Whenua Māori land blocks categorised as Category 3	Marae located on Category 3 land
Hawke's Bay	s 9(2)(a)	
Tairāwhiti		
Auckland		
Total		

79. Currently the Hawke's Bay region is the most progressed, with approximately s 9(2)(a) Māori land blocks identified as Category 3, including s 9(2)(a).

80. In the severely affected s 9(2)(a) community, in Hawke's Bay, local iwi have sought a collective solution that incorporates the relocation of their Category 3 marae and up to s 9(2)(a) affected whanau households residing on Category 3 whenua. A multi-agency 'Taskforce', co-led by the CRU and Te Arawhiti, is working with local iwi on the proposal and will report to Ministers in December on its viability. There may be other Category 3 locations where a collective solution, and Taskforce approach, has merit, although there are specific circumstances at s 9(2)(a) that lend itself to this.

81. In Tairāwhiti, the GDC is nearing completion of its categorisations, following a major disruption to its process due to further flooding in June. The GDC has identified s 9(2)(a), including s 9(2)(a), which it has asked the CRU to assess for eligibility for the whenua Māori pathway. As at mid-November the GDC has advised it may add a further s 9(2)(a) to Category 3.

82. The Auckland Council is undertaking a series of geotechnical and other specialist assessment as a precursor to its property categorisations and has not finalised its whenua Māori category 3 properties. While this occurs, the CRU is working with Te Puni Kōkiri to develop a (worst case) estimate of the number and location of severely affected whenua Māori properties across Auckland. In all, there are s 9(2)(a) that are potentially within scope of the whenua Māori pathway, including s 9(2)(a) that may be Category 3.

Scope and funding parameters have been set for the whenua Māori pathway

83. Policy advice on the pathway was coordinated by the CRU, and led by the Treasury, working with Te Puni Kōkiri and Te Arawhiti. 9(2)(j)
 . 9(2)(f)(iv), 9(2)(g)(i)
 9(2)(g)(i), 9(2)(f)(iv)

84. Further decisions were made by joint Ministers with delegated authority from EWR, to set maximum and minimum parameters for Crown contributions. Ministers also agreed that the Chief Executive, Cyclone Recovery, would be responsible for the overall implementation of the whenua Māori pathway and administration of the fund, supported by Te Puni Kōkiri and Te Arawhiti.

85. The fund will be used to provide flexible grants to those in scope of the pathway, who voluntarily opt in. Funding is available for properties that are Category 3, are in residential use and/or have assets of cultural significance, and are on Māori freehold, customary or reservation land. Some general title land is also eligible (and excluded from the council-led buyout pathway) if the property:

- is owned by members of the hapū associated with the whenua and is geographically connected to it; or
- was previously Māori freehold land but was compulsorily converted to general land due to government legislation; or
- is Treaty settlement land held by a post-settlement governance entity for residential use.

86. In relation to these properties, the fund can be accessed by whenua Māori owners, representative bodies, or residents of a property in scope (regardless of whether they have ownership interests in the whenua or dwelling). However, given the potential complexities about ownership and occupation, a Crown funding offer will be subject to formal ratification processes and compliance with Māori land statutory requirements.

87. Ministers have agreed to parameters that will inform the maximum and minimum for Crown contributions to different components of support packages to be offered. 9(2)(j)

[Redacted text]

88. 9(2)(j)

[Redacted text]

89. 9(2)(j)

[Redacted text]

[Redacted text]

90. The Chief Executive, Cyclone Recovery has delegated authority to agree funding packages within these parameters up to a value of s 9(2)(j) . Packages over s 9(2)(j) , must be approved by the Minister of Finance, Minister for Māori Crown Relations, Minister for Māori Development, and yourself.
91. Some policy decisions on the whenua Māori and marae pathway are still to be made. Most of these are at an operational policy level (e.g., any specific approached needed to land valuation, or an appropriate contribution to legal or transactional costs) which the CRU will determine, in consultation with other agencies, under the authority delegated to the Chief Executive, Cyclone Recovery.
92. 9(2)(g)(i) .
.
.
.
.
93. Progress updates on the pathway will be provided as engagement progresses, including if the parameters need to be adjusted or if further funding may be required to reach solutions for all Category 3 whenua blocks. A progress update is currently scheduled to be provided to Cabinet in November, but this timeframe may be amended to December, depending on the timing of Cabinet and Cabinet committees.

Administration of Crown funding

94. The Chief Executive, Cyclone Recovery is responsible for overseeing the administration of the Crown's financial support to councils for Category 2 interventions, Category 3 buyouts, and the local transport packages agreed with councils through cost-sharing negotiations. However, the CRU does not have the capacity or necessary expertise to undertake all aspects of implementation.
95. To support the delivery of agreed funding, Crown Infrastructure Partners Limited (CIP), has been engaged by the CRU, given its operational and commercial expertise and proven track record of helping deliver complex infrastructure projects.
96. CIP is responsible for administering the provision of Category 3 funding to councils, subject to the terms of the Umbrella Funding Agreements signed between the Crown and councils. CIP will receive payment requests from councils for the Crown's share of buyout costs and confirm that any requests are in accordance with requirements, before releasing funding.
97. For Category 2 and transport projects, CIP will work directly with councils to review council delivery plans, to provide assurance that plans contain an appropriate level of information to meet agreed FOSAL and NRP criteria for funding.

98. Councils have been advised of CIP’s role. A series of introductory meetings, with the CRU, CIP, and councils, is underway, with meetings taking place between finance teams to discuss drawdowns and reporting, and site visits with engineers. Work is ongoing with councils to finalise the documentation required to finalise Funding Agreements, and to understand councils’ prioritisation, timing, and sequencing for the delivery of projects.
99. Based on CIP’s recommendation, the Chief Executive, Cyclone Recovery, will be responsible for seeking approval from you for projects to proceed. Subject to approvals, CIP will execute project level funding agreements with councils, oversee and monitor councils’ delivery, and report to on progress. The CRU will report to Ministers on progress of delivery, emerging and actual issues, and potential solutions.
100. CIP will also have a similar role in the administration of funding agreed for Nelson City Council and for projects funded through the Local Government Flood Resilience Co-investment Fund.
101. If the need eventuates CIP will support the delivery of FOSAL funding for any councils in other NIWE-affected regions and will also support the distribution of whenua Māori and marae funding. If additional support is required from CIP for these purposes, we will provide you with advice and negotiate an extension of CIP’s mandate for these functions.
102. Monitoring and reporting on council delivery and the expenditure of Crown funding will be a key part of CIP’s role. The amount of funding, over \$1.6 billion is substantial and will be subject to scrutiny by Ministers and by the Auditor-General. To ensure that there is sufficient oversight, CIP will provide regular monthly reporting to the CRU which will include:
- Updates on councils’ progress on buyouts and project delivery against agreed milestones.
 - A summary of funding distributed compared to forecast expenditure.
 - Any material issues that CIP has identified that may impact on a council’s delivery of an agreed project.
103. The Chief Executive, Cyclone Recovery and CIP are in the process of finalising a contractual agreement to deliver these services. 9(2)(f)(iv), 9(2)(g)(i)

[Redacted text block consisting of several horizontal grey bars]

Emerging issues

104. As FOSAL implementation continues, we expect there will be a range of issues that emerge from councils’ buyout processes and delivery of risk mitigation projects. Other, unexpected issues will no doubt arise as councils progress through their implementation. Some of the key areas of concern that we have identified to date are outlined below.

Councils seeking to access funding rapidly to get risk mitigation projects underway

105. Councils that have Funding Agreements in place want to get risk mitigation and transport projects underway and receive Crown funding as soon as possible. Some councils have expressed concerns that central Government processes and requirements will be onerous and time consuming.
106. The CRU is working closely with CIP and councils as delivery plans are agreed for individual projects. We are seeking to balance the need to deliver funding quickly and to recognise that FOSAL responses are locally led, with fiscal responsibility requirements for Crown funding.
107. Moving rapidly is dependent on councils providing satisfactory final documentation to enable the Funding Agreements to come into force and funding to be released. We anticipate that this will be provided by the end of November and will inform you if there is any unexpected delay in this process.

Cost-sharing agreements needing to be revisited to accommodate changing property categorisation numbers

108. As councils finalise their property categorisation process and complete the detailed planning required for implementation, they are seeking to amend what has been agreed through cost-sharing negotiations. As the number of properties in each category change compared to what was expected when the agreements were first made, this will have an impact on the relative amounts of funding agreed for buyouts and different types of projects.
109. In particular, and as already noted (in paragraphs 35 and 40) regarding the Hawke's Bay, a council may determine that a Category 2 intervention is no longer viable, or further assessment of a Category 2A property determines that there is no viable mitigation solution. This means that the properties could move into Category 3 and become eligible for a buyout. In this scenario, the Funding Agreements with councils include provisions that require the Crown and councils to negotiate in good faith whether to amend agreed funding amounts.

110. s 9(2)(f)(iv)

111. s 9(2)(f)(iv)

Perceived inequities in the scope, terms, and timing of property buyouts in different regions

112. Each of the three regions that are preparing to make buyout offers to residents are taking different approaches to the scope of their buyout policies and applying different terms and

conditions. This includes the treatment of different property types, different valuation approaches, contribution amounts for legal and other costs, and dispute mechanisms. In particular, Hawke's Bay and Tairāwhiti are offering 100percent buyouts (for both insured and uninsured property), while Auckland is offering a maximum contribution of 95percent for insured properties and 80percent for uninsured properties.

113. These differences are likely to create a perception of inequity in the approach taken in different regions. However, this is a result of the locally led approach. Central Government has worked with councils to enable information sharing between them and to encourage consistency where possible but is not able to prescribe the settings of individual councils' buyout policies. The CRU has ensured that councils are making their decisions with the knowledge of what other councils are proposing to do.
114. Some councils in other affected areas are still considering their approach, with some not expecting technical assessments to be completed until early 2024. This would mean that the timeframe for any property buyouts is likely to be later than those in other regions.
115. The Crown has also agreed to provide the Nelson City Council with funding support for property buyouts from a severe weather event in August 2022 [EWR-23-MIN-0076 refers]. This is broadly like the FOSAL approach.
116. The Council has indicated that engaging in buyouts would be subject to a public consultation process on its Long-Term Plan. This is not planned until March-April 2024. Affected residents have expressed concern about the timeframe, given the time that has now elapsed since the Nelson weather event and the fact that residents in other regions may have resolution sooner, despite the NIWE events occurring later.

Property buyouts leading to disputes and legal challenges

117. Given the number of likely buyouts and the significance of offers for individual property owners, it is likely that the buyout process will lead to disputes and legal challenges (e.g., about categorisation decisions, or valuation outcomes). This is likely to affect councils in the first instance, as the responsible decision makers, but the overarching FOSAL approach may also be called into question.
118. The CRU has had initial conversations with other government agencies and local authorities to identify potential options for review or appeals. While central Government has provided the FOSAL categorisation framework and provided funding to enable councils to implement the approach, FOSAL buyout policy is locally led. Any dispute resolution/review/appeal function would need to maintain the appropriate bounds of locally led and centrally supported.
119. This review/appeal process differs from others (such as buyouts resulting from the Christchurch and Kaikoura earthquakes) in that the Crown is at arms' length and not buying the properties, making decisions about which properties will be offered buyouts, or what the terms of those buyouts will be. There is no statutory basis for a review/appeal model apart from existing Ombudsman and judicial review rights. Therefore, any solution will need to be agreed to by the councils and property owners as binding. There is currently no source of funding for a bespoke review process.

120. The spectrum of options for central Government runs from providing guidance and advice to councils on how they might establish their own review/appeal system, through to the creation of a bespoke Ombudsman, dispute resolution system, or even a tribunal. Behind all those options sits the use of the (existing) Ombudsman and the High Court judicial review process, which are always available to people.

Long timeframes to complete risk mitigation projects

121. The scope of the work required to complete all FOSAL related infrastructure projects, as well as efforts to repair, rebuild, and construct new homes is extensive. The recovery work will likely take years.
122. Limitations such as the availability of construction materials, workforce capability and capacity, equipment availability, environmental considerations such as ground saturation and seasonal conditions mean that not all infrastructure projects can simultaneously get underway. Agencies are working to improve understanding of the workforce requirements of infrastructure rebuild projects to see where they can assist. At this time, this work requires more information from councils on their proposed plans and sequencing of their significant projects.
123. The implications for affected residents may be significant. Properties identified as Category 2 face an ongoing risk to their safety while mitigation works are progressed. This is likely to cause anxiety among residents. It may also lead to concerns about the ongoing availability and/or affordability of insurance for affected properties. Private insurance companies have been seeking assurance that mitigation works will be completed and deliver the intended benefits, so that they can continue to offer affordable insurance.
124. In addition, should any of the Category 2 risk mitigation projects not be able to be completed, then the properties in question would likely need to be recategorised as Category 3 and receive a buyout offer instead.
125. As council delivery plans are developed, the CRU will work with councils and central Government agencies to consider options to provide additional support, including whether legislative levers are needed to speed up delivery.

Councils seeking regulatory options to speed up consenting processes

126. Some councils have asked the CRU for assistance with navigating a variety of consent-related matters where shortening processes or timelines would enable greater opportunities for residents to be relocated quickly, or infrastructure projects to get underway. The CRU has had a number of meetings with councils about the need for regulatory relief, although to date councils have not been able to articulate clear examples of situations needing relief and the nature of relief required. We will continue to work with councils to clarify these needs.
127. The CRU is working with MfE and other agencies to build a suite of potential response options – although this work remains dependant on greater clarity from councils about what is required. Options could include:

- Enabling councils to allow more intensity of residential building on rural land with restrictive district plan rules in place.
 - Regulatory relief or Orders in Council to progress flood protection works and housing relocation, as raised by the Hawke's Bay Regional Recovery Plan.
128. You may have to play a role in linking the work of other Ministers' portfolios, such as Environment or Local Government, to expedite the implementation of the FOSAL programme. Some of these decisions may have to come in the short term and involve linking operational level workstreams; some solutions may require either secondary or primary legislation changes, so will be a more involved process.
129. The use of Orders in Council through the Severe Weather Emergency Response Legislation Act (SWERLA) is frequently raised by councils as a potential solution to some of these problems. However, as we move further away from the weather events, the use of SWERLA becomes more limited. This is becoming particularly apparent as councils are requesting regulatory relief for future-focussed resilience efforts that would be likely to be out of scope of the Act.
130. Additionally, councils are raising the need for more permissive approaches to consenting, including creating new bespoke approvals processes. The ability to achieve this under SWERLA is limited, as the Act only allows amendments and modifications to processes in current legislation, not the creation of new processes or their application to new subject matters.
131. The CRU has sought Crown Law Office advice on the continued application of SWERLA, given the time that has passed since the severe weather events. We will update you once this advice is finalised.

Ongoing uncertainty about solutions and funding needs in other NIWE-affected regions

132. Outside of the three most affected regions, where NIWE cost-sharing funding packages have been agreed, councils are still determining their responses, including whether they wish to engage in FOSAL categorisation and what their funding needs may be as a result.
133. Councils are at different stages of their recovery process, but many are still at the point of engaging technical experts to assess impacts and possible solutions, and it may still be some months for the full recovery costs for severely affected properties in these areas becomes clear. The scale of any Crown funding support that might be requested is still unknown.
134. There are also some potentially complicated ownership or liability issues across all regions that are yet to be fully resolved, such as interventions that may be needed on Crown owned land (e.g., DoC land in Thames-Coromandel) or the future of Kāinga Ora properties on Category 3 land in Auckland.

Appendix 1: Nature and Status of FOSAL Regional Summaries

Proactively Released

Future of severely affected locations: Auckland

Auckland's recovery effort is of a different scale to the other regions; it received significant levels of damage in areas distributed around the wider region, including multiple residential areas. This means that its cost sharing agreement is the largest.

All umbrella cost sharing agreements signed in October require local authorities to provide further information, including the final buyout methodology and cost sharing project detail, before funding can be disbursed.



Cost-sharing approach

The Auckland Council agreed a cost sharing arrangement with central Government in August, subject to community consultation that finished on 24 September. The total agreed is \$877 million dollars, which includes \$387 million for 50 percent of Auckland's Category 3 buyouts, \$380 million for risk mitigation projects, \$110 million for local transport.

According to the Auckland Council, the Crown contribution will be a part of three elements of its strategy: Category 3 buyouts (total \$774 million), 'Making Space for Water' - a broader flood and stormwater resilience initiative (total \$820 million), Transport Network Recovery (total \$390 million).

9(2)(j), 9(2)(g)(i)

FOSAL status

In October, the Auckland Council agreed some of the key principles of its Category 3 buyout policy.

- It applies to residential property, with a dwelling, that is identified as Category 3
- Only the residential portion of a mixed-use property will be eligible (the council will negotiate this). Vacant sections are not eligible for a buyout
- The buyout price will be based on the market value of the property as at 26 January 2023, to be determined either by a registered valuer, or via a desktop valuation
- The Council will offer 95% of the value of an insured property, less any insurance buyout (including EQC), meaning that the property owner will make a 5% contribution towards the cost of the buyout
- The Council will provide a contribution to legal and advisory costs of up to \$5,000
- For uninsured properties, the Council will offer at least 80%, up to 95% of the value of the property, meaning that the property owner will makeup to a 20% contribution towards the cost of the buyout

In November, the Auckland Council stated its approach to Category 2P properties. This has two components; whether a solution is possible, and whether it is affordable and can be delivered in a reasonable timeframe

- Affordability is set at 25 percent of the properties CV, while the mitigations need to be completed within two years

The Auckland Council has also announced that its dispute resolution process applies to both categorisation and valuation and will have an internal and external review process. The Council have stated it will provide further information on this process to households when their categorisation is confirmed.

Whenua Māori and Marae programme

The Auckland Council's categorisation approach, involves undertaking a series of geotechnical and other specialist assessment as a precursor to its property categorisations.

In the absence of the Council's categorisations, the CRU has worked with Te Puni Kōkiri to develop a (worst case) estimate of the number and location of severely affected whenua Māori properties across Auckland. 9(2)(a)

Region at a glance

Category 3	Whenua Māori land blocks	Marae
Approximately 700	9(2)(a)	s 9(2)(a)

Categorisation process

≈7000	Property owners contacted (red, yellow or white stickered)	<i>In the absence of final numbers of houses in each category, the figures from the Auckland Council's categorisation process are provided as a rough proxy for the quantity of properties considered</i>
≈2100	Responses from homeowners	
1300	Desktop assessments	
900	Site visits	

Future of severely affected locations: Hawke's Bay

Hawke's Bay has progressed the furthest towards implementing Category 3 buyouts of any region, and we are expecting buyouts to start shortly. It is also the area with the largest amount of whenua Māori land affected.

All umbrella cost sharing agreement signed in October requires local authorities to provide further information, including the final buyout methodology and cost sharing project detail, before funding can be disbursed.



Cost-sharing approach

Hawke's Bay's five councils collectively signed a cost sharing agreement with the Government in July, which was agreed to following public engagement on 15 September. The total agreement is for \$556 million, that includes \$92.5m for 50 percent buyout of Category 3 buyouts, \$203.5m for Flood Protection, \$260m for reinstating bridges and connectivity to isolated communities.

The Hawke's Bay has five affected local authorities—Hawke's Bay Regional Council, Hastings District Council, Napier City Council, Wairoa District Council and the Central Hawke's Bay District Council. The Hawke's Bay Regional Recovery Agency was established to coordinate a recovery plan between these authorities, iwi and the local community.

FOSAL status

On 9 October, Hastings and Napier councils sent letters to Category 3 general title households outlining detail about the buyout process. A buyout office has been operating since 24 October, to support property owners who want to consider an offer. The key elements of the buyout policy are:

- The policy applies to residential or mixed-use properties that had a dwelling prior to the weather events
 - Category 3 properties without a residential dwelling can receive a buyout at the council's discretion, if they can meet strict criteria (i.e. had consent and plans for a house pre-Cyclone)
- Two offers are available:
 - A purchase offer where the council takes ownership of the land; or
 - A relocation offer for mixed use property (>2 hectares) where the council purchases the dwelling but owners retain the land (and a covenant is established to prevent residential activity)
- Offers are based on 100 percent valuation of the property as at 13 February 2023
- There is no distinction in the offer applied to insured or uninsured property
- Councils will provide up to \$5,000 for an independent valuation, and \$5,000 for legal costs
- Property owners may request a review of their case from the council's Chief Executive, but there is no further dispute process as the offer is voluntary

There are 1040 properties currently in all Category 2 areas, most in Category 2C. The large number of properties in Category 2A could change based on further work, i.e. be placed into Category 2C if a community-level project is feasible, or into Category 3 if one is not.

Whenua Māori and Marae programme

Hawke's Bay includes 9(2)(a) of whenua Māori provisionally categorised as Category 3. Severely affected whenua Māori land blocks are largely concentrated in the 9(2)(a). These two localities account for almost all known Category 3 whenua Māori across the recovery regions. s 9(2)(a) in Hawke's Bay are in Category 3; 9(2)(a) 9(2)(a) h 9(2)(a) 9(2)(a)—in Category 2A.

The CRU has attended community meetings in Hawke's Bay since June and completed profiles of land blocks for most of the 50 Category 9(2)(a) affected properties with approximately 9(2)(a). Engagement has focused largely on 9(2)(a) Māori land interests and related stakeholders, including the 9(2)(a) 9(2)(a) 9(2)(a). The CRU is also talking to trustees, owners and residents of provisional Category 3 whenua Māori, with support from local councils, 9(2)(a)

Ongoing engagement challenges include large and dispersed groups of owners, unknown governance/trusteeship and/or contact details to work with; and some whānau reluctance to relocate and, therefore, engage in the FOSAL process. More broadly, concerns have been raised by the various PSGEs that the FOSAL and cyclone recovery work does not undermine their Treaty settlements and, where practicable, complements their post settlement duties and objectives.

Region at a glance

	Whenua Māori land blocks	Marae
Cat 3	9(2)(a)	
Cat 2A	9(2)(a)	

	Hastings	Napier	Central HB	Wairoa	Total
Cat 3	265	22			287
Cat 2A	88		127	667	882
Cat 2P	1		8		9
Cat 2C	149				149
Total	503	22	135	667	1,327

Future of severely affected locations: Tairāwhiti

The cost sharing agreement for Tairāwhiti includes a no-interest loan that enables the Gisborne District Council (GDC) to pay its share of Category 3 buyouts. The large number of Category 2 properties will need further investigation to determine the appropriate solution (whether property- or community-level) to mitigate the risk.

All umbrella cost sharing agreement signed in October requires local authorities to provide further information, including the final buyout methodology and cost sharing project detail, before funding can be disbursed.



Cost-sharing approach

The GDC signed a cost sharing agreement with the Government in August, which was approved on 1 November following community consultation. The total agreement is for \$204 million, which includes \$15m for 50 percent buyout of Category 3 properties, \$64m for Flood Protection, \$125m to reinstate bridges and crucial roads. In addition, the GDC received a 10-year interest free loan (with the Crown paying the \$17m interest on the loan).

FOSAL status

The GDC is finalising its buyout methodology. We understand that it will cover:

- Residential or mixed use property on Category 3 land that had a dwelling prior to the North Island Weather Events.
- Properties larger than 1 hectare will be treated as mixed-use and only offered a relocation offer rather than outright purchase, properties smaller than 1 hectare may receive a relocation or purchase offer.
- Offers will be for 100% of the property value, based on an individual market valuation as at 12 February 2023, and is uncapped
- There is no distinction in the offer applied to insured or uninsured property
- Owners are eligible for up to \$1,500 for legal costs (other costs such as an independent valuation are not included)

Of the 770 Category 2 houses in Tairāwhiti, 200 houses (approx. half in Te Karaka) will be required to be lifted in order to reduce vulnerability and mitigate significant risks. Council and Iwi have received \$15m in Crown support through the Flood Resilience Co-investment fund to lift these homes.

For the remaining Category 2 properties, solutions and funding for these will need to be identified.

Whenua Māori and Marae programme

The GDC has identified 9(2)(a) properties and 9(2)(a), although a further 9(2)(a) may also be moved into Category 3.

The CRU has supported all the GDC-led engagements with affected communities, including East Coast and other communities with relatively high Māori populations, and is seeking direct dialogue with the Category 3 affected residents and owners.

The CRU's broader cyclone recovery engagement with Tairāwhiti iwi and Māori stakeholders has taken place between the GDC and three of the region's four main iwi, including the largest, Ngāti Porou. GDC and local iwi leaders have committed to a unified cyclone recovery and wider collaborative approach.

Of the four iwi, Te Aitanga a Mahaki, whose tribal area takes in Te Karaka and the Waipaoa catchment, has yet to settle its Treaty claims with the Crown. This is important context for any discussions about the recovery (and iwi concerns for the protection and future availability of Māori land in their rohe).

Region at a glance

Region at a glance		
Category		Note
3	51	Figures for Category 2 are not currently broken down into sub-categories, but most are indicated to be Category 2A – needing further categorisation
2	770	
Whenua Māori		
Residential properties	9(2)(a)	
Marae		

Future of severely affected locations: Regional Overview

The Future of Severely Affected Locations programme is applicable to all regions affected by the North Island Weather Events (NIWE), beyond Auckland, Tairāwhiti and Hawke's Bay. All of the NIWE regions were informed of the Government's approach to categorisation and cost sharing (a 50/50 split for Category 3 households) in September.

Given that this is a voluntary, locally-led process, each region chooses to take their own approach to categorisation. The CRU has been engaging with each region about their specific circumstances and to provide any support and information or advice required.

Currently we are expecting that at least two, and possibly up to four councils may pursue Category 3 buyout offers. It is likely most regions will seek support for Category 2 risk mitigation projects.

Northland

Northland councils are still considering whether to take a categorisation approach to residential properties that were damaged in the NIWE.

Waikato

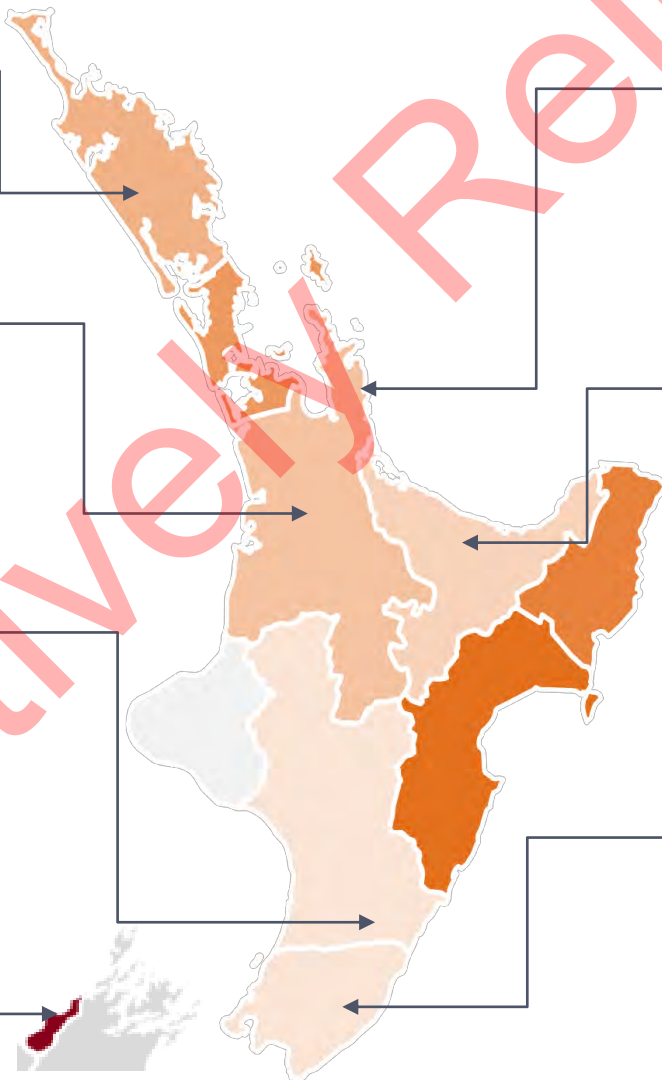
Waikato is considering up to six properties that may fall into the categorisation framework, but the council is investigating potential property-level risk mitigation options that would avoid the need for buyouts.

Taranaki

The Government will invest \$640,000 to support the design, modelling and physical upgrades to areas in the Pohangina catchment as councils and the community work through longer-term risk mitigation options. These options could lead to councils investigating categorisation.

Nelson

Although outside the NIWE area, the approach to addressing locations in Nelson severely affected by a 2022 weather event broadly matches the treatment for North Island locations, with a 50/50 split for what would be Category 3 houses, and Crown funding for projects to increase resilience. The total package offered was \$12.3 million, which was approved by the Nelson Council. This is subject to public consultation that will take place in March/April 2024 simultaneous with the Long-Term Plan.



Thames Coromandel

The Thames-Coromandel District Council has indicated that it is not expecting to make buyout offers. Instead, it is investigating alternative options to mitigate the risk from further landslips for fewer than 10 households.

Tauranga/Bay of Plenty

The Tauranga District Council is assessing up to s9(2)(a) both above and below a landslide; it expects two to three properties may require a buyout. Categorisation/engineering work is due to be finished in January 2024. The council have been engaging the CRU on its potential approach.

Wairarapa

The Masterton District Council is concluding its categorisation and risk assessment work and has identified between nine and s 9(2)(a) properties that may be Category 3 or 2P, all in or around Tinui.

The cost is estimated at around \$5 million, subject to change if alternative solutions, like moving a residence to a different site on the same property, are feasible.

The CRU continues to meet with the Masterton District Council and Greater Wellington Regional councils to discuss next steps.



Coversheet

Overview: Funding Allocation and Sources for Cyclone Recovery

Date:	27/11/2023	Report No:	DPMC-2023/24-470
		Security Level:	IN-CONFIDENCE
		Priority level:	Medium

	Action sought	Deadline
Hon Mark Mitchell Minister for Emergency Management and Recovery	note the contents of this briefing	N/A

Name	Position	Telephone	1 st Contact
Katrina Casey	Chief Executive Cyclone Recovery	9(2)(g)(ii)	✓
9(2)(g)(ii)	Executive Director, Planning, Reporting and Implementation	9(2)(g)(ii)	

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Appendix: Yes

Briefing

Overview: Funding Allocation and Sources for Cyclone Recovery

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date 27/11/2023

Security Level

IN CONFIDENCE

Purpose

1. This briefing provides you with an overview of funding decisions made by central Government to date to facilitate and support recovery from the North Island Weather Events (NIWE) in early 2023 and provides the status of funding requests and sources.

Executive Summary

2. The Government has provided funding to support regions affected by the NIWE in early 2023 to recover.
3. The total funding allocated to date is \$4,708.6 million which includes National Resilience Plan (NRP) funding of \$2,681.8 million for the future of severely affected properties, state highway recovery and resilience work, Kiwi-Rail, local roading recovery and bailey bridges.
4. The Government also provided a total package of \$2,240.0 million to support businesses in the affected regions.
5. Ministers made decisions that the following costs could be considered in Phase 3 of the NRP (that the Treasury is due to report back to Government on by the end of 2023):
 - a. Increases to cost sharing agreements because of increased numbers of Category 3 properties.
 - b. Tairāwhiti's clean-up of woody debris, that may cause further flooding issues in future weather events (\$18 million from March to July 2024).
 - c. The Crown's share of costs associated with the buyout of severely affected properties in the regions without cost share agreements.
6. 9(2)(f)(iv)


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

- 7. There are costs that regions have identified (and expect that central Government will fund) that have no funding source. These include further sediment and debris removal in Hawke's Bay, and removal of woody debris in Tairāwhiti.
- 8. There are also costs relating to Category 3 Kāinga Ora properties, Department of Conservation (DoC) assets, and the remediation of DoC land that has slipped and is affecting private residences. There is no funding source to meet these costs.
- 9. 9(2)(f)(iv) [Redacted]
- 10. There are a number of as yet unspecified funding requests from regions. At this time, the regions are still working on their plans to implement the significant funding received for flood protection and local road remediation. Indications from local authorities are that the work currently funded will take some years to complete. 9(2)(f)(iv) [Redacted]

Recommendations

We recommend you:

- 1. **note** the contents of this briefing.


Katrina Casey
Chief Executive Cyclone Recovery

27/11/2023

Hon Mark Mitchell
Minister for Emergency Management and Recovery

.../.../2023

Funding allocated to cyclone response and recovery to October 2023

1. Crown funding has been provided in four categories to date: pre-budget 2023 response funding, the Budget 2023 NIWE Response and Recovery Package, the National Resilience Plan (NRP) and the Local Authority Emergency Response Permanent Legislative Authority administered by the National Emergency Management Agency (NEMA). A high-level overview of all Crown cyclone recovery funding to October 2023 is provided in appendix A.

Pre-budget 2023 response and recovery funding

2. The pre-budget response included \$890.5 million in immediate response and recovery funding, \$23.8 million in charitable initiatives and \$2,240.0 million in the Support for Business Package. A further \$15 million has been reimbursed as part of the Local Authority Emergency Response Permanent Legislative Authority.

Immediate pre-budget 2023 response and recovery funding decisions

3. Immediately following the weather events, the Government contributed \$889 million operating and \$1.5 million capital (\$890.5 million total) to the NIWE emergency response to support urgent infrastructure repairs, assist with temporary accommodation, support councils and agencies to resource the response, and provide business and community support. Table 1 shows the pre-budget 2023 response and recovery funding by sector.

Table 1: Pre-budget 2023 response and recovery funding

Sector	Total (\$m)
Transport	\$250
Primary sector	\$74
Business support	\$80
Māori development	\$15
Temporary accommodation	\$147
Sediment and silt removal	\$202
Solid waste management	\$15
Community support	\$3
Agency and Council emergency response	\$57.5
Local emergency response	\$7
Census	\$40
Total	\$890.5¹

¹ Includes \$889m operating and \$1.5m capital.

Charitable Initiatives

4. The pre-budget 2023 package was supplemented by charitable donations and a special purpose Lotteries draw held in March 2023, which together totalled \$13.8 million. The profits from the special purpose lotto draw have been allocated to the Cyclone Gabrielle Appeal Trust. Under the terms of the Gambling Act 2003 and the commitment of the Trust when applying for the funding, it must be distributed for a community benefit, and the Trust will be considering applications from 2024.
5. In addition, the Lottery Grants Board also allocated \$10 million to support communities, hapū and iwi recover from natural disasters. From 1 July 2022 through to 19 October 2023, over \$9 million of this funding has been distributed to communities, hapū and marae impacted by the NIWE.

Support for Business package

6. A separate support for business package of up to \$2,240 million was also provided, across two schemes:
 - **NIWE Loan Guarantee Scheme:** This scheme provides up to \$2,000 million of supported loans for businesses in Northland, Auckland, Waikato, Bay of Plenty, Tairāwhiti, Hawke's Bay, Tararua and Wairapa. At the end of September 2023, total approved applications were worth \$26.3 million, with lenders having to 30 June 2024 to advance Supported Loans. The scheme focuses on businesses, orchards, and farms affected by the NIWE and ensuring financial support is made available for their recovery. The scheme is administered by the New Zealand Export Credit Office, and implemented by commercial lenders, such as banks.
 - **NIWE Primary Producer Finance Scheme:** This scheme provides up to \$240 million in concessionary loans and equity finance to severely impacted, land-based primary sector businesses. It is designed for businesses that have a reasonable chance of returning to viability with additional support to help them engage with commercial lenders. The scheme is administered by Kānoa's Regional Economic Development & Investment Unit. As at the end of October 2023, 167 expressions of interest (EOIs) and applications had been received. Kānoa is assessing the EOIs and applications. Some EOIs will convert to applications, and others will be declined or withdrawn. Kānoa anticipates that the funding approved may be less than the funding sought.

Budget 2023 NIWE Response and Recovery Package

7. In Budget 2023, the Government allocated a total package of \$1,136 million (\$941 million operating and \$195 million capital) to NIWE recovery. Table 2 summarises the Budget 2023 NIWE response package components. More detail is provided in appendix B.

Table 2: Budget 2023 NIWE Response and Recovery Package components²

Focus Area	Amount available (\$m)	Key initiatives included
Capacity and capability for councils and NEMA response	\$21.9	Additional capability and capacity for councils (\$20m) and National Emergency Management Agency (NEMA) (\$1.9m)
Flood Resilience	\$100.0	Local Government Flood Resilience Co-Investment Fund
Business, Science and Innovation	\$28.0	Plant and Food Research
Conservation	\$12.6	Conservation Response and Rebuild
Education	\$118.2	School property, special reasons staffing and replenishing school libraries
Health	\$35.0	Psychosocial, mental health and wellbeing response, transport and power costs
Housing and Development	\$172.0	Temporary Accommodation Response, including accommodation to support the response workforce
Labour Market	\$0.7	Cost of refunding Visa fees and levies
Land Information	\$5.6	Land imagery and repairs to Crown property
Māori Development	\$25.0	Repairs to Māori-owned homes
Social Development	\$93.4	Social sector recovery plan, regional leadership, community support funds, employment programmes and mitigating the risk of woody debris
Support for primary industries	\$37.9	Rural Communities Recovery Fund, Primary Industries Recovery Fund
Transport - KiwiRail	\$200.0	Rail reinstatement
Transport – State Highways and Local Roads	\$275.0	Assess and fix highways and local roads and put in place bridges to reinstate connectivity
Arts, Culture and Heritage	\$1.0	Archaeological authority processes supporting the timely delivery of infrastructure
Forestry	\$10.2	Removal of up to 70,000 tonnes of woody debris from catchment systems to mitigate the risk of further impact to critical infrastructure in the event of significant weather events.
Total	\$1,136.4	

² Includes \$941 million operating and \$195 million capital.

Funding the capability in the regions to plan and manage recovery

8. Councils that were most affected by NIWE needed to increase their capability to deliver their recovery. The Department of Internal Affairs (DIA) funded an initial \$5 million from the immediate response and recovery funding to assist with immediate recovery planning. A further \$20 million was provided in Budget 2023 to support increased capability until the end of 2024/25. It has been allocated as set out in table 3. The balance of approximately \$1 million remains available to allocate, should it be needed. Approximately \$6 million³ will be transferred from the 2023/24 financial year to 2024/25 at the March Baseline Update (MBU) to cover the costs for that year (note as at OBU 2023, the \$20m is sitting in the current financial year).
9. The funding was allocated based on submissions from each region with the Minister and Associate Minister for Cyclone Recovery making the final allocation decisions in June 2023. The CRU paid out the funding in July 2023 following regions signing conditional grant agreements. These require 6 monthly reporting from the regions on the use of the funding, with the first report due by the end of January 2024.

Table 3: Total funding for regional capability and capacity to manage recovery activities

Region	2023/24 Financial Year (\$m)	2024/25 Financial Year (\$m)	Total funding (\$m)
Northland	\$0.3	\$0.4	\$0.7
Auckland	\$1.8	nil	\$1.8
Waikato	\$0.1	\$0.1	\$0.2
Thames-Coromandel	\$0.45	\$0.45	\$0.9
Tairāwhiti	\$3.2	\$3.2	\$6.4
Hawke's Bay	\$7.4 ⁴	nil	\$7.4
Tararua	\$0.45	\$0.45	\$0.9
Wellington/Wairarapa	\$0.35	\$0.35	\$0.7
Total disbursed	\$14.1	\$5.0	\$19.0
Total appropriated in Budget 23			\$20.0
Amount remaining to be allocated			\$1.0

³ Includes the balance of approximately \$1 million from the 2023/24 financial year (if not drawn down).

⁴ Note Hawke's Bay chose to receive its full two years of funding in one amount.

Local Government Flood Resilience Co-investment Fund

10. A \$100 million Flood Resilience Fund was approved for local authorities in areas impacted by the NIWE to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk. The funding is held in a tagged contingency that expires on 30 June 2024. You and Minister of Local Government, along with any other appropriation Ministers as necessary, are responsible for making drawdown decisions.
11. The first tranche of funding decisions (a table summarising the funded initiatives is in appendix C) was communicated to local authorities in late-September and early October 2023. Ministers committed \$38.8 million for 16 initiatives, many of which relate to Regional Recovery Plan priorities. An additional \$20 million was subsequently agreed to fund further sediment and debris removal in Hawke's Bay in order to keep sediment removal going through to the planting season (\$10 million each in September and November). Assessment of Tranche 2 proposals against the criteria and the remaining \$41.2 million is underway and Ministers will receive recommendations from the CRU for approval in December. Thirty-three requests have been received for a total of \$73.5 million, however it is clear that some of these submissions do not meet the criteria.

National Resilience Plan (NRP)

12. Budget 2023 also established a tagged contingency of \$6,000 million for the NRP to support infrastructure resilience across New Zealand. The scope of the NRP goes beyond responding to NIWE impacts and was intended to be a fund available nationally. Its scope is to fund initiatives for resilient infrastructure in road, rail, local government infrastructure, telecommunications and transmission, and cost-share funding for the Future of Severely Affected Locations (FOSAL) Category 3 and 2⁵ costs as agreed by the Crown (for more information on FOSAL categories, see the accompanying briefing on FOSAL).
13. Decisions on funding initiatives from the NRP are made by the Cabinet on the recommendation of the Minister of Finance. On 24 July, Cabinet approved projects worth \$2,296.8 million, of which FOSAL funding was \$1,717.5⁶ million. A further \$385 million for local road recovery, bailey bridges and Kiwi Rail was approved on 18 September. Table 4 summarises the Cabinet decisions made to date against the NRP contingency.

⁵ Category 2 properties require property or community level remediation, or further assessment. Category 3 properties are not safe to live in because of the unacceptable risk to life and safety from future flooding or landslips

⁶ This includes \$1700.5 million for FOSAL cost-share agreements and Kaupapa Māori pathway, and \$17 million for the North Island Severe Weather Events Financing Support to Tairāwhiti.

Table 4: National Resilience Plan

Sector	Total (\$m)
Phase 1 (\$2,296.8 million)	
FOSAL, including whenua Māori and marae pathway, pre-allocated cost-sharing for 2023/24 and outyears (e.g., Category 2 risk-mitigation projects, transport projects, Category 3 buyouts).	\$1,717.5
State Highway recovery and resilience work	\$567.0
Funding for Nelson City betterment (in response to August 2022 flooding)	\$12.3
Phase 2 (\$385.0 million)	
Local roads recovery and bailey bridges	\$171.0
Kiwi Rail	\$214.0
Total committed	\$2,681.8
Balance remaining	\$3,318.2

14. s 9(2)(f)(iv)

15. The Treasury intends to provide advice to the Minister of Finance on phase 3 of NRP funding before the end of 2023 [CAB-23-MIN-0435 refers]. This may include a further update on implementation costs associated with water and flood protection infrastructure; funding for councils yet to enter into a cost-sharing agreement with the Crown (refer Future of Severely Affected Locations below); local road recovery; and unfunded elements of Regional Recovery Plans.

Local Authority Emergency Response Permanent Legislative Authority

16. In addition to the funds specifically appropriated in response to NIWE and the National Resilience Plan, a Permanent Legislative Authority (PLA)⁹ exists to support local authorities

⁷ Budget sensitive, not for public release.

⁸ Budget sensitive, not for public release.

⁹ A PLA doesn't have a fixed appropriation. Provided the expenditure for which reimbursement is sought meets the criteria defined by the legislation the payment will be made irrespective of size.

to meet the costs of essential infrastructure recovery repairs following an emergency. Infrastructure may include water, storm water, electrical, sewerage and gas facilities, river management systems and other community assets where damage is a consequence of the failure of flood protection schemes. The Government meets 60 percent of the costs of repairs beyond a set threshold, which is based on the net capital value of each authority. Costs are initially paid by the council and reimbursement is made where the PLA criteria are met.

17. The National Emergency Management Authority (NEMA) administers the PLA. To date the only claim received has been from Gisborne District Council (GDC) and \$15 million has been reimbursed. NEMA anticipates further claims from Kaipara, Auckland, Gisborne, Wairoa, Hastings and the Hawke’s Bay Regional Council.
18. This PLA cannot be used in conjunction with any other subsidy or financial support and covers repairs but not betterment.

Future of Severely Affected Locations (FOSAL)

19. On 21 May, the Extreme Weather Response Cabinet Committee (EWR) agreed to a policy framework for the Crown’s support of the locally led response [EWR-23-MIN-0044 refers]. This framework included the decisions that central Government’s funding support be based on a twin, locally led pathway policy approach for Category 2 and Category 3 properties.
20. Umbrella agreements between the Crown and councils in the three most affected regions (Hawke’s Bay, Tairāwhiti and Auckland) were signed in early October 2023, with cost-sharing limits set out in table 5. We expect to begin to receive invoices for a small number of accepted voluntary buyout offers by councils for Category 3 properties before the end of December.

Table 5: Agreed funding for FOSAL cost-sharing

Region	Category 3 buyouts (\$m)	Category 2 projects (\$m)	Transport projects (\$m)	Other support (\$m)	Total (\$m)
Hawke’s Bay	\$67.5	\$203.5	\$252.6		\$523.6
Tairāwhiti	\$15	\$64	\$125	Concessional financing: \$17m ¹⁰	\$221
Auckland	\$387	\$380	\$110		\$877
Total	\$469.5	\$647.5	\$487.6	\$17	\$1,621.6

¹⁰ Concessional financing arrangement (\$30m, 10yr interest free loan) represents \$17m value to council.

21. A whenua Māori and marae pathway¹¹ for category 3 is also being progressed within the FOSAL programme, to recognise the Crown’s Treaty and legal obligations and to manage the specific complexities associated with whenua Māori. s 9(2)(j)

Regional Recovery Planning and allocations

22. In June, nine of the most affected regions submitted Regional Recovery Plans (RRP). The CRU coordinated government agencies across the housing, primary industry, social, environmental, and local government sectors to identify lead agencies to support initiatives and approve funding sources, drawing on funding appropriated in Budget 2023. Two hundred and sixty-seven highest priority initiatives were funded or supported by central Government, through the various budget package initiatives (including the NRP) totalling around \$2,524 million to the Crown.
23. A summary of the total Crown funding allocated by region, including both the highest priority projects identified through the RRP process and cost share arrangements under FOSAL, is set out in table 6. More detail is provided in appendix D.

Table 6: Summary of Government contribution to highest priority Regional Plan initiatives and cost share agreements by region (to October 2023)

Region	Flood Resilience Co-investment Fund (\$m)	NRP & other recovery funding (\$m)	Total allocation (\$m)
Hawke’s Bay	\$22.5	\$925.1	\$947.6
Tairāwhiti	\$16.2	\$441.1	\$457.3
Auckland		\$978.6	\$978.6
Northland	\$8.9	\$52.7	\$61.6
Thames Coromandel	\$1.0	\$25.4	\$25.4
Waikato	\$2.4	\$11.8	\$15.2
Wairarapa	\$3.5	\$10.5	\$14.0
Tararua		\$19.1	\$19.1
Manawatu-Whanganui	\$4.3	\$0.6	\$4.9
Total	\$58.8	\$2,464.9	\$2,523.7

¹¹ The Kaupapa Māori pathway will be delivered under the Whenua Māori and Marae pathway.

Identified funding needs with a potential funding source

24. There are several areas where a shortfall of funding has been identified, but a potential funding pathway exists. While most of the funding appropriated for NIWE recovery has been fully allocated or disbursed, 9(2)(f)(iv)

Woody debris treatment in Tairāwhiti – short term funding increase

25. The Tairāwhiti region has an estimated 1.2 - 1.5 million cubic metres of woody debris remaining in catchments and on beaches and an estimated 1 million cubic metres of woody debris targeted for removal. The region has had \$60.2 million allocated from central Government to support the removal of sediment and woody debris to date and has projected that this will last until March 2023.
26. Ministers have agreed a short-term funding injection of \$18 million can be applied for from the NRP Phase 3 in order to extend clean-up operations to 30 June 2024. The Ministry of Primary Industries (MPI) is leading this work.

Cost-sharing agreements needing to be revisited to accommodate changing property categorisation numbers

27. As councils finalise their property categorisations and complete the detailed planning required for implementation, they are seeking to amend what has been agreed through cost-sharing negotiations. As the number of properties in each category change compared to what was expected when the agreements were first made, this will have an impact on the relative amounts of funding agreed for buyouts and different types of projects.
28. In particular, a council may determine that a Category 2 intervention is no longer viable, or further assessment of a Category 2A property determines that there is no viable mitigation solution. This means that the properties could move into Category 3 and become eligible for a buyout. In this scenario, the Funding Agreements with councils include provisions that require the Crown and councils to negotiate in good faith whether to amend agreed funding amounts.
29. More generally, we expect councils to seek additional funding from the Crown, if their share of FOSAL costs is likely to exceed what they estimated when negotiating cost-sharing, due to unexpected complexity or other challenges in project delivery. As more significant risk mitigation and transport projects will take years to complete, this risk will grow as costs are likely to escalate over time.
30. Taking a piecemeal approach to additional funding requests and changes to Funding Agreements will be challenging without an overarching picture of likely change to all

Category 2 and 3 interventions. Discussions are being held with councils to try and manage the one-off changes, as well as with Treasury officials to identify potential increases in cost sharing costs from the NRP.

FOSAL cost sharing for other affected regions

31. Outside of Hawke’s Bay, Tairāwhiti and Auckland, other NIWE affected councils were informed by the previous Minister for Cyclone Recovery on 25 September that – should they identify any Category 3 buyouts – the Crown would share the cost on the same basis as agreed with other regions, i.e., 50 percent of the net cost less insurance and EQC payments.
32. Indications to date from these councils are that the number of Category 3 buyouts would be small – between 10-20 across Masterton District, Waikato District and Tauranga City. Based on these indicative numbers, we estimate that the Crown’s contribution to buyouts could be up to \$7.5 million. However, councils are at different stages of their recovery process, and some are still at the point of engaging technical experts to assess impacts and possible solutions. It may still be some months for the full recovery costs for severely affected properties in these areas to become clear. The scale of any Crown funding support that might be requested is still unknown.
33. Should any of these other councils choose to categorise properties and offer any Category 3 buyouts to property owners, councils will write to you to seek a funding contribution from the Crown. This contribution would need to be funded from the National Resilience Plan (NRP), the same source as previously agreed cost-sharing funding for the three most affected regions.

Category 3 Whenua Māori and Marae

34. The allocation s 9(2)(j) [redacted] for the Kaupapa Māori pathway was an early estimate developed by the Treasury, Te Puni Kōkiri and Te Arawhiti of the cost to relocate Category 3 whānau and marae across the impacted regions. As whenua continues to be categorised across impacted regions and profiles developed in Hawke’s Bay, s 9(2)(f)(iv) [redacted] Category 3 whenua Māori across all regions. The GDC is still in the process of categorising whenua Māori and marae. Current indications are that an additional 9(2)(a) [redacted] may be added to Category 3.
35. The Auckland Council is currently confirming Category 3 whenua Māori and marae in its region. Once this has concluded and the CRU understands the support packages required, we will provide an updated estimate for the programme.
36. 9(2)(f)(iv) [redacted]
[redacted]
[redacted]
[redacted]
[redacted].

Landslips

37. Large-scale landslips remain an issue across all affected regions particularly in Thames-Coromandel, Tararua and Waikato. Clean-up operations and local roading reinstatement and resilience works have been a primary focus for these regions with direct financial support being provided in the form of emergency Financial Assistance Rates from Waka Kotahi to support local roads. These rates have been applied at between 90-95 percent to enable affordability for remediation works. These rates continue to be supplemented via the National Land Transport Fund through the NRP. This does not address the risk of landslips to residential properties (refer paragraph 48).

State highways and local roads

38. The Government has allocated \$1,760 million for cyclone recovery for local roads and state highways over the previous and current financial year, which includes the transport components of the cost sharing agreements. Despite this level of investment, affected councils in the Hawke's Bay have indicated that the funding allocated is unlikely to meet all their most urgent needs. We anticipate similar issues in Tairāwhiti, Thames Coromandel and Northland.

Issues raised by regions without an identified funding source

39. There are several discrete issues that regions have identified as needing funding for which no existing funding source or Budget 2023 allocation is available.
40. 9(2)(f)(iv) [REDACTED]
41. The Treasury advice to incoming Ministers is based on the current fiscal environment and fiscal/Budget strategy of the new Government. There is a significant focus on fiscal sustainability, reprioritisation of funding from agency baselines, cuts to agency baselines, and delivering value from existing spending. This will require a collective effort across the public sector, and any new expenditure will need to be considered in light of improving the overall fiscal sustainability and consolidation.

Sediment and debris removal in Hawke's Bay

42. The Hawke's Bay region has an estimated 12-15 million cubic metres of sediment remaining and an estimated 3 - 3.5 million cubic metres of sediment targeted for removal to return land to productivity. The Hawke's Bay Regional Council requested a further \$80 million to purchase clean-up operations for a further six months from September 2023 which would have enabled the removal of up to 1.6 million cubic metres of silt and debris.

43. Ministers agreed to provide an additional \$10 million to the region at the end of September 2023, and more recently a further \$10 million this month. This additional funding is expected to sustain the work to the end of November.
44. The region has received a total of \$172.2 million from central Government to support sediment removal. From the region's perspective, following the previous Government decisions, there is a funding gap of approximately \$70-\$80 million in the current financial year although a request, plan or case has not yet been received for the full amount. It is also not clear if the region considers it should receive funding on top of this amount for the next financial year. There is no funding source available for the current financial year for any further injection of funds into the region for this purpose.

Woody debris treatment in Tairāwhiti – longer term funding shortfall

45. Further to the \$18 million application to NRP Phase 3 noted above, MPI has estimated that the Tairāwhiti region will require a further \$54 million to \$127 million (depending on the treatment methods required for removal) to complete the clean-up of woody debris beyond June 2024.
46. The GDC identified a shortfall of \$5.6 million in the Commercial Grant category of the Sediment and Debris Management Package for Tairāwhiti businesses. There is an option for the GDC to cover this shortfall from the Local Authorities Sediment and Debris funding, but this would further increase the gap in funding for woody debris removal.
47. MPI is working with the Ministerially appointed Facilitator in the region to refine the funding required. There is no funding source identified for this purpose.

Crown-owned residential properties in category 3 areas

48. Approximately 20-40 Category 3 properties in Auckland are Kāinga Ora owned properties. The Council has confirmed that these houses (and any Crown owned land) will not be included in the buyout scheme. Under the locally led approach, Auckland Council has determined the buyout parameters it considers appropriate and consistent with the principles and intent of the policy process. It has made these decisions without Crown direction of any kind. The decision to exclude these homes is likely to lead to Budget implications for Kāinga Ora and the Crown.

Damage to public conservation land and visitor assets

49. NIWE resulted in widespread damage to public conservation land, visitor assets, biodiversity, and cultural heritage across the North Island, with the following effects:
 - public conservation land of 1.48 million hectares was affected;
 - 18,000 assets were damaged;
 - important cultural heritage sites were significantly damaged;

- there is an accelerated risk of extinction for species at 96 sites; and
- there has been closures of regionally important tourism icons and visitor sites (tracks, cycleways, campgrounds).

50. The Department of Conservation (DoC) has estimated total costs of \$90 million to restore assets, protect biodiversity and remediate Crown land. There is no funding source to meet these costs.

Landslips on DoC land putting residences at risk in Thames-Coromandel

51. The Thames-Coromandel District Council is considering risk mitigation options for less than 10 properties it considers may be facing an intolerable risk from landslides. Some of these properties face risks that involve neighbouring DoC land, but the origin and nature of landslide risks is not always clear without geotechnical assessments. The CRU is involved in ongoing conversations with DoC and the Council about conducting these assessments, which would then inform potential remediation solutions. There is no funding source for any resulting remediation that may be required.

Workforce capacity in affected regions

52. There is a need to ensure there is workforce availability and capacity to undertake the work necessary. In Hawke's Bay an estimated 6,000 workers are required to meet the recovery construction demand with availability expected to inform sequencing and prioritisation of work. Increased demand for labour is expected to have a direct impact on accommodation availability, which is already stretched and may give rise to requests for central Government assistance. The nature of the likely assistance sought from the regions will become clearer when councils have undertaken detailed planning and sequencing of the significant project work.

53. The GDC has indicated it may require funding and technical support in relation to workforce modelling, securing the necessary workforce and accommodation for workers. There are no details available at this time and no funding source identified for this work.

Resilience planning

54. Resilience planning has been identified by regions as requiring additional support from central Government. The Hawke's Bay Regional Recovery Agency is revising its recovery plan to provide strategic system guidance for prioritisation of implementation work as well as longer term resilience planning with associated costings.

55. In Auckland, the council's Healthy Waters department is developing a series of stormwater improvements called 'Making Space for Water' as part of recovery efforts and to reduce future flood risks, at an approximate cost of \$1,600 million. 9(2)(g)(i) [REDACTED]

[REDACTED]

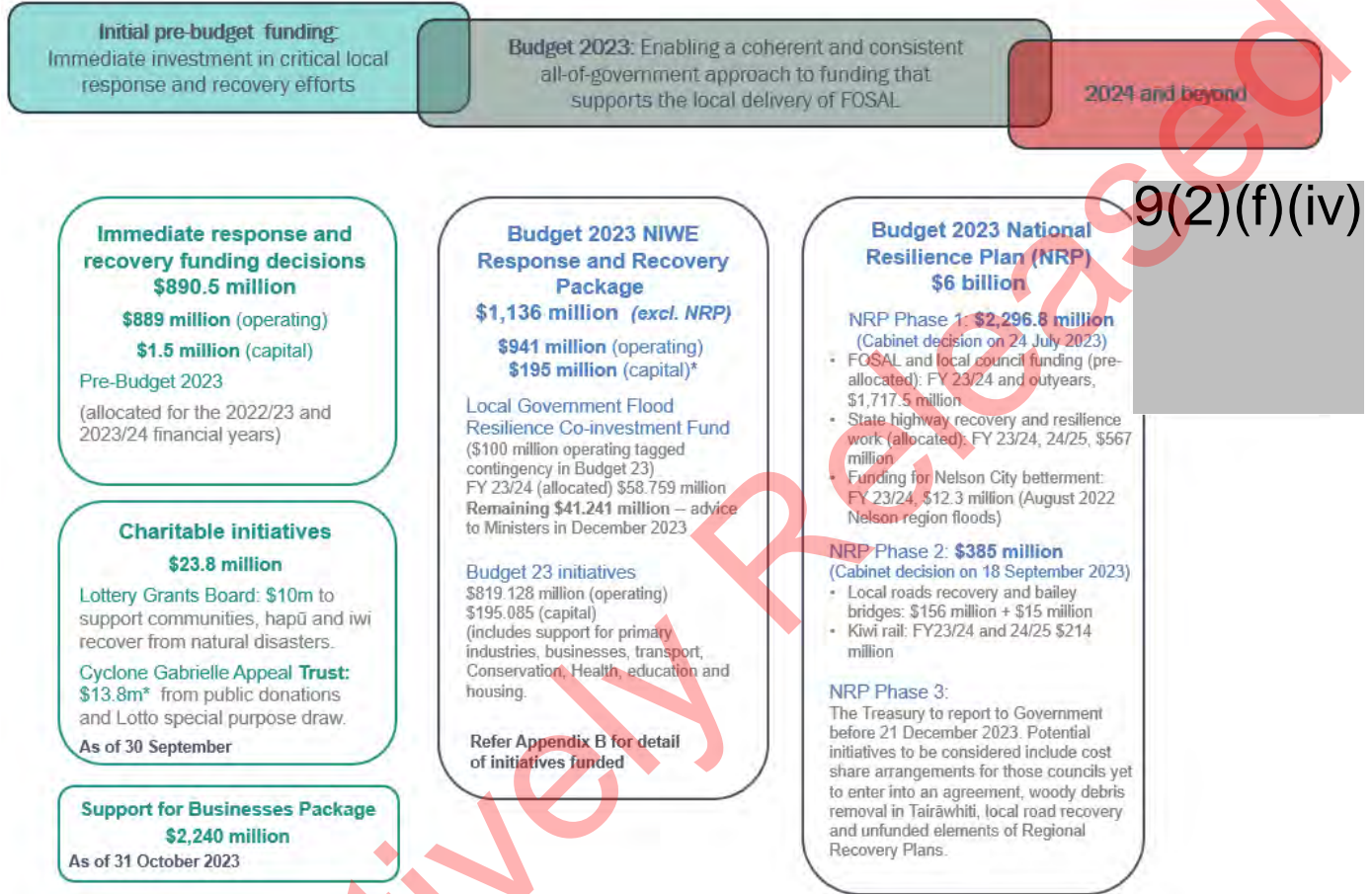
Regional funding shortfall

56. The most affected regions consider that they will require several billion dollars of funding for recovery that is not specified and for which there is no funding source. A considerable amount of Crown funding has gone into the regions and councils are still to produce delivery plans and where needed business cases for that expenditure. Until there are regional delivery plans it will not be clear how long it will take the regions to complete the flood resilience and local roading infrastructure that the Crown has funded as part of the cost share agreements. 9(2)(f)(iv), 9(2)(g)(i)

Next steps

57. A significant amount of funding has been appropriated for NIWE recovery, with most of it allocated or pre-allocated. There is some funding remaining in the flood resilience fund and some further calls can be made against the NRP. The Treasury will provide the Minister of Finance with advice by the end of 2023 on decisions to be made regarding the third phase of NRP. The CRU will provide you with advice on allocating the remainder of the Flood Resilience Fund in early December.
58. There remain fiscal challenges facing regions and the Crown that do not have an identified funding source. 9(2)(f)(iv), 9(2)(g)(i)

Appendix A: Crown Cyclone Recovery Funding to October 2023



Appendix B: Cyclone recovery funding allocations from Budget 2023

Purpose	Amount available	Amount remaining	Agency administering
Support for primary industries: \$37.900m total, \$12.370m remaining			
NIWE Isolated Rural Communities Recovery Fund: to support the wellbeing of rural communities isolated by NIWE.	\$5.400m	\$1.140m	Ministry for Primary Industries
NIWE Time-Critical Primary Industries Recovery Fund: to support the recovery of primary sector businesses and rural communities to boost health and safety and protect animal welfare.	\$30.000m	\$11.230m	
NIWE Delivering the Interim Post Entry Quarantine Facility: to address costs of delays to the construction of the new Interim Post Entry Quarantine facility resulting from the NIWE.	\$2.500m	N/A	
Arts, Culture and Heritage: \$0.950m total			
NIWE Heritage New Zealand Pouhere Taonga: to meet the additional demand related to the NIWE, particularly for archaeological authority processes supporting the timely delivery of infrastructure recovery projects	\$0.950m	N/A	Ministry of Culture and Heritage
Business, Science and Innovation: \$28.000m total			
NIWE Plant and Food Research Limited – Response and Recovery: to support plant and food research to generate insights into the impact of NIWE on our food.	\$28.000	N/A	Ministry of Business, Science and Employment
Conservation: \$12.600m total			
NIWE Department of Conservation Response and Rebuild: to plan and re-build biodiversity, heritage, visitor and other conservation sites and assets that were damaged or destroyed in the NIWE.	\$12.600m	N/A	Department of Conservation
Education: \$118.187m total			
NIWE School property immediate response: for immediate and high-need property works to enable schools to continue safely operating following the NIWE.	\$31.013m	N/A	Ministry of Education
NIWE School property repair and rebuild: for further work to return schools severely affected by the NIWE to their pre-weather-event state, including, where necessary, redevelopment or relocation of schools on extensively damaged sites	\$85.474m	N/A	
NIWE Special reasons staffing and funding-increase to existing budget: to employ relief staff, provide teaching/principal release time, support ākonga with engagement and wellbeing, or employ additional	\$0.700m	N/A	

Purpose	Amount available	Amount remaining	Agency administering
teachers for those schools that have experienced increased enrolment due to enrolling ākonga from cyclone-affected areas			
NIWE Replenishing school library collections: for the replacement of school library collections, related resources, and shelving lost due to the NIWE.	\$1.000m	N/A	DIA and Ministry of Education
Health: \$34.977m total			
NIWE Hauora Māori Disaster Response Package: for urgent psychosocial response and recovery services that support whānau wellbeing and the community to recover from the impacts of NIWE.	\$8.280m	N/A	Te Whatu Ora
NIWE Hospital and Specialist Service: for air and road transport enabling planned care, outreach, and other hospital services for isolated communities.	\$8.850m	N/A	
NIWE Mental Health and Wellbeing Response: for locally led, community-based mental wellbeing initiatives to meet the psychosocial care need for populations in areas affected by the NIWE, including Māori, Pacific peoples and youth.	\$10.000m	N/A	
NIWE Primary, Community, and Residential Care Recovery: to support provision of primary, community and residential care services to the population affected by the NIWE.	\$6.111m	N/A	
NIWE Transport and Power for patients: to provide patient access to where road infrastructure is compromised, and generators and diesel for the continued operation of health services, following the NIWE.	\$1.736m	N/A	
Temporary Accommodation Services: \$172.000m total			
Housing and Development: for portable cabins provided to the regions affected by the NIWE. Funding is also provided to enable Temporary Accommodation Services to maintain the workforce needed to respond to the large-scale events across multiple regions	\$70.000m	N/A	Ministry of Housing and Urban Development
Building and Construction: This initiative seeks funding for the coordinated provision of temporary accommodation supply and services to people displaced from their homes because of the recent NIWE.	\$102.000m	N/A	Ministry of Business, Innovation and Employment
Prime Minister and Cabinet: \$100.000m total*; \$51.241m remaining Note this was initially appropriated to Vote Internal Affairs in Budget 2023			
NIWE Local Government Flood Resilience Co-Investment Fund: to support the proactive management of climate-exacerbated flood risk.	\$100.000m	\$41.241m	CRU
Labour Market: \$0.735m total			
NIWE Cyclone Recovery Visa – Cost of Refunding Fees and Levies: to reimburse immigration fees and levies to successful applicants for the Recovery Visa.	\$0.735m	N/A	Ministry of Business, Innovation and Employment

Purpose	Amount available	Amount remaining	Agency administering
Land Information: \$5.620m total			
NIWE Purchase of Imagery and Repairs to Crown Property: to support a freely available service to councils and agencies of imagery using light detection and ranging for a wide range of land management and planning efforts, including hazard assessment.	\$5.620m	N/A	Land Information New Zealand (LINZ)
Forestry: \$10.150m total			
NIWE Woody debris removal: Removal of up to 70,000 tonnes of woody debris from catchment systems to mitigate the risk of further impact to critical infrastructure in the event of significant weather events.	\$10.150m	N/A	Ministry of Primary Industries and Te Puni Kōkiri
Māori Development: \$25.000m total; \$7.109m remaining			
NIWE Critical Repairs to Weather-Impacted Māori-Owned Homes: to support home repairs for whānau Māori who were affected by the NIWE.	\$25.000m	\$7.109m	Te Puni Kōkiri
Prime Minister and Cabinet: \$21.924m total; \$0.995m remaining			
NIWE NEMA Response and Recovery Funding: for the increased NEMA workforce supporting ongoing recovery efforts arising from the NIWE..	\$1.824m	N/A	NEMA
Finance: refer to above	\$0.075m	N/A	The Treasury
NIWE Regional and Local Support: to support the Regional and Local Recovery Structures to allow for centrally supported, locally led recovery assistance for severe weather events.	\$20.000m	\$0.995	CRU
Social Development: \$93.387m total			
NIWE Social Sector Recovery Plan: to provide funding, held in contingency, to implement the proposed Social Sector Recovery Plan.	\$30.000m	N/A	Ministry of Social Development
NIWE Regional System Leadership Framework: to retain existing Regional Public Service Commissioners' (RPSCs) support staff in regions affected by the NIWE to June 2024.	\$4.120m	N/A	
NIWE Food Secure Communities: for community food provision in regions affected by the NIWE helping to ensure access to affordable, healthy, and culturally appropriate food.	\$6.000m	N/A	
NIWE Extending Community Support Funds: for the Community Support Fund and the Provider Support Fund, which were established following the Auckland Anniversary weekend floods.	\$5.000m	N/A	
NIWE Employment Recovery Response: for employment programmes and services that keep people in the workforce.	\$35.200m	N/A	
Community Connectors - Social Sector Commissioning in Action: currently 37 community connectors are in place.	\$13.067m	N/A	

Purpose	Amount available	Amount remaining	Agency administering
Transport - KiwiRail: \$200.000m total			
NIWE KiwiRail – Rail Reinstatement: to reinstate rail following the NIWE.	\$200.000m	N/A	Ministry of Transport
Transport – Local Roads: \$275.000m total; \$245.948m remaining			
NIWE Waka Kotahi – State Highway and Local Road Response and Recovery: to assess and fix local roads and put in place bridges to reinstate connectivity. \$250.000m was allocated immediately after the NIWE, and an additional \$275.000m was added at Budget 2023.	\$275.000m	\$245.948m	Ministry of Transport / Waka Kotahi (delivery)
Totals	\$1,136.430m	\$317.663m	

Proactively Released

Appendix C: Initiatives funded through the Local Government Flood Resilience Co-investment Fund, tranche one

Tairāwhiti – Two initiatives were submitted; both will receive funding.		
Initiative title	Initiative overview	Funding agreed
Enhanced Flood Intelligence and Resilience	Funding for purchase and installation of monitoring equipment, including installation of redundant telemetry systems and enhancement of monitoring technology, plus flood modelling. Improved forecasting precision will provide residents with timely alerts, and enable more effective disaster response and management.	\$1,200,000
Resilient Homes – Elevating Tairāwhiti	This initiative will advance flood preparedness by implementing property-level measures to reduce vulnerability and mitigate significant risks.	\$15,000,000
Total		\$16,200,000
Hawke's Bay – The one submitted initiative will receive funding.		
Initiative title	Initiative overview	Funding agreed
Stop bank to protect the Waipawa Drinking Water Treatment Plant	This is a top priority project for the region that would protect the supply of safe drinking water for approximately 3,200 people and gives confidence in the continuation of longer-term solutions to provide a second water supply to 4,730 people.	\$2,500,000
Sediment and debris removal operations	Two requests of \$10 million each have been approved for urgent funding to allow silt removal clean-up operations to continue when other funding has been exhausted (note these requests were granted outside of the tranche one process).	\$20,000,000
Total		\$22,500,000
Northland – Seven initiatives were submitted; all seven will receive funding (one is for a scaled-down portion of the initiative).		
Initiative title	Initiative overview	Funding agreed
Robert Street Stormwater	This Kaipara initiative involves construction of an emergency stormwater upgrade in Mangawhai, including the installation of a new stormwater pipeline, catchpits, manholes and outfall treatment to mitigate the flooding threat to habitable floors.	\$500,000
Awakino Railway Embankment Stabilization	This Kaipara initiative will stabilise the embankment the reduce the risk of another sudden mass release of flood water that damaged homes, businesses, and the Dargaville Wastewater Treatment Plant during the NIWE.	\$400,000

Dargaville Wastewater Treatment Plant Pond Heightening	This Kaipara initiative seeks to heighten the existing bunds around the wastewater treatment ponds. During the NIWE, flood waters inundated the maturation pond and damaged electrical equipment and control panels and narrowly avoided a mass release of raw sewage.	\$650,000
Flood-resilient Māori communities and marae	This initiative will reduce the risk of flooding in six flood-affected Māori communities and a number of marae across Te Taitokerau. It also includes flood risk reduction actions for a priority subset of the 35 marae across region currently exposed to 100-year flood events.	\$4,205,000
Flood intelligence and early warning	This initiative in Far North, Whangārei, and Kaipara relates to an early warning system that would reduce risks to life. This type of technical modelling is key to improving resilience.	\$560,000
Ngā Manga Atawhai	This collaborative initiative aims to build Northland's resilience to future events by tackling the problem of fallen and at-risk tree. Funding for the removal of fallen and at-risk trees from flood-risk rivers and the chipping and spreading of chipped wood on landscapes.	\$2,070,000
Dargaville Stop Bank Repairs	This Kaipara initiative is for the repair of two sections of the stop banks that protect Dargaville township from flooding.	\$500,000
Total		\$8,885,000
Waikato (including Thames-Coromandel) – Six initiatives were submitted; three will receive funding (two are for scaled-down portions of initiatives).		
Initiative title	Initiative overview	Funding agreed
Grahams Creek Flood Scheme Enhancement	This initiative will re-design and upgrade the weir to increase resilience to future weather events and improve flood scheme performance.	\$330,800
Coromandel River Resilience Initiative	Funding for the instream capacity works and instream erosion protection (e.g., gravel management and obstruction removal) portion of this initiative. The felling of at-risk trees and native planting can progress over a longer period through the council's annual operating budget.	\$708,000
Port Waikato Three-Waters Resilience Work	Funding for flood modelling, plus flood prevention, stabilisation and rehabilitation, less project management, which should be covered by local contribution.	\$2,350,000
Total		\$3,388,800

Manawatū-Whanganui – Two initiatives were submitted; both will receive funding.		
Initiative title	Initiative overview	Funding agreed
Flood forecasting & communication resilience upgrade	Improvements to early warning systems and more resilient communications (including power supplies and removing resilience on cell phone communication) in the first-tier package. This type of work to improve resilience and remove potential for failures/outages that cascade widely across the critical infrastructure system is in line with the objectives of the Infrastructure Action Plan. Plus, flood mapping and assessing regional vulnerability.	\$3,645,000
Reducing risks to people and houses in the Pohangina Catchment	A key part of this initiative is to reduce risks to people and houses in the Pohangina Catchment to reduce the perception of risk and anxiety around future events causing further damage.	\$640,000
Total		\$4,285,000
Wellington (Wairarapa) – One initiative was submitted; it will be partially funded.		
Initiative title	Initiative overview	Funding agreed
Recovery and Flooding Resilience Works	Funding only to remove the blockages from recent storms in the eastern rivers to mitigate the potential for rivers to leave their channels and travel across land.	\$3,500,000
Total		\$3,500,000
Total for all regions		\$58,800,000

Note Auckland submitted one proposal, which did not receive funding.

Appendix D: Government funded highest priority initiatives and cost sharing agreements provided to each region by sector

Description	\$ million	Comments
Hawke's Bay		
Flood Protection Measures	\$206.0	Cost share \$203.5m; Flood Resilience Fund \$22.5m
Local Roads	\$359.5	Cost share \$260m; \$99.49m already spent on local roads from NLTF
Built Environment	\$94.7	\$92.5m Category 3 buyout cost share
Regional Recovery Structures	\$7.4	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$62.1	Budget 23 NIWE appropriations
Economic Environment	\$53.7	Budget 23 NIWE appropriations (including \$6.400m from Kānoa)
Natural Environment	\$2.1	Budget 23 NIWE appropriations
Sediment and Debris	\$172.2	Sediment and Debris Management Fund
Total Government Contribution, Hawke's Bay	\$957.6	Regional request was \$3,244 million
Tairāwhiti		
Flood Protection Measures	\$80.2	Cost share \$64m; Flood Resilience Fund \$16.2m
Local Roads	\$180.8	Cost share \$125m; \$55.8m already spent on local roads from NLTF
Built Environment	\$15.0	Category 3 buyout cost share
Concessional finance agreement	\$17.0	Crown contribution to provide interest free loan of \$30m over 10 years
Regional Recovery Structures	\$6.4	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$66.5	Budget 23 NIWE appropriations
Economic Environment	\$31.2	Budget 23 NIWE appropriations (including \$2.600m from Kānoa)
Sediment and Debris	\$60.2	Sediment and Debris Management Fund
Total Government Contribution, Tairāwhiti	\$457.300	Regional request was \$1,645 million

Description	\$ million	Comments
Auckland		
Flood Protection Measures	\$380.0	Cost share \$380m
Local Roads	\$141.7	Cost share \$110m; \$31.7m already spent on local roads from NLTF
Built Environment	\$387.4	\$387m Category 3 buyout cost share
Regional Recovery Structures	\$1.8	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$51.4	Budget 23 NIWE appropriations
Economic Environment	\$16.3	Budget 23 NIWE appropriations
Total Government Contribution, Auckland	\$978.6	Regional request estimated at \$3,000 million
Northland		
Flood Protection Measures	\$8.9	Flood Resilience Fund
Local Roads	\$3.3	Already spent on local roads from NLTF
Built Environment	\$5.4	Upgrades to Kaitaia airport, NRP Phase 2
Regional Recovery Structures	\$0.7	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$30.4	Budget 23 NIWE appropriations
Economic Environment	\$12.9	Budget 23 NIWE appropriations (including \$1m from Kānoa)
Total Government Contribution, Northland	\$61.600	Regional request was \$118.739m
Thames Coromandel		
Flood Protection Measures	\$1.0	Flood Resilience Fund
Local Roads	\$4.6	Already spent on local roads from NLTF
Regional Recovery Structures	\$0.9	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$1.6	Budget 23 NIWE appropriations
Economic Environment	\$17.3	Budget 23 NIWE appropriations
Total Government Contribution, Thames Coromandel	\$25.4	Regional request was uncosted

Description	\$ million	Comments
Waikato		
Flood Protection Measures	\$2.4	Flood Resilience Fund
Local Roads	\$3.3	Already spent on local roads from NLTF
Regional Recovery Structures	\$0.1	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$5.2	Budget 23 NIWE appropriations
Economic Environment	\$4.2	Budget 23 NIWE appropriations
Total Government Contribution, Waikato	\$15.2	Regional request was uncosted
Wairarapa		
Flood Protection Measures	\$3.5	Flood Resilience Fund
Local Roads	\$3.2	Already spent on local roads from NLTF
Regional Recovery Structures	\$0.7	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$4.9	Budget 23 NIWE appropriations
Economic Environment	\$1.7	Budget 23 NIWE appropriations
Total Government Contribution, Wairarapa	\$14.0	Regional request was uncosted
Taranaki		
Local Roads	\$11.6	Already spent on local roads from NLTF
Regional Recovery Structures	\$0.9	Budget 23 NIWE appropriation (administered through CRU)
Social Environment	\$1.8	Budget 23 NIWE appropriations
Economic Environment	\$3.2	Budget 23 NIWE appropriations
Natural Environment	\$1.6	Budget 23 NIWE appropriations
Total Government Contribution, Taranaki	\$19.1	Regional request was uncosted
Manawatu-Whanganui		
Flood Protection Measures	\$4.3	Flood Resilience Fund,
Local Roads	\$0.7	Already spent on local roads from NLTF
Total Government Contribution, Manawatu-Whanganui	\$5.0	Regional request was uncosted