



5 September 2019

[Redacted]
[Redacted]

Reference: OIA-2019/20-0088

Dear [Redacted]

Official Information Act request for Cabinet papers relating to Waihi land payouts in 2001

Thank you for your Official Information Act 1982 (the Act) request received on 2 August 2019. You requested:

'All cabinet papers and decisions...relating to...the criteria used to determine eligibility for all ex gratia payments for land loss and damage, but in particular for the 2001 Waihi land subsidence...plus the number of properties/claimants that such payments were made for/to.'

As noted in the Department's reply to your previous request (Reference OIA-2018/19-0585) dated 9 August 2019, this request for information was treated as a separate additional request as the subject matter covered had not previously been sought in your earlier request.

The time frame for responding to this request was extended under section 15A of the Act by 20 working days because it necessitated consultations to be undertaken before a decision could be made on the request. Following this extension, I am now in a position to respond.

Information being released

I have decided to release the documents listed below, subject to information being withheld from the Cabinet Minute dated 17 December 2001 under section 9(2)(h), to maintain legal professional privilege.

Date	Document Description/Subject	
17/12/2001	CAB Min (01) 39/36	Additional Item: Waihi Subsidence
11/02/2002	CAB Min (02) 4/8	Waihi Subsidence Ex Gratia Payments
12/03/2002	EXG Min (02) 1/6	Waihi Subsidence

In making my decision, I have taken the public interest considerations in section 9(1) of the Act into account.

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 the Department of the Prime Minister and Cabinet'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



Sarah Stuart-Black
Executive Director, Ministry of Civil Defence & Emergency Management



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Cabinet

CAB Min (01) 39/36

Minute of Decision

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Associate Minister of Energy
Minister of Social Services and Employment
(MSD)
(CYFS)
(Employment)
Attorney-General
Minister of Civil Defence
Minister of Finance

Copies to:

Prime Minister
Deputy Prime Minister
Minister for Economic Development
Minister of Health
Minister of Energy
Associate Minister of Finance
(Hon Trevor Mallard)
Minister of Local Government
Minister of Police
Secretary, FIN
Secretary, EXG

Additional Item: Waihi Subsidence

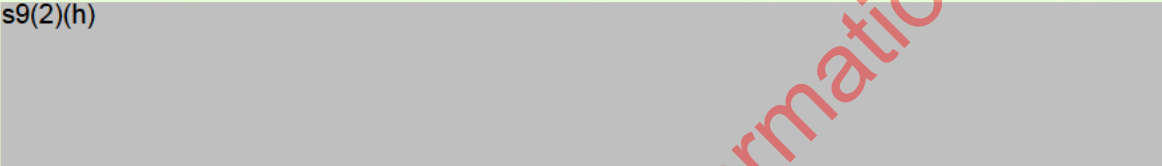
On 17 December 2001 Cabinet:

Background

- 1 **noted** the contents of the submission tabled by the Associate Minister of Energy on a recent subsidence in Waihi;
- 2 **noted** that in the early hours of Thursday 13 December 2001 a subsidence occurred in Waihi, destroying one house and leaving two other houses uninhabitable;
- 3 **noted** that officials from the Ministry for Economic Development were in Waihi from late afternoon of 13 December 2001 to liaise, monitor and provide assistance with appropriate authorities;

- 4 **noted** that the Associate Minister of Energy visited Waihi to find out first hand about the issues, to ensure central government agencies were fulfilling their roles, and to meet relevant local authorities and incident management officials in order to brief Cabinet on the situation;
- 5 **noted** that the Hauraki District Council (HDC), the Waihi Gold Mining Company, the local police and other emergency agencies should be commended for their management of the event to date;

Next Steps

- 6 **invited** the Minister of Finance to ask the Earthquake Commission to advise him and the Associate Minister of Energy as soon as possible on the coverage the Earthquake Commission is likely to provide for the subsidence event;
- 7 s9(2)(h) 
- 8 **invited** the Minister of Social Services and Employment to ensure that MSD and CYFS officials are able to provide an effective response to assist the evacuees;
- 9 **invited** the Minister of Civil Defence to consider the appointment of a Disaster Recovery Coordinator to coordinate the work needed to be undertaken to resolve the outstanding issues caused by the subsidence;
- 10 10.1 **noted** that a technical working party, set up as a consequence of the 1999 subsidence to identify further hazards, evaluate their risks and make recommendations on appropriate measures that should be taken, was due to report in February 2002;
- 10.2 **noted** that the working party will now report by 31 March 2002 and include the Waihi subsidence event in their report;

Financial Contribution from the Government

- 11 11.1 **agreed in principle** that the Government contribute to the HDC Mayoral Fund;
- 11.2 **authorised** the Prime Minister, Minister of Finance, Minister of Local Government and Associate Minister of Energy to determine the amount of the contribution and associated details, including the source of the funding, once a report has been received from the HDC on relocation costs and once the report in paragraph 7 has been received;
- 11.3 **invited** the Associate Minister of Energy to advise the Cabinet Committee on Government Expenditure and Administration in due course of the decisions taken by the group of Ministers in paragraph 11.2;

Longer Term Issues

- 12 12.1 **noted** that events such as the subsidence in Waihi, which is not a natural disaster or civil defence emergency, is not provided for in legislation; and
- 12.2 **invited** the Associate Minister of Energy in consultation with the Minister of Civil Defence and other Ministers as appropriate, to report back to the Cabinet Finance, Infrastructure and Environment Committee by May 2002, on the coordination of roles and responsibilities on local disaster events of this nature.



Secretary of the Cabinet

Reference: Paper, "Waihi Subsidence"
tabled by the Associate Minister of Energy



Cabinet

223/3
CAB Min (02) 4/8

Minute of Decision

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Minister of Finance

Copies to:

Prime Minister
Deputy Prime Minister
Minister for Economic Development
Minister of Social Services and Employment
(MSD)
Minister of Local Government
Associate Minister of Finance
(Hon Trevor Mallard)
Attorney-General
Minister of Civil Defence
Minister of Energy
Controller and Auditor-General
Secretary, FIN

Waihi Subsidence Ex Gratia Payments

On 11 February 2002 Cabinet:

- 1 **noted** that Cabinet had invited the Minister of Finance to ask the Earthquake Commission to advise him and the Associate Minister of Energy on the coverage the Earthquake Commission (EQC) was likely to provide for the subsidence event at Waihi on 13 December 2001 (CAB Min (01) 39/36);
- 2 **noted** the advice of the Minister of Finance that, under the Earthquake Commission Act, he has given notice to the EQC to assess the damage and report on the payments homeowners would have received had the damage or danger to their houses been covered by the EQC;
- 3 **noted** the advice of the Minister of Finance that the Earthquake Commission Act does not permit ex gratia payments out of EQC's bank accounts, but that the Crown could make those payments through an appropriation, and subsequently request a dividend from EQC, equal to the cost of the appropriations;
- 4 **agreed** to a new non-departmental appropriation in 2001/02 only, in Vote Finance: Other Expenses of the Crown, "Waihi Subsidence Ex Gratia Payments";
- 5 **agreed** to a new non-departmental appropriation in 2001/02 only, in Vote Finance: Non-Departmental Output Class, "Waihi Subsidence Assessments";

- 6 **approved** the following changes to appropriations to provide for ex gratia payments for 12 homes affected by the subsidence at Waihi in December 2001, at levels determined by the Earthquake Commission (EQC) in accordance with the Earthquake Commission Act, and for associated loss assessment costs incurred by the EQC:

	\$million – increase/(decrease)					
Vote Finance	2001/02	2002/03	2003/04	2004/05	2005/06	GST
Other Expenses to be incurred by the Crown						
Waihi Subsidence Ex Gratia payments	1.200	0	0	0	0	Incl
Non-Departmental Output Classes						
Waihi Subsidence Assessments	0.100	0	0	0	0	Incl

- 7 **agreed** that the increase in appropriations in 2001/02 above be included in the 2001/02 Supplementary Estimates and that, in the interim, the expenses be met from Imprest Supply;
- 8 **noted** that the Minister of Finance proposes to request a dividend of \$1.3 million from EQC, equal to the cost of the appropriations.



Secretary of the Cabinet



Cabinet Committee on Government Expenditure and Administration

223/3
EXG Min (02) 1/6

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Minute of Decision

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Waihi Subsidence

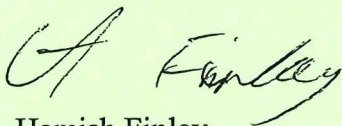
On 12 March 2002 the Cabinet Committee on Government Expenditure and Administration:

- 1 **noted** that on 15 February 1999 Cabinet authorised immediate Government contributions where an urgent response is needed in situations where a community has suffered a local emergency, provided that Cabinet is subsequently advised [CAB (99) M4/18];
- 2 **noted** that, acting under the above authority, the Minister of Civil Defence, together with the Prime Minister, approved payment of a contribution of \$10,000 to the Hauraki District Council, following a subsidence event in Waihi on 13 December 2001;
- 3 **agreed** to establish a new Non-departmental Other Expense Waihi Mayoral Relief Fund under Vote Emergency Management to provide for the contribution of \$10,000 to the fund established by the Hauraki District Council to aid those affected by the subsidence at Waihi on 13 December 2001;
- 4 **approved** the following changes to appropriations to provide for the contribution to the fund established by the Hauraki District Council, with no overall impact on the Government's operating provisions;

	\$million – increase/(decrease)					
Vote: Emergency Management	2001/02	2002/03	2003/04	2004/05	Outyears	GST
Non-departmental Other Expense						
Waihi Mayoral Relief Fund	0.010	–	–	–	–	Incl.
Non-departmental Other Expense						
Emergency Expenditure	(0.010)	–	–	–	–	Incl.

- 5 **agreed** to include the change to appropriations in 2001/02 in paragraph 4 above in the 2001 Supplementary Estimates and that, in the interim, these expenses be met by Imprest Supply;

- 6 **noted** that the facilitation of the community solution to the Waihi subsidence re-housing issues was a success and that each owner of a home affected by the subsidence will receive an ex-gratia payment from the Crown and/or the Waihi Gold Mining Company to the rateable value of their homes;
- 7 **noted** the appropriation of \$1.2 million, plus \$100,000 in fees, for ex-gratia payments to affected home owners, and the Minister of Finance's instructions to the Earthquake Commission to make a dividend payment to the Crown of \$1.3 million;
- 8 **noted** that:
- 8.1 the Hauraki District Council is conducting an inquiry following a similar subsidence event in 1999 and that this inquiry will now take into account the latest subsidence event;
- 8.2 it is expected that risk management options will be investigated in the process of this inquiry;
- 9 **noted** that it is likely that the Ministry of Civil Defence and Emergency Management will receive a claim under the Recovery Plan (Part Two of the National Civil Defence Plan), from the Hauraki District Council, for damage to essential infrastructure, possibly totalling \$120,000.



Hamish Finlay
Secretary

Reference: EXG (02) 1

Present:

Hon Dr Michael Cullen
Hon Trevor Mallard (Chair)
Hon Margaret Wilson
Hon George Hawkins
Hon Mark Burton
Hon Paul Swain
Mr John Wright, MP

Officials present from:

Department of the Prime Minister and Cabinet
Treasury
Office of the Chair

Copies to:

Cabinet Committee on Government Expenditure and Administration
Chief Executive, DPMC
Peter Martin, DPMC
Chief Executive, Ministry of Economic Development
Secretary to the Treasury
Andrew Kibblewhite, Treasury
Minister of Local Government
Secretary for Internal Affairs (Local Government)
Solicitor-General
Minister for Land Information
Chief Executive, Land Information New Zealand (LINZ)
Director, Civil Defence and Emergency Management
Controller and Auditor-General