



17 December 2024

[REDACTED]
[REDACTED]
[REDACTED]

Ref: OIA-2024/25-0476

Dear [REDACTED]

Official Information Act request relating to Ministerial Approval of Risk Mitigation Projects

Thank you for your Official Information Act 1982 (the Act) request received on 22 November 2024. You requested:

Can I please request the following under the OIA:

- [1]. Speech to the EMPA (Emergency Media and Public Affairs) Conference, 5 November 2024*
- [2]. Ministerial Approval of Risk Mitigation Projects under the 2022 Extreme Weather Event Nelson City Council Crown Funding Agreement, 6 November 2024*
- [3]. Tasman District Council buyout request, 7 November 2024*
- [4]. CRU Fortnightly Report (8 November 2024), 8 November 2024.*
- [5]. Meeting with Crown Manager Lawrence Yule, 4 November 2024.*

For ease of reference, I have numbered your request.

On 2 December 2024 item [1] was provided to you by the National Emergency Management Agency (NEMA). NEMA is a departmental agency hosted by the Department of the Prime Minister and Cabinet (DPMC) and an operationally autonomous agency.

On 26 November 2024 you were informed that item [5] is more closely connected to the functions of the Department of Internal Affairs (DIA) therefore, this part of your request was transferred to DIA, and they will respond to you directly.

Information being released

The remaining items [2,3 and 4] set out below are held by the functional Chief Executive, Cyclone Recovery Unit. The Cyclone Recovery Unit is a business unit within DPMC which supports the CE Cyclone Recovery to deliver the Chief Executive's functions. I am responding to this part of your request.

Item	Date	Title	Decision
2	6 November 2024	Briefing: Ministerial Approval of Risk Mitigation Projects under the 2022 Extreme Weather Event Nelson City Council Crown Funding Agreement. Attachment A Attachment B	Some information withheld under s9(2)(a), 9(2)(b)(ii).
3	7 November 2024	Briefing: Tasman District Council buyout request.	Some information withheld under s9(2)(a).

Item	Date	Title	Decision
4	8 November 2024	Aide-Memoire: CRU Fortnightly Report (8 November 2024).	Some information withheld under s9(2)(a), s9(2)(f)(iv), s9(2)(j).

I have decided to release the relevant parts of the documents listed above, subject to information being withheld as noted. The relevant grounds under which information has been withheld are:

- s9(2)(a), to protect the privacy of individuals
- s9(2)(b)(ii), to protect the commercial position of the person who supplied the information, or who is the subject of the information
- s9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials
- s9(2)(j), to enable negotiations to be carried on without prejudice or disadvantage.

In making my decision, I have considered the public interest considerations in section 9(1) of the Act. No public interest has been identified that would be sufficient to outweigh the reasons for withholding that information.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on DPMC’s website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Katrina Casey
Chief Executive, Cyclone Recovery

Briefing

Ministerial Approval of Risk Mitigation Projects under the 2022 Extreme Weather Event Nelson City Council Crown Funding Agreement

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	6/11/2024	Report Number:	DPMC-2024/25-384
		Priority level:	Medium

Purpose


1. This briefing seeks your agreement to fund two Risk Mitigation Projects for Nelson City Council, totalling \$6.300 million, under the 2022 Extreme Weather Event Nelson City Council Crown Funding Agreement (CFA).

Recommendations

2. We recommend you:
 1. **note** that the Nelson City Council entered into a Crown Funding Agreement (CFA) on 5 July 2024, under the same policy approach as the 2023 North Island Weather Event CFAs, to undertake a local recovery and improve resilience following the August 2022 Extreme Weather Event;
 2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and Ministerial approval from the Minister for Emergency Management and Recovery, before funding can be drawn down;
 3. **note** that Crown Infrastructure Partners (CIP) and Cyclone Recovery Unit (CRU) officials have reviewed the PDPs submitted by the Nelson City Council and confirm that they meet the criteria for Crown funding;
 4. **agree** to approve the Nelson City Council request to release \$6.000 million in grant funding to repair 18 slips, as a result of the August 2022 severe weather event; **YES / NO**
 5. **agree** to approve the Nelson City Council request to release \$0.300 million in grant funding to fund monitoring of the Tāhunanui Slump; **YES / NO**
 6. **note** that in accordance with the CIP Project Funding Agreements with the regional and local authorities, any funding paid to Nelson City Council by CIP that is subsequently not spent will be returned to CIP;

- 7. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise CIP to release funds to Nelson City Council to deliver the approved projects in accordance with agreed conditions and milestones; and
- 8. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982.

YES / NO

 Katrina Casey Chief Executive Cyclone Recovery
6 November 2024
Mobile phone: s9(2)(a) [REDACTED]

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

Released under the Official Information Act 1982

Background

3. In August 2022 the Nelson region was impacted by a severe weather event, with significant damage to both public and private property.
4. Significant flooding occurred when the Matai River burst its banks, however, the more pronounced impacts were to residential hillside properties. There were over 300 landslips (including 18 on Nelson City Council land) that affected residences on private land.
5. In August 2023, Cabinet agreed to provide funding to support recovery in the Nelson region through a cost share arrangement, consistent with the 2023 North Island Weather Events (NIWE) affected Councils and regions [EWR-23-MIN-0076 refers].

Application of FOSAL in Nelson

6. The Future of Severely Affected Locations (FOSAL) policy approach is a locally led, centrally supported process to address the future use of land severely affected by the NIWE. It is intended to reduce intolerable risk to life from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
7. The impacts in Nelson are akin to those impacts in the NIWE, and while not part of the NIWE, the Government response is consistent with the cost-sharing arrangements with the worst affected NIWE regions.
8. Nelson City Council entered into a CFA on 5 July 2024, under the same FOSAL policy approach as the NIWE CFAs, to undertake a local recovery and improve resilience following the August 2022 Extreme Weather Event. Crown Infrastructure Partners (CIP) has also signed the agreement as the Crown's administrator.
9. The CFA outlines the Crown contribution to 18 risk mitigation (landslip) projects, a separate risk mitigation project to monitor the Tāhunanui Slump, and nine Category 3 buy-out properties. The total Crown funding available for these projects is \$12.3 million (available through the Emergency Management Leadership and Support Appropriation). The projects and associated Crown funding is shown in **Table 1**.

Table 1: Funding for Nelson City Council August 2022 Extreme Weather Events

Funding	Risk Mitigation Project – Land Slips \$ million	Risk Mitigation Project – Tāhunanui Slump \$ million	Category 3 Voluntary Buyout \$ million	Total \$ million
Crown funding	6.000	0.300	6.000	12.300
Nelson City Council contribution	11.192	-	6.000	17.192
Total funding	17.192	0.300	12.00	29.492

Project Delivery Plans for approval

10. CIP has completed an assurance review to confirm that project criteria have been met to the required standards for the two risk mitigation projects for Nelson City Council. Summary information for both projects is outlined below. The results of CIP's assurance reviews are included in the Recommendation Reports in **Attachments A and B**.

Risk Mitigation Project – Slip Sites

11. We recommend you approve funding of \$6.000 million for Nelson City Council to repair 18 slips, as a result of the August 2022 severe weather event. Under the Nelson City Council

CFA, Crown funding pre-allocated for this project is capped at \$6.000 million with the Council contributing the balance of funding estimated to be \$11.192 million. Estimated total cost for the project is \$17.192 million.

12. For each of the 18 damaged sites, the Council determined that that the level of risk to affected private property (and associated life risk) and affected infrastructure needs to be reduced through betterment remediation. Options have been selected to achieve the required level of risk reduction (moderate/low, low, or very low) for each site.
13. **Table 2** sets out the summary of the benefits and assurance process for the Slips Sites project.

Table 2: Risk Mitigation Project Slip Sites – summary information

Summary of the benefits and assurance process for Risk Mitigation Project – Slip Sites	
Why should this project be approved?	The August 2022 severe weather event caused widespread land instability and multiple slips, posing an unacceptable level of risk to property and life, requiring betterment remediation to 18 sites.
Why is this the right solution?	Options were considered for each of the 18 sites, to lower the risk to an acceptable level, taking into account cost and ease of construction.
Benefits	Betterment remediation will protect people and properties from unacceptable risk in future events. Design and construction will occur across multiple sites concurrently, enabling efficiencies and consistency.
Outcomes	Private properties and public assets, including parks and road reserves, will be restored. Work has been completed on five of the 18 sites.
How will we now the benefits have been delivered?	The project will be monitored against the project schedule milestones and deliverables by CIP and the Cyclone Recovery Unit (CRU) until completion.
What is the risk of cost escalation?	Low. The work is low complexity, across multiple sites, and project risks are well understood. Sufficient cost contingency has been built in.

Risk Mitigation Project – Tāhunanui Slump

14. We recommend you approve \$0.300 million for Nelson City Council, to fund monitoring of the Tāhunanui Slump for groundwater and ground movements over the next 10 years, which will provide an early warning system to protect properties and people. Under the Nelson City Council CFA, Crown funding pre-allocated for this project is capped at \$0.300 million. The Crown is fully funding this project.
15. **Table 3** sets out the summary of the benefits and assurance process for the Tāhunanui Slump Monitoring project.

Table 3: Risk Mitigation Tāhunanui Slump Monitoring – summary information

Summary of the benefits and assurance process for Tāhunanui Slump Monitoring	
Why should this project be approved?	Monitoring of the deep-seated Tāhunanui Slump landslide is needed to protect properties and residents.
Why is this the right solution?	Ground movement and groundwater will be monitored with telemetered instruments that do not require manual reading.
Benefits	This solution will not require the Council to continue with manual data monitoring.
Outcomes	The funding covers a 10-year monitoring period and will protect residents by providing early warning of changes in ground movements for use in a potential natural disaster preparation plan.
How will we know the benefits have been delivered?	The project will be monitored against the project schedule milestones and deliverables by CIP. An annual attestation from the Nelson City Council will be sought by CIP to confirm slump monitoring and reporting has been adequately completed.
What is the risk of cost escalation?	Low. The work is low complexity, and a fixed price contract will be negotiated for the 10-year monitoring period.

CIP and CRU recommend funding both Risk Mitigation Projects

Consultation

16. CIP and CRU officials have reviewed the PDPs for both risk mitigation projects and confirm that they meet the criteria for Crown funding set out in the CFA. We recommend that you approve the release of Crown funding to support these projects.

Next steps

17. If you agree with the recommendation to approve these two projects, the Chief Executive Cyclone Recovery will write to CIP to confirm that the projects meet the criteria for Crown funding. CIP will then release funds to Nelson City Council to deliver the approved projects, in accordance with agreed milestones. CIP, in conjunction with CRU, will monitor delivery and provide regular updates on these projects in your fortnightly reports.

Attachments:	Title	Security classification
Attachment A:	Risk Mitigation Project – Slip Sites	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Risk Mitigation - Tāhunanui Slump Monitoring	IN-CONFIDENCE UNCLASSIFIED

Cyclone Recovery Unit Recommendation Report	
National Resilience Plan Nelson August 2022 Extreme Weather Event (NEWE)	Nelson City Council (NCC)
NELRMP001 – Risk Mitigation Project – Slip Sites	Project Classification: Simple
Expected Construction Start: October 2023	Expected Construction finish: June 2025
s9(2)(b)(ii)	s9(2)(b)(ii)
Government Funding request: \$6,000,000	

1. Project Summary

The August 2022 severe weather event was a period of heavy rainfall which resulted in widespread land instability across the Nelson region, causing many slips from Council land onto private land or from private land onto Council Land/Assets. The slips varied in size and impact. This storm event caused significant and widespread damage to various assets around the city including slips in park and road reserve land.

Initial Geotechnical Assessments were completed to document the slope failures, develop and present options to remediate failures, including identifying any requirement for short term remedial work.



Fig 1: Clouston's Bridge local flooding, Maitai River, Nelson – August 2022

2. Option Analysis

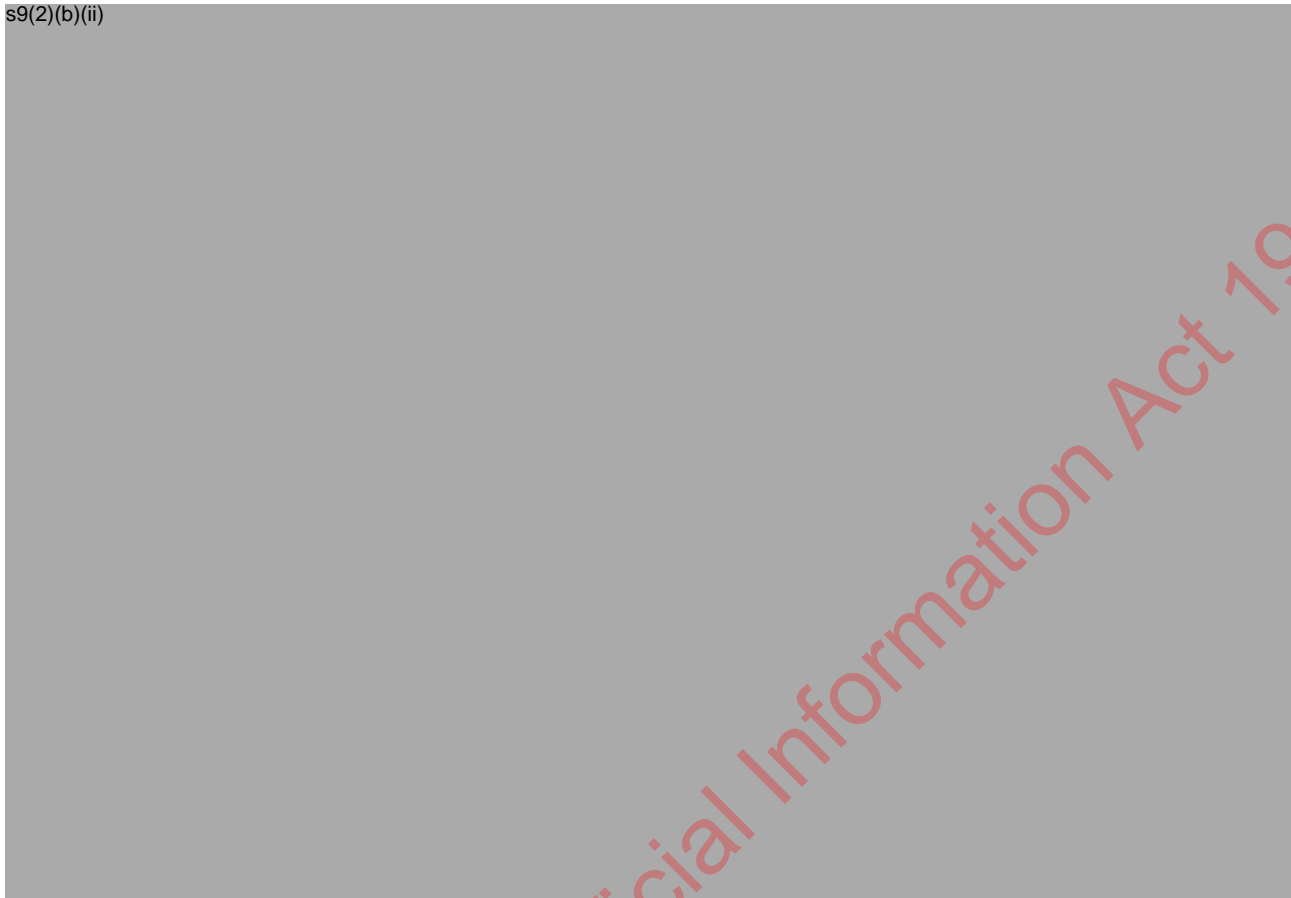
For each slip site a qualitative landslide risk assessment was completed by geotechnical consultants, in general accordance with *Australian Geomechanics Society (2007) - Practice Note Guidelines for Landslide Risk Management 2007c* for property risk, determining the existing risks the land instability posed to affected property and infrastructure. Using the same doctrine for guidance, Council determined that the level of risk to affected private property (and associated life risk) and affected infrastructure had to be reduced through betterment remediation to moderate/low, low, or very low. This was applied to the optioneering selection process, with cost and constructability secondary factors considered when more than one option achieved the desired level of risk reduction.

Council then worked through the various options for each site, reviewed the identified risks and made an informed decision on which option lowered the risk to an acceptable level. These options were then taken to the Council Recovery Taskforce for discussion.

There are 18 landslides from council land impacting private properties that require some level of remediation. Council approved the officer's approach, remedial options and costs on 4 May 2023.

3. Implementation

s9(2)(b)(ii)



The 18 slips have been packaged up into areas (e.g. Sir Stanley Reserve, Grampians Reserve and so on), these have then been assigned to the consultants/contractors for design and construction.

The rationale behind this is to minimise the mobilisation, demobilisation costs, traffic management costs and overall costs associated with construction as the contractors will be dealing with slips in similar terrain/soil profile, in some cases adjacent to each other, enabling consistency with construction methodologies.

Stantec will manage the overarching programme requirements of this work and provide ongoing reporting and liaison for Council.

4. Supporting information

s9(2)(b)(ii)



s9(2)(a)

Released under the Official Information Act 1982

5. Cost

Funding Split

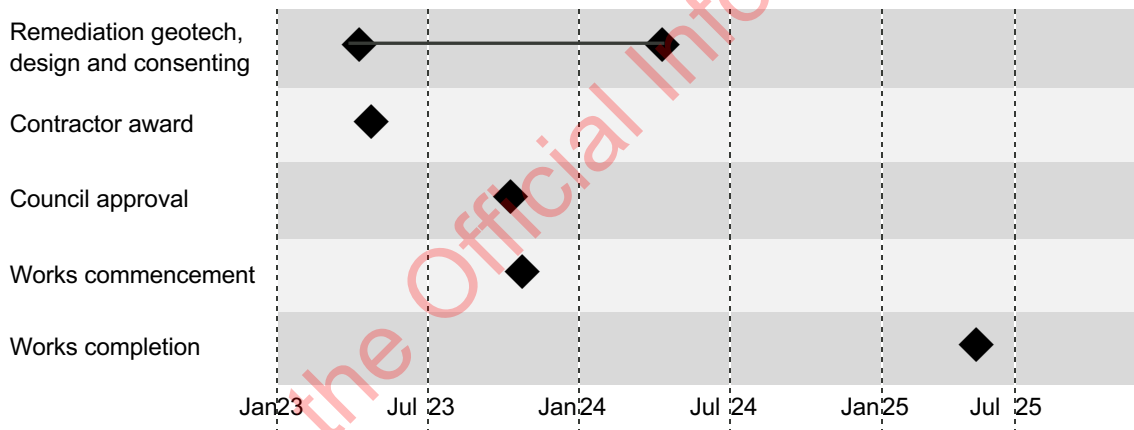
The funding split for this project between the Crown and Nelson City Council is:

s9(2)(b)(ii)

Basis of cost estimate

The slip remediation cost estimates were based on the optioneering work and contingency provisions developed for each site in 2023. A 30% contingency was applied to the total project cost at the time. As expected the actual remediation costs for some sites are now coming in more, and some less than the estimates. These variations in cost will be managed through the Project Schedule and milestone payments process with the clear understanding of all parties that the overall Project programme Crown contribution of \$6m will not be exceeded.



6. Programme

















7. Current status

- Five of the 18 sites are completed (#2, 5, 8, 15, 17)
- two sites are in-progress
- a further five sites will be commenced in 2024
- three commenced in 2025, and
- three sites in s9(2)(a) will be combined into one area of works to commence in 2025.

8. Deliverability / Risks

 <p>Cost</p>	<p>16% of the programme of works are completed (\$947k of the \$6m Crown share). The forecasted completion date is June 2025, with contractors in place and agreed work schedules and rates. The significant risk is variabilities in geotechnical conditions as the works proceed.</p> <p>Council are confident the overall programme will be delivered within the budget.</p>	
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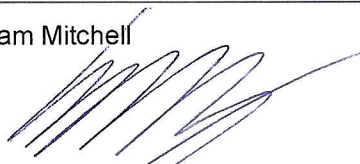
 Capability	<p>NCC has a good track record of delivery of similar projects.</p> <p>The design consultants and contractor construction teams are experienced with the local conditions and satisfactorily resourced.</p>	
 Design	<p>Design work for this project is 80% complete with onsite geotechnical matters being addressed as physical works progress.</p>	
 Consents	<p>All consents for the works have been received for projects entering construction phase, others are being progressed as final design packages are approved.</p>	
 Land	<p>There are no outstanding landowner ownership matters affecting delivery of the works programme</p>	
 Community	<p>Consultation in conjunction with the NCC LTP has garnered strong community support for the project.</p>	
 Māori	<p>Iwi/Māori engagement has occurred as part of the LTP process and where necessary to gain resource consents.</p>	
 Risks	<p>Project risk is predominately around unexpected geotechnical conditions found onsite as works progress. NCC and their design and contractor teams have a strong track record of delivering similar projects.</p> <p>Adverse weather is also a risk impacting progress with optimal fill compaction sensitive to moisture content which is affected by climatic conditions.</p>	


9. Recommendation

CIP recommends that the Delivery Plan be approved subject to the following conditions:

- Project Schedule with agreed milestones and associated funds release to be agreed after PDP approval.

10. Review and approvals

CIP Relationship Manager Review	Martin Smith	Date: 06/09/2024
CIP Programme Manager Review	Shashank Kumar	Date: 24/10/2024
CIP CEO	Graham Mitchell 	Date: 24/10/24

CRU comment	I have reviewed this PDP and confirm it meets the criteria for Crown funding set out in the Crown Funding Agreement	
CRU Signature	Helen Hurst 	Date: 4 November 2024

Released under the Official Information Act 1982

Cyclone Recovery Unit Recommendation Report	
National Resilience Plan (NRP) Nelson August 2022 Extreme Weather Event (NEWE)	Nelson City Council (NCC)
NELRMP002 – Risk Mitigation Tāhunanui Slump Monitoring	Project Classification: Simple
Monitoring and Reporting Start: November 2022	Expected finish: December 2034
Estimated Project Cost: \$300,000	NCC portion: \$0
Government Funding request: \$300,000	

1. Project Summary

The NEWE Crown Funding Agreement at clause 8.2(b) states

“... the NRP funding pre-allocation will include up to 10 years funding for monitoring the Tāhunanui Slump at \$30,000 per annum (plus GST, if any), to be paid to the Recipient in a lump sum of \$300,000 (plus GST, if any)”.

Following the August 2022 event, as part of NCC’s role in quantifying property damage relating to the natural disaster event, a site investigation was carried out within the Tāhunanui Slump. As part of this investigation the Earthquake Commission (EQC) drilled five boreholes, and ground movement and groundwater monitoring instrumentation was installed. This includes telemetered instruments that do not require manual reading.

2. Implementation

Council has commissioned the engineering consultancy Tonkin & Taylor (T+T) to continue monitoring the EQC instruments to assist with ongoing management and planning relating to the deep-seated Tāhunanui Slump landslide up until 12 months from the original commencement of monitoring (i.e. until 28 November 2023).

T+T are preparing a report to confirm the instrumentation and monitoring scope, including defining alert and trigger points for use in a potential natural disaster preparation plan.

NCC have been collecting groundwater monitoring data manually for some time within the Tāhunanui Slump and provide collated rainfall data from the Princes Drive weather station in relation to an existing project agreement with T+T.



Figure 1: Tāhunanui Slump head scarp, Nelson 2023.
Visible when flying into/from the northern approach



Figure 1: Tāhunanui Slump, Nelson – 1939. Tāhuna Beach in foreground with Rocks Road heading to north

It is Council's intention to extend the November 2022 T+T commission from year-to-year for a ten year total period. Crown Infrastructure Partners (CIP) will obtain confirmation of this ten-year commitment from the NCC as part of the one-off lump sum payment process.

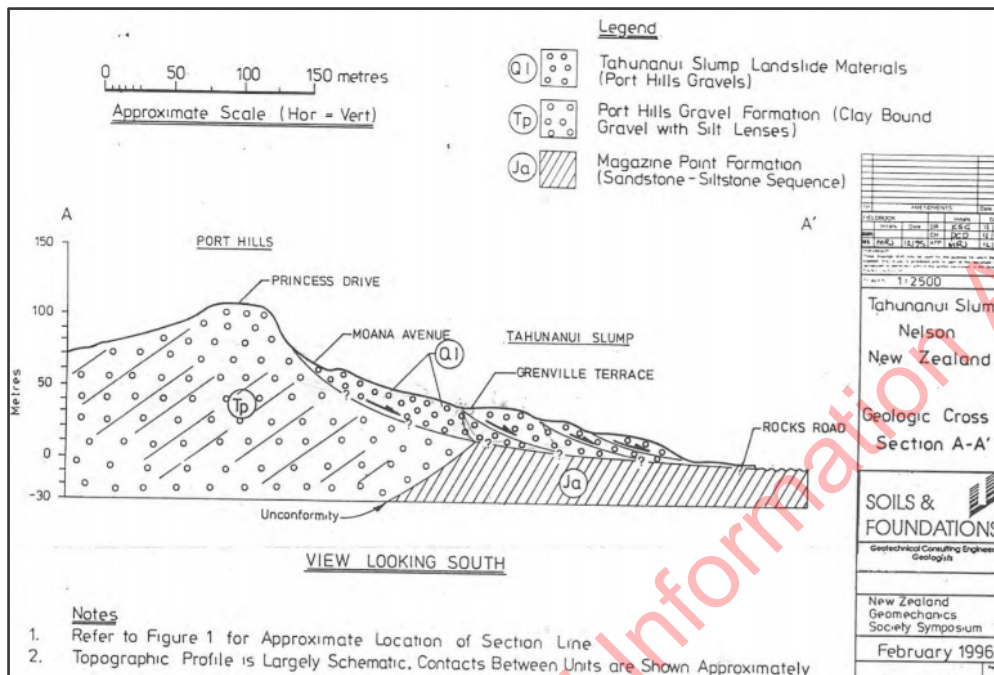


Figure 3: Tāhunanui Slump, Nelson. Geological formation (1996)

3. Supporting information

The Council's PDP information has been provided through provision of the following documentation:

- 19 Oct 2023 – Council Report - CL_20231225_SR_5801_72 Copy.docx
Report Title: *August 2022 Extreme Weather Event Recovery - General Update and Central Government Recovery Support Package*
- Phase 1 - SB Tāhunanui 2023/24 PSB - Tāhuna Slump monitoring - 14 September 2023
Client, T+T signed.pdf
- Phase 2 - NCC Professional Services Brief (Services Order) EDC3906 Tāhunanui Slump monitoring and reporting continuance 2024 – 2034 - final draft of the Tāhunanui Continuance Monitoring PSB, which is with T+T for final review and signature

4. Cost

Funding Split

The funding split for this project between the Crown and Nelson City Council is:

Funding Agency	Contribution %	Value \$
Crown	100%	\$300,000
Nelson City Council	0%	-\$-

Basis of cost estimate

The T+T Professional Services Brief (PSB) signed by both parties has total costs including programme management at \$28,840 (excl. GST) for the initial one-year commission. This is 96% of the first year portion of the \$300k lump sum Crown payment. Council is carrying the cost escalation forward risk including scope variation, resulting from the proposed 2024 one-off lump sum payment in 2024, by the Crown, for the full ten year monitoring and reporting programme.

5. Current status and Programme

T+T are preparing a summary geotechnical report that will present the factual monitoring data for the first 12 months of monitoring following the August 2022 natural disaster event, advise on the optimisation of monitoring, and discuss options with respect to trigger points for use in a potential natural disaster preparation plan. Delivery of this report is expected in August 2024.

Nelson City Council's intention is for T+T to continue the ongoing monitoring and annual reporting through until 2034.











The CIP Post-investment report will be provided in 2034 along with the final annual attestation from the Council's Deputy Chief Executive / Group Manager Infrastructure as set out below.



6. Proposed exclusions

Given the up-front lump sum payment for the ten-year programme and the annual reporting envisaged from the slump monitoring it is proposed that the Crown reporting requirements (monthly progress reporting and quarterly CEO certifications are foregone and replaced with:

- An annual attestation from the Nelson City Council's Deputy Chief Executive / Group Manager Infrastructure (or similar) to CIP certifying that the
 - Slump monitoring and reporting has been adequately completed and provided to Council by T+T, and
 - Council have co-funded and will continue to fund any project expenses in excess of the Crown funds of \$300,000.
- a fall-back provision that should there be a natural event such as adverse weather, earthquake, or accelerated climate change effects, that causes significant and material effects resulting in intolerable risk to life then the Crown will require monthly reporting from that time.

7. Deliverability / Risks

 Cost	One-off lump sum payment covering the initial phase 1 and subsequent phase 2 works covering the full ten year period. Council are confident the overall programme will be delivered within the budget as the back-to-back agreement with T+T caps the project at \$300,000.		
 Capability	NCC has a good track record of delivery of similar projects. The experienced and respected geotechnical consultant T+T have decades of experience with the Tāhunanui Slump, local conditions and are satisfactorily resourced.		
 Design	Design work is not envisaged as the bores and monitoring equipment are in place and will be remotely monitored.		n/a
 Consents	 Land	-	n/a
 Community	 Māori	Consultation in conjunction with the NCC LTP has demonstrated community support for the project. Iwi/Māori engagement has occurred as part of the LTP process.	


 Risks	<p>Any site difficulties in access, equipment malfunction requiring additional professional fees and/or repairs will be covered by separate engagement.</p> <p>Working on roads (Grenville Terrace) during inclinometer readings: T+T have allowed for use of vehicle and road cones as traffic management due to very low traffic volume on road.</p>	
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8. Recommendation

CIP recommends that the Delivery Plan be approved subject to the following conditions:

- Project Schedule with agreed milestones and associated funds release to be agreed after PDP approval.
- the Crown reporting requirements (monthly progress reporting and quarterly CEO certifications) are foregone and replaced with:
 - An annual attestation from the Nelson City Council's Deputy Chief Executive / Group Manager Infrastructure (or similar) to CIP certifying that the
 - Slump monitoring and reporting has been adequately completed and provided to Council by T+T, and
 - Council have co-funded and will continue to fund any project expenses in excess of the Crown funds of \$300,000.
 - should there be a future natural event prior to 2034 such as adverse weather, earthquake, or accelerated climate change effects, that causes significant and material effects resulting in intolerable risk to life associated with the Tāhunanui Slump then the Crown will require monthly reporting from that time.

9. Review and approvals

CIP Relationship Manager Review	Martin Smith	Date: 05/09/2024
CIP Programme Manager Review	Shashank Kumar	Date: 24/10/2024
CIP CEO	Graham Mitchell 	Date: 29/10/24

CRU comment	I have reviewed this PDP and confirm it meets the criteria for Crown funding set out in the Crown Funding Agreement	
CRU Signature	Helen Hurst 	Date: 4 November 2024



Briefing

Tasman District Council buyout request

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date:	7/11/2024	Report Number:	DPMC-2024/25-479
		Priority level:	Medium

Purpose

1. This briefing provides you with advice and a draft response to Tim King, Mayor of Tasman District Council, following his request of 7 October 2024 that the Government consider Crown funding support for a buyout of one residential property impacted by an August 2022 weather event.


Recommendations

2. We recommend you:

1. **note** that Tim King, Mayor of Tasman District Council (TDC), has written to you requesting support to buy out one storm affected property, on similar terms offered to Nelson City Council in September 2023;
2. **note** that providing funding for a buyout is not recommended because:
 - agreeing to another buyout request would increase precedent risk and raise expectations of future financial support from the Crown,
 - managing natural hazard risk is a council responsibility, and the cost of a single buyout would not place an unreasonable financial burden on TDC;

3. **sign and send** the attached response declining the request.

YES / NO

 Katrina Casey Chief Executive Cyclone Recovery
7 November 2024
Mobile phone: s9(2)(a) [REDACTED]

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

Context of the request

3. On 7 October, Tim King, Mayor of Tasman District Council (TDC), wrote to you regarding a property in Golden Bay that was affected by the storm event that hit the upper South Island (primarily Nelson but also Tasman and Marlborough) in August 2022.
4. The owners have asked the TDC to buy their property. Mayor King's letter requests financial support from the Crown to do so, using the rationale that Nelson City Council was provided with funding for buyouts following the same weather event.
5. From further discussion with TDC officials, we have confirmed that:
 - The home in question was not damaged in the weather event (damage was to land and some minor outbuildings). However, the TDC issued a red placard under the Building Act 2004, as it considered that the property was unsafe to occupy due to an ongoing risk of further landslide.
 - This placard has remained in place ever since, and the owners have been unable to occupy the property over the past two years.

s9(2)(a)



Consideration of buyout support

Agreeing to provide funding for this buyout would risk setting a precedent for future support and pre-empt climate adaptation work led by Minister Watts

6. While this is an unfortunate situation for the affected property owners, this scenario is not unique. Providing support in this case would likely contribute to an expectation that the Crown will contribute to buyouts of residential properties.
7. Providing funding support would increase the risk that other properties affected by the August 2022 storm event may also ask local and/or central government for buyouts. While we are not aware of any other at-risk properties in Tasman District, there were originally 33 red placards placed on properties in Marlborough from the same event, and some may be facing a similar degree of ongoing risk as the Tasman property.
8. Beyond this storm event, there are many homes across New Zealand that have a red placard as the result of natural hazard events. MBIE estimates that there are more than 300 red placards currently in place from a range of events, including the 2023 North Island Weather Events (NIWE), the August 2022 storm, the flooding event in Dunedin earlier this year and other smaller events.

9. Making a one-off decision to intervene in this situation would pre-empt the work that Minister Watts is leading to develop an Adaptation Framework, which aims to provide clarity on how New Zealand manages and shares the costs of adapting to climate change. The framework will include consideration of options for investing in risk mitigation and/or relocation and considering if Government should intervene in these types of situations.

Councils are responsible for managing natural hazard risk and the TDC would not be facing a significant financial burden from a single buyout

10. Councils have statutory responsibility for managing natural hazard risks. They are responsible for identifying areas at risk of natural hazards and making planning decisions to avoid areas most at risk. They are able to buy properties if required to proactively manage that risk; a number of councils have done so over the past 20 years (see Attachment B for examples of previous property buyouts).
11. Part of the rationale for providing a Crown cost-sharing arrangement for NIWE buyouts was that the costs would be very significant for councils, and in some cases would be unmanageable within their debt limits (e.g. Gisborne District Council needed a concessionary loan even for their 50% share of buyouts, let alone the full cost).
12. It is unlikely that TDC would be in the same financial position from a single buyout. It would still be able to carry out a buyout of the property, if it chose to, without Government support.

Funding to support a buyout would require Cabinet approval

13. There is no existing funding source that could be used for this request without Cabinet approval. The funding for NIWE buyouts is available only for NIWE regions, tied to those specific weather events. Funding for Nelson was agreed by Cabinet in August 2023. As the Nelson event was not in scope of the NIWE appropriations, funding was provided via the National Resilience Plan¹ into the Emergency Management Leadership and Support Multi-Category Appropriation administered by NEMA.
14. Funding for this request would need to be reprioritised from an alternative source, for example from underspends in the Local Government Flood Resilience Co-investment Fund. However, Cabinet agreement would be required, as Tasman is not a NIWE affected region and support would be outside of the scope of specifically NIWE related funding.

Next steps

15. Should you agree that the request from the TDC should be declined, a proposed response has been drafted and is provided as Attachment A.
16. If you want to consider providing support, CRU officials will prepare a Cabinet paper seeking agreement and the appropriation of new funding for this request.

Attachments:	Title	Security classification
Attachment A:	Letter to Tim King, Mayor, Tasman District Council	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Examples of property Buyout Programmes 1980-2022	IN-CONFIDENCE UNCLASSIFIED

¹ Note that the National Resilience Plan has been disestablished and funding is no longer available [CBC-24-SUB-0021 refers]

Attachment A: Draft letter to Tim King, Mayor, Tasman District Council

[date]

Tim King
Mayor, Tasman District Council

Dear Mayor,

I am writing in response to your letter of 7 October 2024, regarding the property you have identified in Golden Bay that was affected by the August 2022 storm event.

I would like to acknowledge the impact that weather events, like the one your district experienced in August 2022, have on communities and individuals whose properties are affected. I have sympathy for the affected property owners, who I understand have not been able to live in their home for the past two years.

However, I do not consider that it would be reasonable to provide the funding support that you have requested.

The situation you describe is not unique – properties across the country are increasingly impacted by severe weather events. It is not possible for the Government to provide support to buy out privately owned properties following every natural hazard event.

The Government's decision to support council-led buyouts following cyclones Gabrielle and Hale and the Auckland Floods in 2023 was a tailored response to the extremely significant impacts of these events. The councils in these areas were facing significant costs that they would have struggled to meet without Government support. The cost of a single buyout should be able to be absorbed by a council, should you choose to do so.

To respond to these issues in an enduring way, the Government is developing an Adaptation Framework to clarify how New Zealand can manage and share the costs of adapting to climate change, including recovery from natural hazard events. Parliament's Finance and Expenditure Committee has recently concluded an inquiry into adaptation and provided recommendations for guiding principles and objectives for the Framework.

I appreciate this does not provide the support you are seeking; however, the Adaptation Framework aims to provide clarity for property owners and local government, and confidence that any future support is predictable and principled, rather than ad hoc in response to individual events.

Thank you for the work you are doing to manage the natural hazard risks in your district.

Yours sincerely,

Hon. Mark Mitchell
Minister for Emergency Management and Recovery

Attachment B: Examples of property buyout programmes 1980-2022

Various buyout programmes have been implemented in New Zealand because of natural hazards. They include large-scale programmes led by Central Government (Christchurch earthquake), smaller-scale buyouts where mitigations can't be developed (Kaeo, Kaikoura, Matatā), post-event buyouts in line with local government policy (Dudley Creek, Heathcote) and proactive flood schemes (Twin Streams, Riverlink). Funding ranged from 100 percent from the Crown, through cost-sharing arrangements, to entirely local authority funded.

Crown-led and cost-shared buyout programmes

Year	Location	Event	Properties	Identification/ categorisation	Cost	Funding
1980	Kelso, Otago	Severe flooding (1978,1980)	Approx. 17	'Largely unplanned and voluntary'	NA	Cost share w/ 45% central govt contribution
2005-2022	Matatā, Bay of Plenty	Debris and flooding	45	Through Council-led managed retreat programme.	\$15 million	1/3 share local council, region council and govt
2007	Kaeo, Far North	Severe flooding	7+	Local authorities identified the most affected houses after repeat flooding events.	\$2+ million	¼ share local council, region council, govt and owner
2010-2019	Christchurch	Earthquake	Approx. 8000	Central-government-led red-zoning and Port Hills houses at risk	\$1.5 billion	100% central govt
2016	Kaikoura	Earthquake	3	Council-led process. Based on 'sticker'ing/section 124 (Building Act) notices.	\$1.5 million	100% central govt
2022-	Nelson	Flooding/landslip	14	Where 'landslide risk is too high for the property owners to return ... the cost of works to reduce that risk is prohibitive.'	\$12 million	50% from local council and central govt

Council-led buyout programmes

Year	Location	Event	Properties	Identification/ categorisation	Cost	Funding
2002-2005	West Auckland	Proactive flood management (Twin Streams)	157	Houses within 1-in-100 year flood zone in the specified catchments.	\$26 million	100% local council
2015	Hutt Valley	Proactive flood management (Riverlink)	141	Properties acquired for stopbanks. Public Works Act used to obtain properties in 2022.	\$52+ million	50% each from local council and regional council
2016-2017	Dudley Creek, Christchurch	Flood management	7	In line with Christchurch City Council Flood Intervention Policy	\$2.5 million	100% local council
2017	Edgecumbe Flood	Severe flooding	12	Red stickered properties (Section 124 of Building Act).	NA	100% local council
2017	Heathcote, Christchurch	Flood management	22	In line with Christchurch City Council Flood Intervention Policy	NA	100% local council



Aide-Mémoire

Cyclone Recovery Unit Fortnightly Report (8 November 2024)

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

From	Katrina Casey Chief Executive, Cyclone Recovery	Report Number:	DPMC-2024/25-538
Date	8/11/2024	Priority level:	Routine

Purpose

1. This report provides you with a fortnightly update on key cyclone recovery topics.

The previous fortnight

Future of Severely Affected Locations (FOSAL)

Project Delivery Plan (PDP) Progress

2. Ministerial approval has been received for 39 projects, part Crown funded as part of the 2023 North Island Weather Event (NIWE) Crown Funding Agreements (CFAs) for Auckland, Tairāwhiti and the Hawke's Bay, with a total Crown funding value of \$503.96 million.
3. There are 58 projects in total for the NIWE agreements and a further 19 projects remain to be approved. Table One sets out the remaining projects by region.
4. A briefing seeking joint Ministerial approval with the Minister of Finance for the relocation of the Waipawa water treatment plant was sent to your office on 8 November.
5. You approved two PDPs for the Nelson City CFA covering slip repairs and monitoring of the Tāhunanui Slump on 6 November. These two PDPs do not require approval from the Minister of Finance as they relate to a different appropriation.
6. Crown Infrastructure Partners (CIP) is supporting councils to progress their PDPs so the majority of outstanding PDPs can be ready for funding approval before the end of 2024, with sufficient stage gates for funding to be released upon completion of project milestones. It is likely most of these PDPs will go to Ministers in early 2025.

s9(2)(f)(iv)

Auckland

s9(2)(f)(iv)

Stickered Titirangi Area Residents (STAR)

8. At its meeting on 7 November, the Auckland Council's Transport, Resilience and Infrastructure Committee agreed to establish a one-off Council funded grant scheme to provide up to \$5 million for the Stickered Titirangi Area Residents (STAR) group, to support remediation of slips on Council-owned road reserves affecting residents. We understand this funding is not solely for this group but to apply across the city via an application programme.
9. The \$5 million will come from unspent Auckland Council funding from the Auckland Transport Flood Recovery programme.
10. The STAR group has continued to advocate for central Government funding, and the Council indicated at the Committee meeting that it would do the same. It is unlikely that \$5 million will be sufficient to repair road reserves bordering the number of affected properties (the scope of which remains unknown across Auckland).
11. Any Government contribution to this scheme would have to come from existing crown funds for flood mitigation projects, with the change in scope for the appropriation requiring Cabinet approval.

Hawke's Bay

12. The Hawke's Bay Regional Council is finalising project delivery plans in November for flood risk mitigation projects in Pakowhai, Porongohau, upgrades to three pump stations and flood protection scheme reviews. PDPs for Whirinaki and Wairoa are expected in March 2025.
13. An Aide-Mémoire on progress with the Hawke's Bay flood risk mitigation projects was sent to the Minister of Local Government on 25 October. Minister Brown requested further information on these projects which was provided to the Department of Internal Affairs (DIA) on 7 November. A copy of the Aide-Mémoire and additional information provided to DIA was sent to your office.

Tairāwhiti

14. CIP has engaged Aurecon to support the Gisborne District Council to complete their remaining PDPs during November.

Masterton

15. The Category 3 voluntary buyout programme in Masterton covers 12 dwellings on nine properties and is progressing well. Valuations are complete for all 12 dwellings and insurance reviews are complete for 11 dwellings. One property is under a further insurance review.

16. s9(2)(a)

Nelson

17. Good progress has been made with Category 3 voluntary buyouts for the 17 eligible properties in Nelson. Fourteen properties have now settled (an increase of four in the last month). s9(2)(a)

18. The Council has also made good progress on its 18 slip remediation projects, five of which have now been completed.

19. The CRU will provide you with an Aide-Mémoire next week with more information about the recovery activities underway in Nelson City, ahead of your 14 November visit to Nelson where you will be meeting with Mayor Nick Smith.

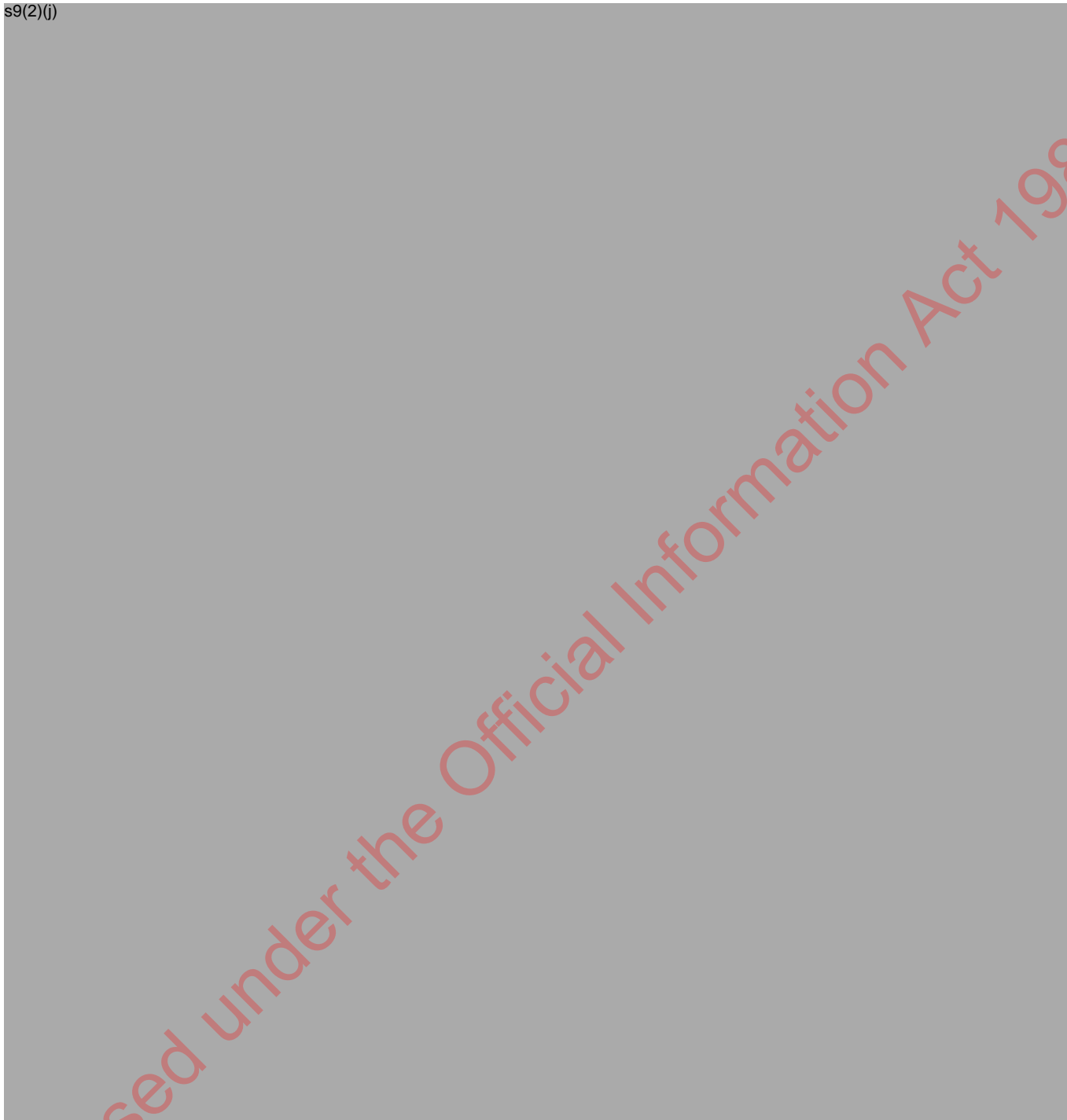
Far North District Council

20. In our last report we advised that the Far North District Council (FNDC) has concluded its engagement with owners of properties that it considered may have been impacted by the NIWE. s9(2)(f)(iv)

21. s9(2)(f)(iv)

Whenua Māori and marae pathway

s9(2)(j)



Wairoa June 2024 flooding event status update

28. As at 1 November, the Temporary Accommodation Service (TAS) is reporting a total of 86 registered households related to the June 2024 flooding event. Of those, 60 cases have been resolved or cancelled and are no longer engaged with TAS, and 26 cases remain active. Of the active cases:

- 24 households have been placed in TAS supplied accommodation (12 are in cabins, one is in a motorhome and 11 are in commercial accommodation).
- Two cases are being actively managed to find appropriate accommodation solutions.

29. The number of households continuing to be supported by TAS in Wairoa remains stable due to the limited permanent accommodation available in the area.

For your awareness

Cabinet Paper: Transfer of residual North Island Weather Event recovery activities from 1 July 2025

30. Ministerial consultation is underway on the Cabinet paper seeking agreement to the allocation of residual NIWE recovery activities from the CRU to other Crown agencies from 30 June 2025. ^{s9(2)(f)(iv)}
31. Ministerial consultation will end at 4pm on 12 November, with a final copy being provided to your office on 13 November for lodging. The paper will then be considered by the Cabinet Economic Policy Committee on 20 November.

Recovery policy settings and decision-making tools

32. After Cabinet agreed on 29 October to the scope of the suite of tools and that consultation could begin in November, the Chief Executive, Cyclone Recovery has initiated consultation by sending emails to relevant Government agency Chief Executives, NIWE-affected councils, and the Insurance Council of New Zealand. ^{s9(2)(f)(iv)}

33. ^{s9(2)(f)(iv)}

Orders in Council

34. The CRU is continuing to work with the Ministry for the Environment as councils plan recovery projects with complex consenting requirements, to determine whether any further Orders in Council would be appropriate, or whether other tools such as the Fast-track Approvals Bill would be a suitable pathway for projects that start work in 2025.

Upcoming briefings to the Minister

35. The following table provides a list of upcoming briefings and Cabinet papers, and a status update of briefings you have received in the last fortnight.

Table Two: Briefings and Cabinet papers

Upcoming briefings
^{s9(2)(f)(iv)}

Briefings you received in the last fortnight

Title	Date sent	Status
Cover briefing: Handover of remaining NIWE activities post 30 June 2025 approval for Ministerial consultation	31/10/2024	Signed
Aide Mémoire to support Ministerial meeting with Stickered Titirangi Area Residents (STAR)	31/10/2024	n/a
North Island Weather Events (NIWE): Monthly Progress Update on Categorisation, Buyouts, Infrastructure and Local Transport Projects	31/10/2024	n/a
Meeting with Crown Manager Lawrence Yule	1/11/2024	Unsigned
Ministerial Approval of Risk Mitigation Projects under the 2022 Extreme Weather Event Nelson City Council Crown Funding Agreement	6/11/2024	Signed
Cyclone Recovery Weekly Update on Categorisation, Buyouts, and Sediment Removal	7/11/24	n/a
Briefing: Tasman District Council buyout request	7/11/24	Unsigned

Media and announcements

36. The following Cyclone Recovery media announcements were published this fortnight:

- a. **Auckland Council establishes \$5m fund for flood-affected properties:** Auckland Council has approved a one-off \$5 million fund to help property owners affected by storm damage on council-owned land. The scheme will assist approximately 40-50 homes, primarily focusing on properties with blocked access. (RNZ, 7 November 2024)
- b. **Wairoa flood protection plan proposes new floodway through showgrounds:** A \$70 million flood protection project in Wairoa has presented two options for a new floodway through North Clyde to prevent future flooding disasters. The proposals would require sacrificing the town's showgrounds and several homes, with Option 1C affecting 16 houses and Option 1D impacting six homes. (Hawke's Bay Today, 6 November 2024)
- c. **Napier resident successfully challenges flood risk premium hike:** A Napier homeowner secured an \$880 insurance premium reduction after challenging flood hazard maps used by his insurer. (RNZ via NZME, 5 November 2024)
- d. **Forestry company announces six new debris traps for Tairāwhiti:** Ernslaw One Ltd plans to install six steel column debris traps in its West Ho Forest in 2024, following similar initiatives by Aratu Forests. The announcement comes after both companies faced enforcement action over forestry debris discharge, with Ernslaw also planning to phase out pine production in highly erodible areas and trial alternative species like Eucalyptus and Redwood. (Stuff, 5 November 2024)

- e. **Auckland flood buyout scheme sees first 319 homes settled:** Of 862 properties eligible for buyouts under the \$2 billion storm recovery fund, 319 have been settled at an average of \$1 million each, with 42 homes already removed. Auckland Council is developing plans for the cleared land, with some areas potentially becoming parks or blue-green projects. (NZ Herald, 4 November 2024)
- f. **Cyclone Gabrielle survivors face challenges after rejecting buyouts:** Of Hawke's Bay's 167 eligible Category 3 property owners, eight households have declined voluntary buyouts. These homeowners now face difficulties including limited insurance options, reduced property values, and increased security concerns due to looters targeting abandoned neighbourhoods. (Hawke's Bay Today, 1 November 2024)

Contact for telephone discussion			
Name	Position	Telephone	1st contact
Katrina Casey	Chief Executive, Cyclone Recovery	s9(2)(a)	✓

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